

ALASKA LEGISLATURE COMMITTEE FILES 1997-1998 8672

9499 SENATE • COMMUNITY & REGIONAL AFFAIRS •

131

SS SB 37 School Projects List

\*Sec. 6. AUTHORIZATION OF FACILITIES:

Under subsection (a) Small Municipality and Rural School Districts. The following new construction and maintenance projects:

District Name (%LS)	Project/Location	Amount	Local Share	State Sha
Kashunamiut (2)	Chevak School Replacement	\$25,506,000	510,	24,996,
Lower Yukon (2)	Pilot Station K-12 Expansion	18,036,000	361,	17,675,
Lower Yukon (2)	Kotlik K-12 Expansion	18,692,000	374,	18,318,
Chatham (2)	Hobart Bay Recovery of Funds	59,000	1,	58,
Northwest Arctic (10)	Buckland School Remediation	14,304,000	1,430,	12,874,
Southwest Region (2)	Togiak School Replacement	27,687,000	554,	27,133,
Lower Kuskokwim (2)	Newtok	4,941,000	99,	4,842,
Yukon Flats (2)	Arctic Village K-12	2,762,000	55,	2,707,
	Remoded & Expansion			
Iditarod (2)	Takotna Training Center	1,123,000	22,	1,101,
Lower Yukon (2)	Sheldon Point K-12 Expansion	11,102,000	222,	10,880,
Bering Strait (2)	Golovin	12,245,000	245,	12,000,
Denali (2)	Tri-Valley Addition & Remodel	12,874,000	257,	12,617,
Bering Strait (2)	Elim	12,198,000	244,	11,954,
Yupiit (2)	Akiachak Replacement/Renovation	14,274,000	286,	13,988,
Bering Strait (2)	Teller	12,146,000	243,	11,903,
Craig (10)	New Secondary	17,937,000	1,794,	16,143,
Kuspuk (2)	Upper Kalskag	3,521,000	70,	3,451,
North Slope (35)	Bulk Fuel Systems Upgrade	6,012,000	2104,	3,908,
Bering Straits (2)	Diomedede Structural Remediation	346,000	7,	339,
Northwest Arctic (10)	Kiana High School Renovation	2,252,000	225,	2,027,
Southwest Region (2)	Koliganek Basement Repair	1,368,000	27,	1,341,
Sitka (30)	High School Renovation	10,261,000	3,078,	7,183,
Delta/Greely (2)	Delta Roof Repair & Fire Alarm	1,074,000	22,	1,052,
	Replacement			
Sitka (30)	Baranof Renovation	5,926,000	1,778,	4,148,
Hoonah (5)	Roof, Foundation & Fuel	1,294,000	65,	1,229,

Tank Replacement

Lake & Peninsula (10)	Pedro Bay Renovation	1,008,000	<del>101,</del>	<del>907,</del>
Lake & Peninsula (10)	District Wide Fuel System Upgrade	<del>1,250,000</del>	<del>105,</del>	<del>1,125,</del>
Chatham (2)	Tenakee Retaining Wall Replacement	<del>239,000</del>	<del>5,</del>	<del>234,</del>
Northwest Arctic (10)	Noorvik High School Renovation	<del>2,664,000</del>	<del>266,</del>	<del>2,398,</del>
Cordova (30)	School Renovations	<del>136,000</del>	<del>41,</del>	<del>95,</del>
Chugach (2)	Whittier Drainage	<del>145,000</del>	<del>3,</del>	<del>142,</del>
Lake & Peninsula (10)	District Wide Sprinkler Systems	<del>1,515,000</del>	<del>152,</del>	<del>1,363,</del>
Annette Island (2)	Major Maintenance Renovation	<del>3,556,000</del>	<del>71,</del>	<del>3,485,</del>
Pelican (30)	Major Maintenance	<del>781,000</del>	<del>234,</del>	<del>547,</del>
Lower Kuskokwim (2)	Mikelnguut Elitnaurviat Roof Repair	<del>1,384,000</del>	<del>28,</del>	<del>1,356,</del>
Lower Kuskokwim (2)	Bulk Fuel Tank Repairs at 9 Sites	<del>3,160,000</del>	<del>63,</del>	<del>3,097,</del>
Klawock (5)	Major Maintenance	<del>2,034,000</del>	<del>102,</del>	<del>1,932,</del>
Wrangell (30)	Exterior Windows	<del>166,000</del>	<del>50,</del>	<del>116,</del>
Alaska Gateway (2)	Northway Wastewater Treatment	<del>144,000</del>	<del>3,</del>	<del>141,</del>
Haines (30)	High School Roof Replacement	<del>404,000</del>	<del>121,</del>	<del>283,</del>
Galena (10)	Roofing and Sprinkler Renovation	<del>1,277,000</del>	<del>128,</del>	<del>1,149,</del>
Lower Yukon (2)	Hooper Bay Major Maintenance	<del>1,607,000</del>	<del>32,</del>	<del>1,575,</del>
Northwest Arctic (10)	Ambler High School Renovation	<del>2,009,000</del>	<del>201,</del>	<del>1,808,</del>
Annette Island (2)	Asbestos Abatement	<del>118,000</del>	<del>2,</del>	<del>116,</del>
Wrangell (30)	Civil Site Work	<del>89,000</del>	<del>27,</del>	<del>62,</del>
Kake (5)	District Wide Maintenance	<del>3,001,000</del>	<del>150,</del>	<del>2,851,</del>
Lower Kuskokwim (2)	Nelson Island, Tooksok Bay Roof Repairs	<del>998,000</del>	<del>20,</del>	<del>978,</del>
Tanana (5)	Electrical Retrofit	<del>278,000</del>	<del>14,</del>	<del>264,</del>
Wrangell (30)	Parking Development	<del>264,000</del>	<del>79,</del>	<del>185,</del>
Iditarod (2)	Lime Village Oil Spill Remediation	<del>396,000</del>	<del>8,</del>	<del>388,</del>
Iditarod (2)	Grayling Bulk Fuel Storage	<del>163,000</del>	<del>3,</del>	<del>160,</del>
Northwest Arctic (10)	Noatak Major Maintenance	<del>254,000</del>	<del>25,</del>	<del>229,</del>
Bristol Bay (35)	Sprinkler System	<del>2,551,000</del>	<del>893,</del>	<del>1,658,</del>
Lower Kuskokwim (2)	District Wide Water Treatment: 8 Sites	<del>8,167,000</del>	<del>163,</del>	<del>8,004,</del>
Southwest Region (2)	Weather Protection 4 Buildings	<del>772,000</del>	<del>15,</del>	<del>757,</del>
Alaska Gateway (2)	Northway Bulk Fuel Storage	<del>178,000</del>	<del>4,</del>	<del>174,</del>
Northwest Arctic (10)	Shungnak Major Maintenance	<del>380,000</del>	<del>38,</del>	<del>342,</del>
Alaska Gateway (2)	Mentasta Bulk Storage	<del>562,000</del>	<del>11,</del>	<del>551,</del>
Alaska Gateway (2)	Northway Soil Remediation	<del>3,798,000</del>	<del>76,</del>	<del>3,722,</del>
Hydaburg (5)	Heating System Renovation	<del>184,000</del>	<del>9,</del>	<del>175,</del>

Nenana (10)	Handicap Access Improvements	139,000
Nenana (10)	Interior Lighting	65,000
Hydaburg (5)	Major Maintenance	857,000
Chatham (2)	Angoon High School Major Maintenance	302,000

~~11,~~      ~~125,~~  
~~7,~~        ~~58,~~  
~~42,~~      ~~815,~~  
~~6,~~        ~~296,~~  


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Under subsection (b). Large Municipality School Districts. The following new construction and maintenance projects:

District	Project	Amount		
Anchorage (30)	Romig Roof Replacement	\$1,785,000	536,	1,249,
Anchorage	Birchwood Roof Replacement	960,000	288,	672,
Anchorage	Taku Elementary Addition & Replacement	6,200,000	1860,	4,340,
Anchorage	Muldoon New Elementary School	12,704,000	3811,	8,893,
Anchorage	Chugiak High School Addition	9,500,000	2850,	6,650,
Anchorage	Central Junior High Renovation	8,000,000	2,400,	5,600,
Anchorage	Site Acquisition: Muldoon Middle & Chugiak Elementary Schools	2,850,000	855,	1,995,
Anchorage	Nunaka Valley Renewal, Programmatic & Code Upgrades	5,400,000	1,620,	3,780,
Anchorage	Ocean View Renewal, Programmatic & Code Upgrades	444,000	133,	311,
Fairbanks (30)	Barnette School Renovation	3,18,000	1,715,	4,003,
Fairbanks	Denali School Renovation	8,807,000	2,642,	6,165,
Fairbanks	Hunter School Renovation	3,195,000	959,	2,236,
Fairbanks	Nordale School Renovation	9,299,000	2,790,	6,509,
Fairbanks	Physical Plant Renovation & Addition	5,819,000	1,746,	4,073,
Fairbanks	Food Service Facility	4,828,000	1,448,	3,380,
Juneau (30)	Marie Drake Roof Replacement	1,189,000	357,	832,
Juneau	Mendenhall River School Roof Replacement	2,231,000	669,	1,562,
Juneau	Auke Bay School Roof Replacement	848,000	254,	594,
Juneau	High School Mechanical Renovation	107,000	32,	75,
Juneau	Floyd Dryden School Floor	184,000	55,	129,

## SS SB 37 School Projects List

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Under subsection (a) Small Municipality and Rural School Districts. The following new construction and maintenance projects:

District Name	Project/Location	Amount
Kashunamiut	Chevak School Replacement	\$25,506,000
Lower Yukon	Pilot Station K-12 Expansion	18,036,000
Lower Yukon	Kotlik K-12 Expansion	18,692,000
Chatham	Hobart Bay Recovery of Funds	59,000
Northwest Arctic	Buckland School Remediation	14,304,000
Southwest Region	Togiak School Replacement	27,687,000
Lower Kuskokwim	Newtok	4,941,000
Yukon Flats	Arctic Village K-12 Remoded & Expansion	2,762,000
Iditarod	Takotna Training Center	1,123,000
Lower Yukon	Sheldon Point K-12 Expansion	11,102,000
Bering Strait	Golovin	12,245,000
Denali	Tri-Valley Addition & Remodel	12,874,000
Bering Strait	Elim	12,198,000
Yupiit	Akiachak Replacement/Renovation	14,274,000
Bering Strait	Teller	12,146,000
Craig	New Secondary	17,937,000
Kuspuk	Upper Kalskag	3,521,000
North Slope	Bulk Fuel Systems Upgrade	6,012,000
Bering Straits	Diomedede Structural Remediation	346,000
Northwest Arctic	Kiana High School Renovation	2,254,000
Southwest Region	Koliganek Basement Repair	1,368,000
Sitka	High School Renovation	10,261,000
Delta/Greely	Delta Roof Repair & Fire Alarm Replacement	1,074,000
Sitka	Baranof Renovation	5,926,000

Hoonah	Roof, Foundation & Fuel Tank Replacement	1,294,000
Lake & Peninsula	Pedro Bay Renovation	1,008,000
Lake & Peninsula	District Wide Fuel System Upgrade	1,250,000
Chatham	Tenakee Retaining Wall Replacement	239,000
Northwest Arctic	Noorvik High School Renovation	2,664,000
Cordova	School Renovations	136,000
Chugach	Whittier Drainage	145,000
Lake & Peninsula	District Wide Sprinkler Systems	1,515,000
Annette Island	Major Maintenance Renovation	3,556,000
Pelican	Major Maintenance	781,000
Lower Kuskokwim	Mikelnguut Elitnaurviat Roof Repair	1,384,000
Lower Kuskokwim	Bulk Fuel Tank Repairs at 9 Sites	3,160,000
Klawock	Major Maintenance	2,034,000
Wrangell	Exterior Windows	166,000
Alaska Gateway	Northway Wastewater Treatment	144,000
Haines	High School Roof Replacement	404,000
Galena	Roofing and Sprinkler Renovation	1,277,000
Lower Yukon	Hooper Bay Major Maintenance	1,607,000
Northwest Arctic	Ambler High School Renovation	2,009,000
Annette Island	Asbestos Abatement	118,000
Wrangell	Civil Site Work	89,000
Kake	District Wide Maintenance	3,001,000
Lower Kuskokwim	Nelson Island, Tooksok Bay Roof Repairs	998,000
Tanana	Electrical Retrofit	278,000
Wrangell	Parking Development	264,000
Iditarod	Lime Village Oil Spill Remediation	396,000
Iditarod	Grayling Bulk Fuel Storage	163,000
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Alaska Gateway	Mentasta Bulk Storage	562,000
Alaska Gateway	Northway Soil Remediation	3,798,000

Hydaburg	Heating System Renovation	184,000
Nenana	Handicap Access Improvements	139,000
Nenana	Interior Lighting	65,000
Hydaburg	Major Maintenance	857,000
Chatham	Angoon High School Major Maintenance	302,000

284,935,000

Under subsection (b). Large Municipality School Districts. The following new construction and maintenance projects:

District	Project	Amount
Anchorage	Romig Roof Replacement	\$1,785,000
Anchorage	Birchwood Roof Replacement	960,000
Anchorage	Taku Elementary Addition & Replacement	6,200,000
Anchorage	Muldoon New Elementary School	12,704,000
Anchorage	Chugiak High School Addition	9,500,000
Anchorage	Central Junior High Renovation	8,000,000
Anchorage	Site Acquisition: Muldoon Middle & Chugiak Elementary Schools	2,850,000
Anchorage	Nunaka Valley Renewal, Programmatic & Code Upgrades	5,400,000
Anchorage	Ocean View Renewal, Programmatic & Code Upgrades	444,000
Fairbanks	Barnette School Renovation	5,718,000
Fairbanks	Denali School Renovation	8,807,000
Fairbanks	Hunter School Renovation	3,195,000
Fairbanks	Nordale School Renovation	9,299,000
Fairbanks	Physical Plant Renovation & Addition	5,819,000
Fairbanks	Food Service Facility	4,828,000
Juneau	Marie Drake Roof Replacement	1,189,000
Juneau	Mendenhall River School Roof Replacement	2,231,000
Juneau	Auke Bay School Roof Replacement	848,000
Juneau	High School Mechanical Renovation	107,000

Juneau	Floyd Dryden School Floor Replacement	184,000
Juneau	High School Overpass	202,000
Juneau	Gastineau School Heating Repairs	183,000
Juneau	Auke Bay School Sewer Treatment	112,000
Kenai	District Wide Handicap Access Improvements	869,000
Ketchikan	Houghtaling School Renovation	3,339,000
Ketchikan	Valley Park School Renovation	1,894,000
Matanuska-Susitna	Talkeetna School Addition & Renovation	7,568,000
Matanuska-Susitna	Ataska Middle School	30,526,000

*134,761,000*

Under subsection (c). University of Alaska. The following new construction and maintenance projects:

Project	Amount
UAF Deferred Maintenance/Code Compliance	\$35,000,000
UAA Deferred Maintenance/Code Compliance	25,000,000
UAS Deferred Maintenance/Code Compliance	2,000,000
System Wide Instructional Equipment & Telecommunications	\$6,000,000
UAA Computer Network Improvements	1,500,000
UAF School of Fisheries Auke Cape Facility	1,500,000
UAA Anchorage Library Facility	1,400,000
UA Museum Planning/Match	500,000
UAS Sitka Classroom Renovations and Completion	1,195,000
System Wide ADA Compliance	1,000,000
UAF Facility and Infrastructure Renovation	1,000,000
UAA Kachemak Bay Renovation	200,000
UAA Anchorage and Kodiak Renovation	2,005,000
UAS Ketchikan Campus Remodel/Renovation	300,000
UAF Bristol Bay Classroom Addition	900,000
UA Small Business Development Programs	450,000

*79,950,000*

SS SB 37 School Projects List

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Yupit (2)	Akiachak Replacement/Renovation	14,274,000	286,	13,988,
Bering Strait (2)	Teller	12,146,000	243,	11,903,
Craig (10)	New Secondary	17,937,000	1,794,	16,143,
Kuspuk (2)	Upper Kalskag	3,521,000	70,	3,451,
North Slope (35)	Bulk Fuel Systems Upgrade	6,012,000	2,104,	3,908,
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Southwest Region (2)	Koliganek Basement Repair	1,368,000	27,	1,341,
Sitka (30)	High School Renovation	10,261,000	3,078,	7,183,
Delta/Greely (2)	Delta Roof Repair & Fire Alarm	1,074,000	22,	1,052,
	Replacement			
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Hoonah (5)	Roof, Foundation & Fuel	1,294,000	65,	1,229,

Tank Replacement

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Lake & Peninsula (10)	District Wide Fuel System Upgrade	1,250,000	125,	1,125,
Chatham (2)	Tenakee Retaining Wall Replacement	239,000	5,	234,
Northwest Arctic (10)	Noorvik High School Renovation	2,664,000	266,	2,398,
Cordova (30)	School Renovations	136,000	41,	95,
Chugach (2)	Whittier Drainage	145,000	3,	142,
Lake & Peninsula (10)	District Wide Sprinkler Systems	1,515,000	152,	1,363,
Annette Island (2)	Major Maintenance Renovation	3,556,000	71,	3,485,
Pelican (30)	Major Maintenance	781,000	234,	547,
Lower Kuskokwim (2)	Mikelnguut Elitnaurviat Roof Repair	1,384,000	28,	1,356,
Lower Kuskokwim (2)	Bulk Fuel Tank Repairs at 9 Sites	3,160,000	63,	3,097,
Klawock (5)	Major Maintenance	2,034,000	102,	1,932,
Wrangell (30)	Exterior Windows	166,000	50,	116,
Alaska Gateway (2)	Northway Wastewater Treatment	144,000	3,	141,
Haines (30)	High School Roof Replacement	404,000	121,	283,
Galena (10)	Roofing and Sprinkler Renovation	1,277,000	128,	1,149,
Lower Yukon (2)	Hooper Bay Major Maintenance	1,607,000	32,	1,575,
Northwest Arctic (10)	Ambler High School Renovation	2,009,000	201,	1,808,
Annette Island (2)	Asbestos Abatement	118,000	2,	116,
Wrangell (30)	Civil Site Work	89,000	27,	62,
Kake (5)	District Wide Maintenance	3,001,000	150,	2,851,
Lower Kuskokwim (2)	Nelson Island, Tooksok Bay Roof Repairs	998,000	20,	978,
Tanana (5)	Electrical Retrofit	278,000	14,	264,
Wrangell (30)	Parking Development	264,000	71,	185,
Iditarod (2)	Lime Village Oil Spill Remediation	396,000	8,	388,
Iditarod (2)	Grayling Bulk Fuel Storage	163,000	3,	160,
Northwest Arctic (10)	Noatak Major Maintenance	254,000	25,	229,
Bristol Bay (35)	Sprinkler System	2,551,000	893,	1,658,
Lower Kuskokwim (2)	District Wide Water Treatment: 8 Sites	8,167,000	123,	8,004,
Southwest Region (2)	Weather Protection 4 Buildings	772,000	15,	757,
Alaska Gateway (2)	Northway Bulk Fuel Storage	178,000	4,	174,
Northwest Arctic (10)	Shungnak Major Maintenance	380,000	38,	342,
Alaska Gateway (2)	Mentasta Bulk Storage	562,000	11,	551,
Alaska Gateway (2)	Northway Soil Remediation	3,798,000	76,	3,702,
Hydaburg (5)	Heating System Renovation	184,000	9,	175,

Nenana (10)	Handicap Access Improvements	139,000	14,	125,
Nenana (10)	Interior Lighting	65,000	7,	58,
Hydaburg (5)	Major Maintenance	857,000	42,	815,
Chatham (2)	Angoon High School Major Maintenance	302,000	6,	296,

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Under subsection (b). Large Municipality School Districts. The following new construction and maintenance projects:

District	Project	Amount		
Anchorage (30)	Romig Roof Replacement	\$1,785,000	536,	1,249,
Anchorage	Birchwood Roof Replacement	960,000	288,	672,
Anchorage	Taku Elementary Addition & Replacement	6,200,000	1860,	4,340,
Anchorage	Muldoon New Elementary School	12,704,000	3811,	8,893,
Anchorage	Chugiak High School Addition	9,500,000	2850,	6,650,
Anchorage	Central Junior High Renovation	8,000,000	2,400,	5,600,
Anchorage	Site Acquisition: Muldoon Middle & Chugiak Elementary Schools	2,850,000	855,	1,995,
Anchorage	Nunaka Valley Renewal, Programmatic & Code Upgrades	5,400,000	1,020,	3,780,
Anchorage	Ocean View Renewal, Programmatic & Code Upgrades	444,000	133,	311,
Fairbanks (30)	Barnette School Renovation	5,718,000	1,715,	4,003,
Fairbanks	Denali School Renovation	8,807,000	2,642,	6,165,
Fairbanks	Hunter School Renovation	3,195,000	959,	2,236,
Fairbanks	Nordale School Renovation	9,299,000	2,790,	6,509,
Fairbanks	Physical Plant Renovation & Addition	5,819,000	1,746,	4,073,
Fairbanks	Food Service Facility	4,828,000	1,448,	3,380,
Juneau (30)	Marie Drake Roof Replacement	1,189,000	357,	832,
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Juneau	Auke Bay School Roof Replacement	848,000	254,	594,
Juneau	High School Mechanical Renovation	107,000	32,	75,
Juneau	Floyd Dryden School Floor	184,000	55,	129,

Replacement				
Juneau (30)	High School Overpass	202,000	61,	141,
Juneau	Gastineau School Heating Repairs	183,000	55,	128,
Juneau	Auke Bay School Sewer Treatment	112,000	34,	78,
Kenai (30)	District Wide Handicap Access	869,000	261,	608,
Improvements				
Ketchikan (30)	Houghtaling School Renovation	3,339,000	1,000,	2,337,
Ketchikan	Valley Park School Renovation	1,894,000	568,	1,326,
Matanuska-Susitna (10)	Talkeetna School Addition & Renovation	7,568,000	757,	6,811,
Matanuska-Susitna	Atlaska Middle School	30,526,000	3,053,	27,473

Under subsection (c). University of Alaska. The following new construction and maintenance projects:

Project	Amount
UAF Deferred Maintenance/Code Compliance	\$35,000,000
UAA Deferred Maintenance/Code Compliance	25,000,000
UAS Deferred Maintenance/Code Compliance	2,000,000
System Wide Instructional Equipment & Telecommunications	\$6,000,000
UAA Computer Network Improvements	1,500,000
UAF School of Fisheries Auke Cape Facility	1,500,000
UAA Anchorage Library Facility	1,400,000
UA Museum Planning/Match	500,000
UAS Sitka Classroom Renovations and Completion	1,195,000
System Wide ADA Compliance	1,000,000
UAF Facility and Infrastructure Renovation	1,000,000
UAA Kachemak Bay Renovation	200,000
UAA Anchorage and Kodiak Renovation	2,005,000
UAS Ketchikan Campus Remodel/Renovation	300,000
UAF Bristol Bay Classroom Addition	900,000
UA Small Business Development Programs	450,000

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Juneau	Gastineau School Heating Repairs	183,000	55,	128,
Juneau	Auke Bay School Sewer Treatment	112,000	34,	78,
Kenai (30)	District Wide Handicap Access	869,000	261,	608,
Improvements				
Ketchikan (30)	Houghtaling School Renovation	3,339,000	1,002,	2,337,
Ketchikan	Valley Park School Renovation	1,894,000	568,	1,326,
Matanuska-Susitna (10)	Talkeetna School Addition &	7,568,000	757,	6,811
Renovation				
Matanuska-Susitna	Atlaska Middle School	30,526,000	3,053,	27,473
			<u>32,811,</u>	

Under subsection (c). University of Alaska. The following new construction and maintenance projects:

Project	Amount
UAF Deferred Maintenance/Code Compliance	\$35,000,000
UAA Deferred Maintenance/Code Compliance	25,000,000
UAS Deferred Maintenance/Code Compliance	2,000,000
System Wide Instructional Equipment & Telecommunications	\$6,000,000
UAA Computer Network Improvements	1,500,000
UAF School of Fisheries Auke Cape Facility	1,500,000
UAA Anchorage Library Facility	1,400,000
UA Museum Planning/Match	500,000
UAS Sitka Classroom Renovations and Completion	1,195,000
System Wide ADA Compliance	1,000,000
UAF Facility and Infrastructure Renovation	1,000,000
UAA Kachemak Bay Renovation	200,000
UAA Anchorage and Kodiak Renovation	2,005,000
UAS Ketchikan Campus Remodel/Renovation	300,000
UAF Bristol Bay Classroom Addition	900,000
UA Small Business Development Programs	450,000

**FAX TRANSMITTAL INFORMATION SHEET****ALASKA DEPARTMENT OF EDUCATION**

Education Support Services, Facilities Section  
 801 West 10th Street, Suite 200  
 Juneau, AK 99801-1894

DATE: February 20, 1997  
 TIME: 10:24 AM

TO	
Name:	<u>Dave Gray</u>
Title:	
Agency/Office:	<u>Sen. Jerry Mackie's office</u>
FAX #:	<u>465-3517</u>
Phone #:	

FROM	
Name:	<u>Michael D. Morgan</u>
Title:	<u>Special Projects Manager</u>
Division/Office:	<u>ESS/Facilities</u>
FAX #:	<u>463-5279</u>
Phone #:	<u>465-8666</u>

REFERENCING: Request for district participating share

**COMMENTS:**

Dave:

Here is a list of district's submitting CIP requests for FY98 and their participating share. As I mentioned, The full value determination is divided by the district's average daily membership (ADM) and then the requirements of AS 14.11.008 are applied. This list reflects the result.

Let me know if you need additional information.

Regards,

Mike Morgan 

This transmittal contains page(s) including the cover page. If you do not receive the total number of pages, please contact the sender.

District Name	Participating Share (%)
Alaska Gateway	2%
Aleutians East	30%
Anchorage	30%
Annette Island	2%
Bering Strait	2%
Bristol Bay	35%
Chatham	2%
Copper River	2%
Cordova	30%
Craig	10%
Delta/Greely	2%
Denali	30%
Dillingham	30%
Fairbanks	30%
Galena	10%
Haines	30%
Hoonah	5%
Hydaburg	5%
Iditarod	2%
Juneau	30%
Kake	5%
Kashunamiut	2%
Kenai	30%
Ketchikan	30%
Klawock	5%
Kodlak	30%
Kuspuk	2%
Lake & Penn.	10%
Lower Kuskokwim	2%
Lower Yukon	2%
Mat/Su	10%
Nenana	10%
Nome	30%
North Slope	35%
NW Arctic	10%
Pelican	30%
Petersburg	30%
SE Island	2%
Sitka	30%
Skagway	35%
SW Region	2%
Tanana	5%
Unalaska	35%
Wrangell	30%
Yukon Flats	2%
Yukon/Koyukuk	2%
Yupit	2%

art. IX, of the state constitution. 1983 Op. Att'y Gen.  
No. 01.

**Sec. 14.11.005. School construction grant fund.** There is created a school construction grant fund as an account in the general fund. The fund shall be used to make grants for the costs of school construction. Legislative appropriations for school construction shall be deposited in the fund, and the proceeds from the sale of general obligation bonds for school construction may be deposited in the fund. (§ 5 ch 5 SLA 1990)

**Sec. 14.11.007. Major maintenance grant fund.** There is created a major maintenance grant fund as an account in the general fund. The fund shall be used to make grants for the costs of school major maintenance. Legislative appropriations for school major maintenance shall be deposited in the fund. (§ 4 ch 78 SLA 1993)

**Sec. 14.11.008. School district participation in grant program.** (a) In order to receive a grant under this chapter or an appropriation under AS 37.05.560, a district must provide a percentage share of the project cost, as determined under (b) or (c) of this section. A district shall provide the required participating share within three years after the date that the appropriation bill funding the grant is passed by the legislature.

(b) The required participating share for a municipal school district is based on the district's full value per ADM, which is calculated by dividing the full and true value of the taxable real and personal property in the district, calculated as described in AS 14.17.025(a)(1), by the district average daily membership (ADM) as defined in AS 14.17.250, for the same fiscal year for which the valuation was made. The municipal district's full value per ADM determines the district's required participating share, as follows:

Full Value Per ADM	District Participating Share
\$1 — \$100,000	5 percent
100,001 — 200,000	10 percent
200,001 — 600,000	30 percent
over 600,000	35 percent.

(c) The required participating share for a regional educational attendance area is two percent. The participating share for any district may be satisfied by money from federal, local, or other sources, or with locally contributed labor, material, or equipment.

(d) If a district with full value per ADM of \$200,000 or less can demonstrate in writing that it is unable to provide the required participating share or that the participating share required under this section will jeopardize receipt of federal assistance, the commissioner may waive all or a portion of the required participating share.

(e) State funds provided under this chapter may not be a source of the participating share required under (b) or (c) of this section. (§ 4 ch 78 SLA 1993)

**Editor's notes.** — Section 23(a), ch. 78, SLA 1993 provides that this section applies to grants awarded under AS 14.11.005 — 14.11.019 after June 30, 1993.

**Sec. 14.11.010. Recommendations and evaluations of projects.** [Repealed, § 15 ch 5 SLA 1990.]

**Sec. 14.11.011. Grant applications.** (a) A municipality that is a school district or a regional educational attendance area may submit a request to the department for a grant under this chapter.

# 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

art. IX, of the state constitution. 1983 Op. Att'y Gen.  
No. 01.

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Delta/Greely	2%
Denali	30%
Dillingham	30%
Fairbanks	30%
Galena	10%
Haines	30%
Hoonah	5%
Hydaburg	5%
Iditarod	2%
Juneau	30%
Kake	5%
Kashunamiut	2%
Kenai	30%
Ketchikan	30%
Klawock	5%
Kodiak	30%
Kuspuk	2%
Lake & Penn.	10%
Lower Kuskokwim	2%
Lower Yukon	2%
Mat/Su	10%
Nenana	10%
Nome	30%
North Slope	35%
NW Arctic	10%
Pelican	30%
Petersburg	30%
SE Island	2%
Sitka	30%
Skagway	35%
SW Region	2%
Tanana	5%
Unalaska	35%
Wrangell	30%
Yukon Flats	2%
Yukon/Koyukuk	2%
Yupit	2%

Post-It® Fax Note	7671	Date	4-22	# of pages	1
To	DAVE GRAY	From	T. MEARLES		
Co./Dept	SEN. MACKIE	Co.	DOE		
Phone #	465-4909	Phone #	x6900		
Fax #	465-3517	Fax #	463-5274		

SENATE DISTRICT C  
KODIAK ISLAND  
SOUTHEAST ISLANDS

STATE CAPITOL  
JUNEAU, ALASKA 99801-1182  
(907) 465-4925  
(800) 821-4925 (TOLL FREE)  
(907) 465-3517 (FAX)

## SENATOR JERRY MACKIE

ALASKA STATE LEGISLATURE

March 6, 1997

Re: A long term solution to the State's school facility needs.

Dear Colleague,

As everyone is well aware, we are a State with huge financial reserves and savings accounts that are offset by a serious spending and revenue imbalance. While both the legislature and the governor have made a commitment to resolving the budget imbalance over the next 4 or 5 years, the state's education facility needs have been neglected as a consequence. Indeed, there is no way that repair and new space requirements can be met under any budget balance plan using traditional methods of capital improvement financing. A prognosis of further deterioration, dilapidation, and overcrowding is inescapable for the near future.

I introduced SSSB 37 and SB 111 to address this problem with a unique financing solution to our unique situation. This is a major new direction for the state that requires careful consideration. I have attached backup information on the legislative proposals to assist in this deliberation. I would hope that the proposals merit your attention and review. I would most appreciate your constructive suggestions and support in solving this financing dilemma of sustaining our education infrastructure under the discipline of a balance budget plan.

Sincerely,

  
Jerry Mackie



# SENATOR JERRY MACKIE

ALASKA STATE LEGISLATURE

## SPONSOR STATEMENT

SSSB 37, Relating to the Education Facilities Financing Authority

It is the purpose of this Legislation to meet the following objectives:

1. Provide funding for critical rural and urban school construction and major maintenance projects and for University of Alaska capital projects which cannot otherwise be funded by appropriation under a balance-budget plan.
2. Resume funding of net debt service for school bonds of organized municipalities under contractual 70: 30 reimbursement agreements, and provide for continuing this funding indefinitely without impacting the balanced budget plan.
3. Establish a continuing mechanism by which future facility needs can be organized, evaluated, and funded while retaining legislative oversight and authorization.
4. Fund necessary school construction by means more advantageous than G.O. Bonds. The drawbacks of the G. O. bonding option is that project funding is delayed until after a favorable election result in the fall of 1998 and then it is, in effect, a one shot affair.

To accomplish these objectives, the legislation would establish the Education Facilities Finance Authority (EFFA) within the Department of Education, and the Education Facilities Fund ("EF Fund") as an asset of the authority. The EFFA would:

1. Sell EFFA bonds to directly finance construction of schools upon approval of specific projects by the Legislature. It is contemplated that this method of funding would be used primarily for construction of schools in rural jurisdictions with insufficient tax bases to issue bonds.

2. Contract to pay up to 70% of net debt service on municipal bonds issued to finance municipal school facilities and up to 100% of net debt service on University of Alaska bonds, provided that each specific facility has been approved by the Legislature for a specified level of reimbursement.
3. Apply non-corpus balances of the EF Fund to debt service on EFFA bonds and to the specified percentage of net debt service under authorized reimbursement agreements for municipal school bonds and university bonds.
4. Pledge assets of the EF Fund as security for EFFA bonds for the EFFA's obligations under authorized reimbursement agreements for municipal school bond and University bond debt service.

The EF Fund would be managed by the Permanent Fund Corporation under its statutes, and would require no special or unique investment policy by the Permanent Fund. Initial capitalization would come from the constitutional budget reserve. Correspondingly, SB 111 was introduced to appropriate \$1.2 billion from the CBR to the fund.

The bill would initially authorize \$500 million worth of school construction and repair projects. \$285 million are for projects selected from the DOE priority lists for rural and small municipalities. \$135 million are for projects selected from priority lists submitted by large municipal school districts. The final \$80 million is for University of Alaska projects and a large backlog of deferred maintenance needs.

Future legislatures could continue to authorize more bonds and reimbursement agreements within the financial capabilities of the education facilities fund. The fund would have bonding capacity equal to or exceeding the initial capitalization, without risking the original corpus appropriated to it.

Under reasonable projections of future demands on the fund, the fund would continue to grow due to the fact that investments of the fund would yield more than would bonds issued by the EFFA and by municipalities and the University subject to reimbursement obligations.

**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  
COPY

**MEMORANDUM**

March 4, 1997

**SUBJECT:** Sectional Summary of SSSB 37

**TO:** Senator Jerry Mackie  
Attn: Dave Gray

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

You have requested a sectional summary of the above-described bill.

As a preliminary matter, note that a sectional summary of a bill should not be considered an authoritative interpretation of the bill and the bill itself is the best statement of its contents. If you would like an interpretation of the bill as it may apply to a particular set of circumstances, please advise.

**Section 1. Findings.****Section 2.**

Sec. 47.27.100 - Creates the Education Facilities Financing Authority as a public corporation within the Department of Education. Provides that the authority is subject to the Executive Budget Act.

Sec. 42.27.110 - Establishes a three member board of director for the authority. Provides that the board is subject to conflict of interest laws.

Sec. 47.27.120 - Provides for election of board officers, for a quorum at meetings, for meeting by electronic medium, and for appointment of staff for the authority.

Sec. 47.27.130 - Establishes the powers of the authority, including the issuance of revenue bonds.

Sec. 47.27.140 - Authorizes the authority to issue bonds or notes for school construction if the project is approved under AS 14.11.015(a) and authorized by the legislature. Establishes a 70 percent reimbursement program for municipal school construction bonds and a 100 percent reimbursement program for University of Alaska bonds. Establishes requirements for qualification in order to receive reimbursement. Imposes requirements on bonds issued by the authority, including maturity, interest and sale of the bonds.

Sec. 47.27.150 - Provides that the authority may enter into trust agreements to secure the payment of a bond issue and may establish one or more special funds to enhance the

Senator Jerry Mackie  
March 4, 1997  
Page 2

marketability of bonds. Provides for computation of capital reserves fund amounts, for notification to the legislature of the authorities intent to secure bonds by capital reserve funds and of any fund shortages.

Sec. 47.27.160 - Limits the authority's ability to issue or secure bonds by requiring that the balance in the education facilities fund must equal or exceed \$1,200,000,000.

Sec. 47.27.170 - Limits the authority's ability to issue or secure municipal or University bonds by requiring that the balance in the education facilities fund must equal or exceed \$1,200,000,000 and that the bonds comply with AS 44.27.140(g), except that the bonds need not be authorized by the authority.

Sec. 47.27.180 - Provides that the members of the authority are not personally liable for bonds and that the bonds do not constitute a debt of the state. Provides that bonds are paid solely from the income and funds of the authority.

Sec. 47.27.190 - Provides that the state will not limit or alter the rights and powers of the authority to meet the contractual rights of bond holders, until the bonds are fully paid.

Sec. 47.27.200 - Establishes the education facilities fund and provides that the fund consists of legislative appropriations. Provides that the fund is managed by the Permanent Fund Corporation.

Sec. 47.27.210 - Requires that the authority be audited annually.

Sec. 47.27.220 - Requires an annual report from the authority.

Sec. 47.27.230 - Definitions.

**Section 3.** Subjects contracts of the authority to the state procurement code under AS 36.30.

**Section 4.** Places the employees of the authority into the exempt service.

**Section 5.** Subjects the authority to conflict of interest provisions under AS 39.50.

**Section 6.** Provides authorization for the authority to issue bonds for the projects listed under subsections (a)(1) and (2) and to reimburse 100 percent of University bonds issued for projects listed under subsection (b).

**Section 7.** Effective date.

MFF:glc  
97-139.glc

**SPONSOR SUBSTITUTE FOR SENATE BILL NO. 37  
IN THE LEGISLATURE OF THE STATE OF ALASKA  
TWENTIETH LEGISLATURE - FIRST SESSION**

**BY SENATOR MACKIE**

**Introduced:**

**Referred:**

**A BILL**

**FOR AN ACT ENTITLED**

1 "An Act relating to the Education Facilities Financing Authority; and providing  
2 for an effective date."

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

4 \* Section 1. FINDINGS. The legislature finds that

5 (1) there is an urgent need for improvement to existing primary and secondary  
6 school and university facilities and for new primary and secondary school and university  
7 facilities throughout the state;

8 (2) the establishment of the Education Facilities Financing Authority as  
9 provided in this Act will provide an effective means of financing school and university  
10 facilities.

11 \* Sec. 2. AS 44.27 is amended by adding new sections to read:

12 **Article 3. Education Facilities Financing Authority.**

13 **Sec. 44.27.100. Education Facilities Financing Authority.** The Education  
14 Facilities Financing Authority is created as a public corporation of the state in the

1 Department of Education. The authority is an instrumentality of the state but has  
2 legal existence independent of and separate from the state and has continuing  
3 succession until its existence is terminated by law. The authority is subject to  
4 AS 37.07 (Executive Budget Act).

5 **Sec. 44.27.110. Board of directors.** The authority is governed by a board of  
6 three directors, consisting of the commissioner of revenue, the commissioner of  
7 education, and the commissioner of transportation and public facilities. The directors  
8 are subject to AS 39.50 (conflict of interest). Before entering upon the duties of  
9 office, a director shall take and subscribe to an oath to perform the duties faithfully,  
10 impartially, and justly to the best of the director's ability. A record of the oath shall  
11 be filed in the Office of the Governor.

12 **Sec. 44.27.120. Officers, quorum, and meetings.** (a) The board of directors  
13 shall elect one of their number as chair. The board shall elect a secretary and a  
14 treasurer who need not be directors, and the same person may be elected to serve both  
15 as secretary and treasurer. The powers of the authority are vested in the board of  
16 directors, and two directors of the authority constitute a quorum. Action may be taken  
17 and motions and resolutions adopted by the authority at any meeting by the affirmative  
18 vote of at least two directors. A vacancy in the directorship of the authority does not  
19 impair the right of a quorum to exercise all of the powers and perform all of the duties  
20 of the authority.

21 (b) The directors and officers of the authority may meet and transact business  
22 by an electronic medium if (1) public notice of the time and locations where the  
23 meeting will be held by an electronic medium has been given in the same manner as  
24 if the meeting were held in a single location; (2) participants and members of the  
25 public in attendance can hear and have the same right to participate in the meeting as  
26 if the meeting were conducted in person; and (3) copies of pertinent reference  
27 materials, statutes, regulations, and audio-visual materials are reasonably available to  
28 participants and to the public. A meeting by an electronic medium as provided in this  
29 subsection has the same legal effect as a meeting in person.

30 (c) The authority may appoint persons as employees it considers advisable and  
31 may employ professional advisors, counsel, technical experts, agents, and others as

1 appropriate. The employees of the authority are in the exempt service under  
2 AS 39.25.110.

3 **Sec. 44.27.130. Powers of the authority.** The authority may

- 4 (1) sue and be sued;
- 5 (2) adopt and alter an official seal;
- 6 (3) make and enforce bylaws and regulations for the conduct of its  
7 business and for the use of its services and facilities;
- 8 (4) maintain an office at any place in the state;
- 9 (5) acquire, hold, use, and dispose of its income, revenue, funds, and  
10 money;
- 11 (6) acquire, rent, lease, hold, use, and dispose of other personal  
12 property for its purposes;
- 13 (7) subject to AS 44.27.160, issue revenue bonds or notes and provide  
14 for and secure payment of the revenue bonds or notes, provide for the rights of their  
15 holders, and purchase, hold, and dispose of any of its revenue bonds or notes;
- 16 (8) fix and revise from time to time and charge and collect fees and  
17 charges for the use of its services or facilities;
- 18 (9) accept gifts or grants from the United States, or from any  
19 governmental unit or person, carry out the terms or provisions or make agreements  
20 with respect to the gifts or grants, and do all things necessary, useful, desirable, or  
21 convenient in connection with procuring, accepting, or disposing of the gifts or grants;
- 22 (10) do anything authorized by AS 44.27.100 - 44.27.250, through its  
23 officers, agents, or employees, or by contracts with a person;
- 24 (11) make, enter into, and enforce all contracts necessary, convenient,  
25 or desirable for the purposes of the authority or pertaining to a purchase or sale of  
26 bonds or other investments, or the performance of its duties and execution of any of  
27 its powers under AS 44.27.100 - 44.27.250;
- 28 (12) purchase or hold bonds at prices and in a manner the authority  
29 considers advisable;
- 30 (13) adopt and amend regulations by motion, by resolution, or in  
31 another manner permitted under the bylaws of the authority;

1 (14) procure insurance against any losses in connection with its  
2 property, operations, or assets in amounts and from insurers it considers desirable;

3 (15) to the extent permitted under its contracts with the holders of  
4 bonds or notes of the authority, consent to modification of the rate of interest, time and  
5 payment of installment of principal or interest, security, or any other term of a bond  
6 or note, contract, or agreement of any kind to which the authority is a party; and

7 (16) do all acts and things necessary, convenient, or desirable to carry  
8 out the powers expressly granted or necessarily implied in AS 44.27.100 - 44.27.250.

9 **Sec. 44.27.140. Issuance of bonds and pledges of assets.** (a) Subject to  
10 AS 44.27.160, the authority may issue its bonds or notes in principal amounts  
11 sufficient to provide funds for the construction of schools or school facilities that are  
12 projects approved under AS 14.11.015(a) and authorized by the legislature.

13 (b) Subject to AS 44.27.170, the authority may enter into agreements providing  
14 for financial covenants or pledging amounts to secure bonds of municipalities or the  
15 University of Alaska and pay amounts for the following:

16 (1) the reimbursement up to 70 percent of net payments as determined  
17 by the authority made by a municipality that is a school district for the retirement of  
18 principal and interest on bonds issued to pay the cost of constructing school facilities  
19 that are projects approved under AS 14.11.015(a);

20 (2) the reimbursement up to 100 percent of the net payments as  
21 determined by University of Alaska for the retirement of principal and interest on  
22 bonds issued to pay the cost of constructing university facilities.

23 (c) Bonds or notes may be issued or agreements made for a facility under (a)  
24 and (b) of this section only when

25 (1) the legislature has authorized the facility and its construction cost;

26 (2) for agreements made under (b) of this section, the legislature has  
27 authorized the percentage of reimbursement that the authority shall agree to reimburse  
28 with respect to the facility; and

29 (3) the commissioner of education has certified that

30 (A) the facility is designed in accordance with the energy  
31 performance standards adopted under AS 44.42.020(a); or

1 (B) the designer and constructor of the facility have certified  
2 that the facility will be designed and constructed in accordance with the energy  
3 performance standards and regulations adopted under AS 44.42.020(a).

4 (d) The authority may issue its bonds or notes in principal amounts that it  
5 considers necessary to provide funds for

6 (1) payment, funding, or refunding of the principal of, or interest or  
7 redemption premiums on, bonds or notes issued by it, whether the bonds or notes or  
8 interest to be funded or refunded have or have not become due;

9 (2) the establishment or increase of reserves to secure or to pay bonds  
10 or notes or interest on bonds or notes and all other costs or expenses of the authority  
11 incident to and necessary or convenient to carry out its corporation purposes and  
12 powers.

13 (e) The authority and a municipality or the authority and the University of  
14 Alaska may enter into agreements as provided by law providing for financial covenants  
15 or pledging amounts for the benefit of bondholders of a municipality or the University  
16 of Alaska to secure the reimbursement of the net payments to be made by the  
17 municipality or the University of Alaska.

18 (f) Except as otherwise provided in AS 44.27.100 - 44.27.250 or by the  
19 authority, every issue of bonds or notes shall be payable out of the revenue or funds  
20 of the authority, subject only to agreements with the holders of particular bonds or  
21 notes pledging particular revenue or funds.

22 (g) Bonds shall be authorized by resolution of the authority and shall be dated  
23 and mature as the resolution may provide, except that a bond may not mature more  
24 than 15 years from the date of its issue. Bonds shall bear interest at rates, be in the  
25 denominations, be in the form, either coupon or registered, carry the registration  
26 privileges, be executed in the manner, be payable in the medium of payment, at the  
27 place or places, and be subject to the terms of redemption that the resolution or a  
28 subsequent resolution may provide. Bonds or notes may be sold at a public or private  
29 sale.

30 (h) The authority may disburse funds necessary to comply with the  
31 construction and reimbursement provisions of (a) and (b) of this section. The authority

1 shall administer the reimbursement payments authorized under (b) of this section and  
 2 shall provide by regulation for the filing of applications for reimbursement, the form  
 3 of proof of costs for which application for reimbursement is made, and other  
 4 regulations necessary to administer this section. An agreement not to modify an  
 5 appropriation for construction or reimbursement after bonds or notes have been issued  
 6 for the purpose is valid. The authority shall exclude from the total school construction  
 7 cost of the local district all state and federal funds included in these costs except funds  
 8 provided under this section and AS 43.50.140. In approving applications for  
 9 reimbursement under (b)(1) of this section, the authority shall offset against the amount  
 10 of reimbursement authorized the amount of any funds distributed to the municipality  
 11 in the second preceding fiscal year from the school fund provided for in AS 43.50.140.

12 **Sec. 44.27.150. Trust indentures and trust agreements.** (a) In the discretion  
 13 of the authority, an issue of bonds may be secured by a trust indenture or trust  
 14 agreement between the authority and a corporate trustee, including a trust company,  
 15 bank, or national banking association, with corporate trust powers, located inside or  
 16 outside the state, or by a secured loan agreement or other instrument or under a  
 17 resolution giving powers to a corporate trustee by means of which the authority may

18 (1) make and enter into any and all the covenants and agreements with  
 19 the trustee or the holders of the bonds that the authority may determine to be necessary  
 20 or desirable, including, without limitation, covenants, provisions, limitations, and  
 21 agreements as to

22 (A) the application, investment, deposit, use, and disposition of  
 23 the proceeds of bonds of the authority or of money or other property of the  
 24 authority in which it has an interest;

25 (B) the terms and conditions upon which additional bonds of the  
 26 authority may be issued; and

27 (C) the vesting in a trustee of rights, powers, duties, funds, or  
 28 property in trust for the benefit of bondholders, including the right to enforce  
 29 payment, performance, and all other rights of the authority or of the  
 30 bondholders, under any agreement of the authority;

31 (2) pledge, mortgage, or assign money, agreements, property, or other

rights or assets of the authority either presently in hand or to be received in the future, or both; and

(3) provide for other matters of like or different character that in any way affect the security or protection of the bonds.

(b) For the purpose of securing one or more issues of its bonds, the authority may establish one or more special funds, called "capital reserve funds," and shall pay into the capital reserve funds the proceeds of the sale of its bonds and other money that may be made available to the authority for the purposes of those funds from another source. The funds shall be established only if the authority determines that the establishment would enhance the marketability of the bonds. Money held in a capital reserve fund, except as provided in this section, shall be used as required solely for (1) the payment of the principal of, and interest on, bonds or of the sinking fund payments with respect to those bonds, (2) the purchase or redemption of bonds, or (3) the payment of a redemption premium required to be paid when those bonds are redeemed before maturity; however, money in a fund may not be withdrawn from it at any time in an amount that would reduce the amount of that fund to less than the capital reserve requirement set out in (2) of this subsection, except for the purpose of making, with respect to those bonds, payment, when due, of principal, interest, redemption premiums, and the sinking fund payments for the payment of which other money of the authority is not available. Income or interest earned by, or increment to, a capital reserve fund, due to the investment of the fund or any other amounts in it, may be transferred by the authority to other funds or accounts of the authority to the extent that the transfer does not reduce the amount of the capital reserve fund below the capital reserve fund requirement under (c) of this section.

(c) If the authority decides to issue bonds secured by a capital reserve fund, the bonds may not be issued if the amount in the capital reserve fund is less than an amount that may be established by resolution of the authority, called the "capital reserve fund requirement," unless the authority, at the time of issuance of the obligations, deposits in the capital reserve fund from the proceeds of the obligations to be issued or from other sources, an amount which, together with the amount then in the fund, is not less than the capital reserve fund requirement.

(d) In computing the amount of a capital reserve fund for the purpose of this section, securities in which all or a portion of the funds are invested shall be valued by a reasonable method established by the authority by resolution. Valuation on a particular date shall include the amount of any interest earned or accrued to that date.

(e) The chair of the authority shall annually, not later than January 2, make and deliver to the governor and the legislature a certificate stating the amount, if any, required to restore a capital reserve fund to the capital reserve fund requirement. The legislature may appropriate the amount described in this subsection, and all money appropriated during the then current fiscal year by the legislature for the restoration shall be deposited by the authority in the proper capital reserve fund. Nothing in this section creates a debt or liability of the state.

(f) If the authority decides to covenant to issue bonds secured by a capital reserve fund, the bonds may not be issued until 10 days after the authority has mailed notification to the state bond committee and the Legislative Budget and Audit Committee by certified mail of its intention to establish a capital reserve fund to secure the bond issue. The notification must include the amount of the capital reserve fund to be established and the amount of bonds proposed to be issued. The notification must be accompanied by an estimate by the authority of the need to withdraw money from the capital reserve fund during the term of the bond issue, the amount that it may be necessary to withdraw, and the time at which withdrawals are estimated to be needed. The authority shall annually prepare a revised estimate, considering the same factors, and a statement of all withdrawals that have occurred from the date of issuance of the bonds to the end of the calendar year. The revised estimate and statement shall be submitted to the state bond committee and the Legislative Budget and Audit Committee by January 30 of the year following preparation of the revised estimate.

**Sec. 44.27.160. Bonding limitations.** The authority may not issue bonds or make agreements under AS 44.27.140 unless the money in the education facilities fund (AS 44.27.200) equals or exceeds \$1,200,000,000.

**Sec. 44.27.170. Bond reimbursement limitation.** The authority may not enter into an agreement to reimburse a municipality or the University of Alaska for payments made to retire principal and interest on bonds issued to construct education

1 facilities or University of Alaska facilities unless the money in the education facilities  
2 fund (AS 44.27.200) equals or exceeds \$1,200,000,000 and the bonds issued by the  
3 municipality or the University of Alaska comply with AS 44.27.140(g), except that the  
4 bonds need not be authorized by the authority.

5 **Sec. 44.27.180. Nonliability on bonds.** (a) Neither the members of the  
6 authority nor a person executing the bonds is personally liable on the bonds or is  
7 subject to personal liability or accountability as a result of the issuance of the bonds.

8 (b) Bonds issued by the authority do not constitute an indebtedness or other  
9 liability of the state or of a political subdivision of the state, except the authority.  
10 Bonds shall be payable solely from the income and receipts or other funds or property  
11 of the authority. The authority may not pledge the faith or credit of the state or of a  
12 political subdivision of the state, except the authority, to the payment of a bond.

13 **Sec. 44.27.190. Pledge of the state.** (a) The state pledges to and agrees with  
14 the holders of bonds issued under AS 44.27.100 - 44.27.250 that the state will not limit  
15 or alter the rights and powers vested in the authority by AS 44.27.100 - 44.27.250 to  
16 fulfill the terms of a contract made by the authority with the holders and that the state  
17 will not in any way impair the rights and remedies of the holders until the bonds,  
18 together with the interest on them with interest on unpaid installments of interest, and  
19 all costs and expenses in connection with an action or proceeding by or on behalf of  
20 the holders are fully met and discharged. The authority is authorized to use this  
21 pledge and agreement of the state in agreements involving holders of bonds of the  
22 authority.

23 (b) The pledge of the state is limited to the express provisions of (a) of this  
24 section and is not a guarantee, surety, promise, undertaking, or assurance of repayment  
25 or performance of any obligation of the authority.

26 **Sec. 44.27.200. Education facilities fund.** (a) The education facilities fund  
27 is established in the authority. The fund consists of appropriations made to the fund  
28 by the legislature, and, subject to appropriation, the income of the fund. The authority  
29 may enter into agreements for financial covenants or pledge amounts in the fund that  
30 exceed \$1,200,000,000 to secure the payment of bonds of the authority and may make  
31 expenditures from the fund for the purposes of the agreements.

1 (b) The fund and any other funds of the authority shall be invested by the  
 2 Alaska Permanent Fund Corporation as agent of the authority in the manner provided  
 3 for assets of the permanent fund under AS 37.13.120 unless otherwise provided in a  
 4 trust agreement securing bonds.

5 **Sec. 44.27.210. Annual audit.** The authority shall have its financial records  
 6 audited annually by a certified public accountant. The legislative auditor may  
 7 prescribe the form and content of the financial records of the authority and may have  
 8 access to the records at any time.

9 **Sec. 44.27.220. Annual report.** Before March 1 of each year, the authority  
 10 shall submit to the governor and the legislature a comprehensive report describing  
 11 operations, income, and expenditures for the preceding 12-month period.

12 **Sec. 44.27.250. Definitions.** In AS 44.27.100 - 44.27.250, unless the context  
 13 requires otherwise,

14 (1) "authority" means the Education Facilities Financing Authority  
 15 established under AS 44.27.100;

16 (2) "bonds" means revenue bonds, notes, or other obligations of the  
 17 authority issued under AS 44.27.100 - 44.27.250;

18 (3) "fund" means the education facilities fund established under  
 19 AS 44.27.200.

20 \* **Sec. 3.** AS 36.30.850(b) is amended by adding a new paragraph to read:

21 (38) contracts of the Education Facilities Financing Authority  
 22 (AS 44.27.100).

23 \* **Sec. 4.** AS 39.25.110 is amended by adding a new paragraph to read:

24 (33) the employees of the Education Facilities Financing Authority.

25 \* **Sec. 5.** AS 39.50.200(b) is amended by adding a new paragraph to read:

26 (56) Education Facilities Financing Authority (AS 44.27.100).

27 \* **Sec. 6. AUTHORIZATION OF FACILITIES.** (a) The Education Facilities Financing  
 28 Authority established under AS 44.27.100, enacted in sec. 2 of this Act, is authorized under  
 29 AS 44.27.140(a) to issue its bonds for construction of the following facilities at the following  
 30 costs:

31 (1) **Small Municipality or Rural**

1	District Name	Project/Location	Amount
2	Kashunamiut	Chevak School replacement	\$ 25,506,000
3	Lower Yukon	Pilot Station K-12 expansion	18,036,000
4	Lower Yukon	Kotlik K-12 expansion	18,692,000
5	Chatham	Hobart Bay recovery of funds	59,000
6	Northwest Arctic	Buckland School remediation	14,304,000
7	Southwest Region	Togiak School replacement	27,687,000
8	Lower Kuskokwim	Newtok	4,941,000
9	Yukon Flats	Arctic Village K-12	2,762,000
10		remodel and expansion	
11	Iditarod	Takotna training center	1,123,000
12	Lower Yukon	Sheldon Point K-12 expansion	11,102,000
13	Bering Strait	Golovin	12,245,000
14	Denali	Tri-Valley addition and remodel	12,874,000
15	Bering Strait	Elim	12,198,000
16	Yupiiit	Akiachak replacement/renovation	14,274,000
17	Bering Strait	Teller	12,146,000
18	Craig	New secondary	17,937,000
19	Kuspuk	Upper Kalskag	3,521,000
20	North Slope	Bulk fuel systems upgrade	6,012,000
21	Bering Straits	Diomedede structural remediation	346,000
22	Northwest Arctic	Kiana High School renovation	2,252,000
23	Southwest Region	Koliganek basement repair	1,368,000
24	Sitka	High school renovation	10,261,000
25	Delta/Greely	Delta roof repair and fire alarm	1,074,000
26		replacement	
27	Sitka	Baranof renovation	5,926,000
28	Hoonah	Roof, foundation, and fuel	1,294,000
29		tank replacement	
30	Lake & Peninsula	Pedro Bay renovation	1,008,000
31	Lake & Peninsula	District wide fuel system upgrade	1,250,000

1	Chatham	Tenakee retaining wall replacement	239,000
2	Northwest Arctic	Noorvik High School renovation	2,664,000
3	Cordova	School renovations	136,000
4	Chugach	Whittier drainage	145,000
5	Lake & Peninsula	District wide sprinkler systems	1,515,000
6	Annette Island	Major maintenance renovation	3,556,000
7	Pelican	Major maintenance	781,000
8	Lower Kuskokwim	Mikelnguut Elitnaurviat roof repair	1,384,000
9	Lower Kuskokwim	Bulk fuel tank repairs at 9 sites	3,160,000
10	Klawock	Major maintenance	2,034,000
11	Wrangell	Exterior windows	166,000
12	Alaska Gateway	Northway wastewater treatment	144,000
13	Haines	High school roof replacement	404,000
14	Galena	Roofing and sprinkler renovation	1,277,000
15	Lower Yukon	Hooper Bay major maintenance	1,607,000
16	Northwest Arctic	Ambler High School renovation	2,009,000
17	Annette Island	Asbestos abatement	118,000
18	Wrangell	Civil site work	89,000
19	Kake	District wide maintenance	3,001,000
20	Lower Kuskokwim	Nelson Island, Tooksook Bay roof repairs	998,000
21	Tanana	Electrical retrofit	278,000
22	Wrangell	Parking development	264,000
23	Iditarod	Lime Village oil spill remediation	396,000
24	Iditarod	Grayling bulk fuel storage	163,000
25	Northwest Arctic	Noatak major maintenance	254,000
26	Bristol Bay	Sprinkler system	2,551,000
27	Lower Kuskokwim	District wide water treatment: 8 sites	8,167,000
28	Southwest Region	Weather protection - 4 buildings	772,000
29	Alaska Gateway	Northway bulk fuel storage	178,000
30	Northwest Arctic	Shungnak major maintenance	380,000
31	Alaska Gateway	Mentasta bulk storage	562,000

1	Alaska Gateway	Northway soil remediation	3,798,000
2	Hydaburg	Heating system renovation	184,000
3	Nenana	Handicap access improvements	139,000
4	Nenana	Interior lighting	65,000
5	Hydaburg	Major maintenance	857,000
6	Chatham	Angoon High School major maintenance	302,000
7	(2) Large Municipality		
8	School District	Project	Amount
9	Anchorage	Romig roof replacement	\$ 1,785,000
10	Anchorage	Birchwood roof replacement	960,000
11	Anchorage	Taku elementary addition and	6,200,000
12		replacement	
13	Anchorage	Muldoon new elementary school	12,704,000
14	Anchorage	Chugiak High School addition	9,500,000
15	Anchorage	Central Junior High renovation	8,000,000
16	Anchorage	Site acquisition: Muldoon middle and	2,850,000
17		Chugiak elementary schools	
18	Anchorage	Nunaka Valley renewal, programmatic,	5,400,000
19		and code upgrades	
20	Anchorage	Ocean View renewal, programmatic,	444,000
21		and code upgrades	
22	Fairbanks	Barnette School renovation	5,718,000
23	Fairbanks	Denali School renovation	8,807,000
24	Fairbanks	Hunter School renovation	3,195,000
25	Fairbanks	Nordale School renovation	9,299,000
26	Fairbanks	Physical plant renovation and addition	5,819,000
27	Fairbanks	Food service facility	4,828,000
28	Juneau	Marie Drake roof replacement	1,189,000
29	Juneau	Mendenhall River School roof	2,231,000
30		replacement	
31	Juneau	Auke Bay School roof replacement	848,000

1	Juneau	High school mechanical renovation	107,000
2	Juneau	Floyd Dryden School floor replacement	184,000
3	Juneau	High school overpass	202,000
4	Juneau	Gastineau School heating repairs	183,000
5	Juneau	Auke Bay School sewer treatment	112,000
6	Kenai	District wide handicap access	869,000
7		improvements	
8	Ketchikan	Houghtaling School renovation	3,339,000
9	Ketchikan	Valley Park School renovation	1,894,000
10	Matanuska-Susitna	Talkeetna School addition and	7,568,000
11		renovation	
12	Matanuska-Susitna	Atlaska Middle School	30,526,000

13 (b) The Education Facilities Financing Authority is authorized under  
 14 AS 44.27.140(b)(2) to agree to pay amounts and to pay amounts sufficient to reimburse 100  
 15 percent of net payments, as determined by the authority, made by the University of Alaska  
 16 for the retirement of principal and interest on bonds issued to pay the following costs of  
 17 constructing the following university facilities:

18	Location	Project	Amount
19	Fairbanks	UAF deferred maintenance code compliance	\$35,000,000
20	Anchorage	UAA deferred maintenance code compliance	25,000,000
21	Southeast	UAS deferred maintenance code compliance	2,000,000
22	Statewide	System wide instructional equipment and	6,000,000
23		telecommunications	
24	Anchorage	UAA computer network improvements	1,500,000
25	Auke Cape	UAF School of Fisheries Auke Cape Facility	1,500,000
26	Anchorage	UAA Anchorage library facility	1,400,000
27	Anchorage	UAA museum planning/match	500,000
28	Sitka	UAS Sitka classroom renovations and	1,195,000
29		completion	
30	Statewide	System wide ADA compliance	1,000,000
31	Fairbanks	UAF facility and infrastructure renovation	1,000,000

1	Kachemak Bay	UAA Kachemak Bay renovation	200,000
2	Anchorage/Kodiak	UAA Anchorage and Kodiak renovation	2,005,000
3	Ketchikan	UAS Ketchikan Campus remodel/renovation	300,000
4	Bristol Bay	UAF Bristol Bay classroom addition	900,000
5	Statewide	UA Small Business Development programs	450,000

6 (c) The University of Alaska is authorized to issue bonds and enter into obligations  
7 with the Education Facilities Financing Authority necessary to finance projects identified under  
8 (b) of this section, as required under AS 14.40.253.

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



PRESTON GATES & ELLIS LLP  
ATTORNEYS

MEMORANDUM

To: Forrest Browne  
From: Forrest Walls  
Date: March 4, 1997  
Subject: Senate Bill 37

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We have reviewed the above bill providing for an Education Facilities Financing Authority which you faxed to me last Friday afternoon. While we have not had an opportunity to fully research the issues which the bill raises, I can offer the following comments.

The bill authorizes the Authority to issue "revenue bonds or notes" and provides for the creation of "capital reserve funds" funded out of state monies which "shall be used as required solely for (1) the payment of the principal of, and interest on," and to other-wise secure, the bonds. As outlined in more detail in Bill Mantle's memorandum of February 12, 1997 (attached) to Tim Benintendi, Section 148 of the Federal Internal Revenue Code of 1986, and its implementing regulations classify funds established, as this fund is apparently intended, to pay and secure the payment of outstanding bonds, as sinking funds. If bonds are secured by a sinking fund, the moneys in that fund must be invested at a yield no greater than the yield on the bonds secured or the interest on such bonds will be taxable, not tax exempt.

In general, this rule applies equally to general obligation bonds and revenue bonds. Revenue bonds may be secured by a reasonably required reserve or replacement fund (an RRRR fund) which may be invested at yields higher than that of the bonds (an arbitrage yield). However, such RRRR funds are limited in size (not more than the lesser of 10% of the issue size or certain other similar limits) Also, it seems doubtful that a "capital reserve fund" would qualify as an RRRR fund since the bonds in question are not revenue bonds in the usual sense of that term since as they are not secured by the revenues of a revenue producing enterprise. Also, if the capital reserve fund were the primary or sole security for such bonds it does not operate in the usual capacity of an RRRR fund and there would be a clear nexus between the fund and the payment of debt service on the bonds making clear the status of the fund as a sinking fund. See Rev. Rul. 80-13, 1982-1 C. B. 21.

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In summary, the capital reserve funds appear likely to be classified as sinking funds by the IRS with the result that the interest on any bonds secured by such funds would be taxable unless yield on investment of such funds was restricted to the yield on the bonds so secured.

The second issue raised by the bill is whether or not the bonds of the Authority must be approved by the voters of the state under the requirements of Article IX, Section 8 of the Alaska Constitution. Although the bonds authorized are characterized as "revenue bonds", and the bill states several times that they are not to be considered as a debt or liability of the state, such bonds constitute debt incurred on behalf of the state, for state purposes, and are to be payable, at least in part, out of state funds which are pledged to that purpose. Thus, they look and function very much like general obligation bonds of the state. Such financing arrangements, using a semi-independent financing authority, have been created a number of times in other states which have constitutional limitations on state debt. The courts have not been uniform in determining whether such efforts successfully avoid constitutional requirements. It may be that such a financing plan would be upheld by the courts but, in the absence of detailed and careful documentation of that issue, the validity of such bonds without a vote should be regarded as an open question. A test case may be a useful way of obtaining a reliable determination of that issue.

If such research has been done we would be happy to review it or, if not, we could undertake such research upon your request.


Attachment: Mantle memo of 2/12/97  
cc: Jim Baldwin



PRESTON GATES & ELLIS LLP  
ATTORNEYS

MEMORANDUM

To: Tim Benintendi

From: Bill Mantle 

Date: February 12, 1997

Subject: **Comments on Public Facilities Capital Fund Legislation**

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By fax to Forrest Walls you have asked for our comments on proposed Alaska legislation that would add a provision to the Constitution of the State of Alaska creating a public facilities capital fund. Income of the public facilities capital fund would be withdrawn and used to pay the principal and interest on state general obligation bonds issued for acquisition, construction, and major maintenance and renovation of roads and highways, schools, airports, harbors and ports, water and sewer projects, correctional facilities, and buildings that are wholly owned by the state, by a municipality or school district of the state or by the University of Alaska.

Arbitrage Summary

Section 148 of the Internal Revenue Code of 1986, as amended (the "Code"), contains rules restricting the arbitrage that may be earned on proceeds of tax-exempt bonds issued by state and local governmental units. Those rules generally require that tax-exempt bond proceeds, and other amounts that are treated as bond proceeds, be invested at rates of investment return that are not materially higher than the yield on the tax-exempt bonds. The Code allows certain bond proceeds, such as proceeds to be expended on construction projects, to be invested at arbitrage yields for limited periods of time. Money to be used to pay current debt service on tax-exempt bonds may be invested at arbitrage yields provided the fund in which such amounts are accumulated is completely expended each year. In addition, reasonably required reserve or replacement funds may be invested at arbitrage yields. The Code does not allow this type of fund for general obligations bonds such as those proposed to be secured by the public facilities capital fund.

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### Replacement Proceeds and Pledged Funds

The arbitrage rules of Section 148 of the Code cover the original sale proceeds of tax-exempt bonds and amounts earned by investing those sale proceeds. In addition, they also cover what are called "replacement proceeds." Replacement proceeds are defined by Treasury Regulation 1.148-1(b) as amounts that have a "sufficient direct nexus to the issue or to the governmental purpose of the issue to conclude that the amounts would have been used for that governmental purpose if the proceeds of the issue were not used or to be used for that governmental purpose." The regulations also provide that replacement proceeds include, but are not limited to, sinking funds, pledged funds and other amounts to the extent that those funds or amounts are held by or derived from a substantial beneficiary of the bond issue.

Our concern with the proposed public facilities capital fund is that it will be considered by the IRS to be a "pledged fund." Treasury Regulations provide that a pledged fund is any amount that is directly or indirectly pledged to pay principal or interest on a bond issue. A pledge need not be cast in any particular form, but in substance, must provide reasonable assurance that the amount will be available to pay principal or interest on the issue, even if the issuer encounters financial difficulties.

There is a long history of IRS rulings on replacement proceeds, sinking funds and pledged funds. The definition of replacement proceeds as amounts having a nexus to the issue or the governmental purpose of the issue is consistent with Rev. Rul. 78-348, 1978-2 C.B. 95 in which the IRS stated that in order for there to be funds replaced by the proceeds of an issue of tax-exempt obligations, there must exist a "nexus or sufficiently direct relationship" between the obligations and the replaced funds. The status of sinking funds as replacement proceeds (with their "nexus" being a reasonable expectation that amounts on deposit therein will be used to pay debt service) is consistent with Rev. Rul. 82-101, 1982-1 C.B. 21.

In addition the IRS has held that although a pledge of funds need not be cast in a particular legal form, there must be a reasonable assurance that the collateral will be available if needed to pay debt service. Rev. Rul. 79-134, 1979-1 C.B. 76. It has also been held by the IRS that replacement proceeds may arise any time, regardless of whether the creation of the replacement is reasonably expected by the issuer on the date the bonds are issued. Rev. Rul. 80-328, 1980-2 C.B. 53; Rev. Rul. 80-13, 1980-1 C.B. 27; Rev. Rul. 78-349, 1978-2 C.B. 96.

Of particular interest to the proposed public facilities capital fund is Rev. Rul 82-101, 1982-1 C.B. 21, which is often referred to as the "Alabama" ruling. In that ruling, a state created a trust fund using the proceeds for the sale of land. The corpus of the fund could not be invaded and the investment income on the fund could be spent only upon an appropriation by the state legislature. Shortly after the creation of the fund, the state issued general obligation bonds that had been approved at the same time as the fund in a voter referendum. The income on the fund was equal to the average annual debt service on the bonds. The IRS held that the state reasonably

expected to pay the debt service on the bonds from the investment income on the funds that there was, in effect, an underlying arrangement between the creation of the fund and the issuance of the bonds.

#### Allocation of Fund to Each Bond Issue

We believe that the proposed public facilities capital fund will be viewed by the IRS as replacement proceeds of the state general obligation bonds that have principal and interest payments secured by the income from the fund. As such, the fund will be subject to yield limitations relating to each bond issue that may be secured by the fund. Administering this yield restriction will involve allocation on the corpus of the fund periodically (at least every 3 years) to each bond issue and manipulation of the investment yield of the portfolio so that the investment allocated to each bond issue do not exceed the yield on the various bonds. Treasury Regulation 1.148-6(e)(6). The yield reduction payments provisions of Treasury Regulation 1.148-5(e) which allow for payments to be made to the IRS to reduce impermissible arbitrage yield do not apply to this type of sinking fund.

#### Conclusion

If the money in the fund is not allocated among the bond issues the fund secures, and if yield in such money is not restricted to the yield on such bonds, interest on the bonds becomes taxable. The holder of the bonds would then suffer a significant loss as a result, which they would probably seek to recover from the state. It seems likely that they would succeed in doing so.

cc: Forrest W. Walls  
Forrest Browne



## POSITION PAPER

### Supporting Sponsor Substitute For Senate Bill #37

"An Act relating to the Education Facilities Authority; and providing for an effective date."

The Alaska Council of School Administrators supports the establishment of an Education Facilities Authority and strongly encourages the Senate to pass Sponsor Substitute for Senate Bill #37 and it's companion bill, SB 111.

There has been growing concern for meeting facility needs in both rural and urban Alaska. The deferred maintenance of University facilities is long overdue.

The issue of school construction and major maintenance is a serious issue. Historically, the State of Alaska has not been able to keep up with the critical construction and maintenance needs. By establishing the Educational Facilities Fund Authority, we will have established a mechanism which could bring coordination and an organized process to a long term solution.

We realize there must be a mechanism which will meet these critical needs. The Alaska Facilities Authority does just that.

We believe this method of funding critical needs for construction and major maintenance addresses three critical issues:

1. General obligation bonds can be offered only by the vote of the people and from one general election to another. They can address only those projects listed and their indebtedness paid back by general fund money.
2. The Legislature would be able to continue to reduce the general operation budget according to their long term plan. In fact, they will be able to reach their goal faster because these capitol projects would be removed from the overall spending of general funds.
3. This Authority offers a long term solution to a long term problem.

The legislature would continue to have final authority over amounts of future revenue bonding and the projects to be funded.

By establishing the Authority and providing the necessary funding the Authority will be able to address the needs for construction and maintenance of public school and university facilities for years to come.

Stephen T. McPhetres  
Executive Director

# ASSOCIATION OF ALASKA SCHOOL BOARDS

*Advocates for Alaska's Youth*

## POSITION PAPER

IN SUPPORT OF  
SS SB 37 & SB 111

AASB enthusiastically supports the plan to address school construction and major maintenance needs as outlined in SS SB 37 and SB 111.

For years the Association of Alaska School Board has sought a long-term fair and adequate method to address school construction and major maintenance needs. The current school construction and major maintenance grant fund designed a number of years ago to address these needs has been all but abandoned. Only \$7.68 million was provided, none of it through the grant fund, over the last two years for school facility needs.

SS SB 37, which establishes the Education Facilities Financing Authority and creates the Education Facilities Fund, and SB 111, which capitalizes the Authority with funds from the Constitutional Budget Reserve and spends only the earnings of the corpus, are innovative means to address critical long term needs in Alaska.

Deferred maintenance undermines the state's investment in school facilities. In addition, school facilities in most rural areas lack effective fire suppression protection. Statewide, \$4.5 million of school property is lost to fire annually based on 10-year history. By creating an adequate funding mechanism and Authority to oversee the program, loss control measures can be made paramount, uninsurability of schools mitigated, and the state's investment in school facilities is safeguarded.



# ALASKA STATE LEGISLATURE

## Senate Community & Regional Affairs Committee

State Capitol

Juneau, AK 99801-1182

(907) 465-4989

### COMMITTEE PACKET

**SS SB 37, Relating to an Education Facilities Financing Authority**

1. Sponsor Statement
2. Bill Sectional
3. Bill
4. Fiscal Note Analysis
5. Letters of Support

*D ✓  
N/A - for  
file*

# FAX

Date 3/8/97

Number of pages including cover sheet 1

TO:	Senator Mackie
Phone	
Fax Phone	(907)465-3517

FROM:	MAUREEN and J.D. SWED
	P.O. BOX 646
	TALKEETNA, AK 99676
Phone	+1(907)733-1500
Fax Phone	+1(907)733-1500

**NOTE:**

Good afternoon. I am Maureen Swed from Talkeetna and I represent the Talkeetna Elementary Renovation/Addition Committee. The community of Talkeetna is very excited about the attention and the number of bills being introduced this session to provide funding for educational facilities. With hundreds of millions of dollars of projects currently on the DOE lists, we have a crisis situation regarding the educational infrastructure across the state. The community of Talkeetna has been begging for funding for the past three legislative sessions. It is time for the implimentation of the Alaska Educational Facilities Authority. This proposal just makes so much sence! Having a fund of money growing from year to year for the purpose of providing safe and spacious learning environments for the students of this state is what we need. School districts would be able to plan more accurately for maintenance and construction projects knowing there would not be years of no CIP funding between years of windfall appropriations. It is also very encouraging to see that SB-37 addresses the needs of all educational facilities including our universities. I believe the citizens of the state of Alaska will support the development of the Educational Fund and the appropriations of necessary funds.

Thank You,  
Maureen O. Swed



March 4, 1997

Senator Jerry Mackie  
Alaska State Capitol  
Juneau, AK 99801-1182

Dear Senator Mackie,

Thank you for introducing **SB 37 and SB 111 creating and funding an Education Facilities Financing Authority.**

**The Alaska Municipal League and the Alaska Conference of Mayors, representing over 135 municipalities and over 97% of Alaska residents, have set long term maintenance of public facilities as their top legislative priority (see attached AML/ACoM Legislative priority list). The development of a long term maintenance financing plan for schools is critical. SB 37 and SB 111 will accomplish this goal.**

The creation of an Education Facilities Financing Authority as proposed by SB 37 and SB 111 is supported by AML and ACoM because:

- All Alaskans agree that we must find a **permanent and reliable** way to maintain and improve critical public infrastructure, like schools and roads, etc.
- The CBR balance would generate about \$240 million in earnings per year, which is sufficient to fund not only reasonable school and university needs, but also transportation, and community infrastructure needs, on a **revolving fund** basis.
- Use of the earnings of the Constitutional Budget Reserve (CBR) is **recommended** by a variety of economic and political experts.
- The proposal uses **only existing and proven financing mechanisms.**
- It would **protect the Permanent Fund.**
- It would **generate jobs for Alaskans** in the construction and maintenance industry;
- The proposal would **reduce local property taxes for business owners and homeowners** by avoiding 100% locally financed improvements, and **eliminate up to a 30% personal and business federal income tax contribution** inherent in all property tax funded projects.

The AML and ACoM will continue to follow and support this concept. If the concept is well received by the public and the legislature, you may consider using it for financing other critical public infrastructure including roads, harbors, etc. Please let us know if we can provide further information or support.

Sincerely,

Rosemary Hagevig, President

C:\bdcorr:397support finance authority



Alaska Municipal League &  
Alaska Conference of Mayors  
**1997 Legislative Platform**

1. Approval of the "Safe Communities" bill and maintain current funding for municipal revenue sharing to avoid further state generated local property tax increases. The "four legs" of the Safe Communities bill are:
  - Directs the funds to be used primarily for public safety and health services
  - Establishes a minimum sharing of \$40,000 for small municipalities
  - Removes the "hold harmless" to allow equal treatment to all municipalities
  - Distributes municipal funds on July 31 each year
2. Provide for the long term construction, operation, and maintenance of state and municipal airports, roads, and harbors, including revenue sharing programs for maintenance. Bring state harbors up to an adequate maintenance level through a statewide bond issue, or other funds, to prepare them for possible negotiated transfer to municipalities.
3. Approval of a Long Range Financial Plan that prohibits unfunded mandates and unfunded service responsibilities, adequately funds schools and maintenance of public infrastructure, reasonably reduces state expenses, protects the Permanent Fund, and phases in new tax revenue sources.
4. Actively encourage the construction of a natural gas pipeline with an emphasis on jobs for Alaskans.
5. Restore funding for Municipal Capital Matching Grant Program to \$20 million because local communities can most efficiently determine and meet local capital needs.
6. Create a permanent State/Local Government Partnership Council to negotiate methods to most efficiently provide public services at the lowest possible cost to taxpayers.
7. Provide long term funding of public safety and health services through the equitable sharing of increased statewide alcohol and tobacco taxes, and removing the current prohibition against municipalities voting for local special taxes on the sale or use of alcohol.
8. Reduce the state unfunded mandate for the Senior Citizen Property Tax exemption.
9. Adequately fund a program to construct efficient sanitation systems throughout Alaska.
10. Give communities more tools to reduce youth crime by limiting confidentiality of youth crime information to protect the community, allow municipalities the option of assuming greater jurisdiction over juvenile justice, and limit liability for providing recreational opportunities for youth, such as skateboard parks.



217 Second Street, Suite 200 • Juneau, Alaska 99801 • Tel (907) 586-1325 • Fax (907) 463-5480

## AML FACSIMILE TRANSMITTAL SHEET

TO:

DAVE GRAY

FROM:  Kevin Ritchie, Executive Director       Venus Zink, Business Manager  
 Julie Krafft, Director of Member Services       Susan Behbahani, Research Associate  
 Chow Taylor, Local Government Specialist       Laurie Pendergraft, Staff Assistant

COMPANY:

DATE:

FAX NUMBER:

FAX NUMBER:

(907) 463-5480

PHONE NUMBER:

PHONE NUMBER:

(907) 586-1325

RE:

TOTAL NO. OF PAGES INCLUDING COVER:

NOTES/COMMENTS:

I attached

- ① letter of support
- ② AM2/ACoM Leg priorities with section supporting SB 37 highlighted
- ③ SB 37 talking points and a FAX alert we distributed to members
- ④ As we discussed: Copy of concept ~~piece~~ piece on a "Public Facilities Financing Authority" as a follow up bill to address roads, harbors, airports, water/sewer, etc.

Note: Rosemary will sign letter at noon - I will run up the signed original.

## Why Should Alaskans Care About this Proposal to Maintain and Improve Critical Basic Public Infrastructure?

### An opportunity to:

- ⇒ fix critical public facilities (like schools and roads) that are deteriorating
- ⇒ balance the state budget
- ⇒ reduce local property taxes for business and property owners
- ⇒ keep hands off the Permanent Fund
- ⇒ generate jobs for Alaskans in the construction and maintenance industry

- All Alaskans agree that we must find a permanent and reliable way to maintain and improve critical public infrastructure, like roads and schools, etc.
- Use of the earnings of the Constitutional Budget Reserve (CBR) is recommended by a variety of economic and political experts.
- The CBR balance is about \$3.2 billion, and would generate about \$240 million in earnings per year. \$240 million is sufficient to entirely fund reasonable school, university, transportation, and community infrastructure needs on a permanent revolving fund basis.
- This proposal uses only existing mechanisms that have already been proven successful.

### SENATE BILL 37 (and SB 111)

#### An Act Relating to the Education Facilities Financing Authority

1. Creates a Financial Authority which is based on the highly successful Alaska Housing Finance Corporation (AHFC) and Alaska Industrial Development and Export Authority (AIDEA).
2. Like AHFC and AIDEA, this is not a constitutional dedication of state funds, but a statutorily created Authority. Also, like AHFC and AIDEA, all funds, projects, and budgets are subject to legislative appropriation.
3. The proposal gives broad financial provisions to ensure reasonable bond ratings (and financial security) similar to the successful AHFC and AIDEA models.
4. The Authority would primarily issue revenue bonds. The Authority would require a minimum balance of \$700 million to issue bonds.
5. For municipal schools, the bill would authorize "up to 70%" funding, and uses the successful existing DOE prioritization process. (AS 14.11.015 (a)).
6. University of Alaska and REAA projects may be funded "up to 100%", like they are now.
7. Authority money is invested by the Permanent Fund.



217 Second Street, Suite 200 • Juneau, Alaska 99801 • Tel (907) 586-1325, Fax (907) 463-5480

**FAX ALERT**

February 28, 1997

**TO: All Council/Assembly Members and Legislative Liaison**

**FROM: Kevin Ritchie, Executive Director**

**RE: LETTERS/RESOLUTIONS NEEDED ON MUNICIPAL LEGISLATION**

The bills listed below are important to the financial health of our cities and boroughs and have been scheduled to be heard next week or very soon. If your municipality supports their intent, would you send a letter or resolution to the sponsor. It is critical to hear from as many municipalities as possible in order to get these bills moving through the Legislature.

1. **HB 132 - Relating to municipal taxation of alcohol sales.** Sponsored by Representative Gary Davis. This bill removes the special restriction granted several years ago that prohibits municipalities from establishing a higher sales tax on alcohol than its general sales tax. Removal of this restriction will give municipalities an additional tool to help pay for the high cost of alcohol-related problems in our communities. The bill is scheduled for its first hearing on Friday, March 7, in the House Community and Regional Affairs Committee at 8:00 a.m.
2. **SB 37 - Establishing the Education Facilities Financing Authority.** Sponsored by Senator Jerry Mackie. This proposal uses the earnings of the Constitutional Budget Reserve (CBR) to fund school and university infrastructure needs. The Authority would be a public corporation similar to AHFC and AIDEA and would issue revenue bonds for construction of school facilities. SB 111 is the companion legislation authorizing the transfer of the funds to the Authority. The bills are scheduled for their first hearing on Wednesday, March 5, in the Senate Community and Regional Affairs Committee at 1:30 p.m.
3. **SB 78 - Allows the state to reimburse municipalities for revenue lost from the senior citizen/disabled veteran property tax exemption.** Sponsored by Senator Lyda Green. The source of revenue for the reimbursement would come from the Revolving Fund of the Alaska Housing Finance Corporation. The exemption currently costs municipalities over \$20 million per year.
4. **SB 29 - "Safe Communities" bill.** Sponsored by Senator John Torgerson. This is the number one priority legislation for the League and is similar to the bill that nearly passed last year. The bill is currently in the House Finance Committee.
5. **School Foundation Funding** A subcommittee of the Senate Health Education and Welfare Committee, chaired by Senator Gary Wilken, will hold a work session on school funding formulas on Friday March 7 from 9:00 a.m. to 11:00 a.m. Participation is invited. This could be an important forum for municipal tax concerns. You may request to testify or listen by teleconference. AML has an analysis of the Governor's proposed changes to the foundation formula. Call AML at 586-1325 if you want a copy.

All legislators have the same mailing address: Senator/Representative, State Capitol, Juneau, Alaska 99811. If you have any questions or need more information on these critical pieces of legislation, please call me or Julie Krafft at 586-1325.

C:\jk\leg97\critical.doc

Member of the National League of Cities and the National Association of Counties

**Proposed BILL****An Act Relating to the Public Facilities Financing Authority**

The Public Facilities Financing Authority mission and implementation would be as straightforward as the school/University package because it would simply be a funding mechanism for existing successful programs. Transportation system project prioritization is currently entirely within DOT/PF, and the process to prioritize projects already exists.

The Municipal Capital Matching Grant program primarily works on a per capita formula and has been successful in achieving high impact for communities with almost no state administrative costs.

Authority Board would be the Commissioners of Revenue, DOT/PF, and Community and Regional Affairs.

The Financing Authority would include:

- **Roads and Highways** - No state funded road improvement program currently exists. AK is one of only two states in U.S. that relies solely on Federal programs. The other is Rhode Island.
- **Harbors** - Almost all municipalities will accept ownership of harbors from the state if they are repaired. This will transfer a significant state responsibility to municipalities.
- **Airports** - Airports are critical to linking the state.
- **Community Infrastructure (including water, sewer, landfills, erosion protection, public buildings, local roads and trails, economic development infrastructure, etc.)**. The best way to implement this is through the current Municipal Capital Matching Grants program. The Matching Grant Program allows municipalities to chose their highest priority. There is almost no state administrative cost. The Matching Grant Program could ultimately replace a number of administratively expensive state categorical grant programs.

The use of the Municipal Capital Matching Grant program allows for the stabilization of local property taxes and cuts the federal income tax out of the loop by distributing money to municipalities that is not subject to federal tax. Using the Constitutional Budget Reserve (CBR) earnings to fund critical public infrastructure projects is much more cost effective than simply depositing the CBR in the Permanent Fund because Alaskans will pay taxes on their PFD, then also pay out part of it in property taxes to repair public infrastructure.

This program should also be very attractive to business since stable property taxes is a key to economic growth.

<b>03/20/97</b>	<b>Public Opinion Message System</b>	<b>POMS100</b>
<b>10:11:09</b>	<b>Member Office MAK Mackie</b>	<b>LSNCKMAK</b>

**From: Betty M Jones** **Telephone: 266-3273**  
**PO box 190363**

**Anchorage , AK 99519** **NON Constituent** **Registered Voter: Y**  
**Bill# SB 37** **Title: EDUCATION FACILITIES FINANCING**

**Opposes**

**Message:** 99 PERCENT OF ALL U.S. ABORTIONS TAKE PLACE WITHIN 20 WEEKS BEFORE VIABILITY. ONLY 4/100 OF 1 PERCENT TAKE PLACE AFTER 26 WEEKS. THE LEGISLATURE HAS NO RIGHT TO INTERFERE WITH A WOMANS ABILITY TO RECEIVE THE MOST APPROPRIATE CARE WHEN FACED WITH THE DIFFICULT DECISION OF TERMINATING LATE IN PREGNANCY.

**Entered in ANC on 03/19/97 POMID: 6221** **Distribution: 30**  
**MSG: 149 Selected Messages - 86 Actually Viewed**

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| <b>Main Menu</b> | <b>Big Waste</b> | <b>WasteBasket</b> | <b>Prev POM</b> | <b>Next POM</b> |
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D  
FYI ?

Proposal:

## CREATION OF A "CAPITAL IMPROVEMENT PLANNING AUTHORITY"

### Back ground:

Ever since Statehood in 1959 the former Departments of Highways and Public Works and later the Department of Transportation and Public Facilities had the highest turnover rate of their commissioners of any department (18 commissioners in 35 years = 1.9 years/each). This has resulted in instability, change of direction and management and uncertainties, externally and internally. The resulting uncertainties have had negative effects on commerce in general, and more specifically on the industries dealing with insurance and bonding, manufacturing and supply, unions and labor, contractors and other entities involved in transportation and public facilities. In addition local governments are adversely effected.

The 5, 6 or 10 year plans that were required by the Federal Government turned out to be political and administrative tools rather than well planned and binding planning - and programming documents. As a consequence Alaska's yearly CIP budgets have been exactly that - yearly products, which were and are the results of the political and legal activities of the Legislature and the Administration and not part of a long-term plan.

In the absence of a plan the Capitol program becomes a yearly "free-for-all" and the general mistrust and display of power between the Legislative and Executive Branches becomes apparent. The Legislature now micro-manages the program with line-item appropriations and every appropriations for singular phases of a project and a healthy mix of pork to fulfill the individual legislator's obligations. The executive branch in the absence of such restraints has a history of re-defining projects, re-allocating funds and line-item vetoes for purely political reasons. This all to the detriment of a clear long term plan and policy.

At the present, additional factors are of consequence:

- 1) Lack of a state-or ever region wide inter-modal transportation plan. Previous "regional transportation studies" which were obtained at high costs are ignored and collect dust.
- 2) Lack of a State(funded) program; at present all our plans are based on Federal-aid type programs.

3) Overall efficiency to translate public policy into action. High costs for planning activities which are based on broad "public involvement" processes, which is a sure way to prevent any new construction or even develop a broad state policy, because such processes never result in a consensus on statewide issues.

4) the Federal Aid Highway - and Aviation programs for Western States have seen a significant cut for next years authorization. In addition, we can expect further cuts when the ISTEA (Intermodal Surface Transportation Efficiency Act) and distribution formula are up for re-authorization next year. There are no plans to find other funding sources. Under the direction of Congress and the White House the "balanced budget" approach makes it unlikely that additional funds from the Highways - and Aviation's trusts will be released.

5) Deferred maintenance of public facilities: lack of sufficient funds through the years for maintenance and up keep operations has resulted in premature deterioration of our facilities. In Alaska over 25% of bridges and 40% of highways are now deficient. The increased use of federal programs dollars for environmental and recreational purposes, as is presently the case, does not help matters. Under the present circumstances it is particularly misguided and a luxury we cannot afford. In addition, Alaska's unique situation with the South Eastern Maritime Transportation takes funding away from the more traditional access.

It is time to find some mechanism to provide a balance to fund a long term plan based on sound public policy. Our situation is not unique; other states face the same problems and it is prudent to examine their solutions.

Of the 50 states 31 have adopted a "Board" or "Commission" system in various functions. 16 have a Board with full executive authority, like a Commissioner as a cabinet member has here. 8 have a board which has policy setting authority and 7 have boards with "advisory" capacity. The rest has a "Commissioner" or "Director" with full authority like we have.

It is apparent that under our given circumstances and authority with policy setting and program/planning powers would be a suitable and desirable mechanism to address the stated problems.

"Alaska Capital Improvement Planning Authority" Points for consideration:

1) Area of authority:

Planning and Programming Authority for all State Public Facilities, including Highways, Airports, Marine Facilities and Buildings, to review and approve a yearly CIP and long range program.

This would include as a State wide basis by modes:

Land: highways - trails; basic access roads; urban mass transportation, rail systems, recreational facilities;

Air: passenger and freight services, international airports, bush aviation, private aviation;

Marine: SE Marine Highway System, ports and harbors, both commercial and recreational facilities , commercial barges - inland and ocean , navigable river systems, erosion control, etc.;

Building: public facilities, armories, maintenance stations, court buildings etc.

The overall functions would include integration with private systems, environmental concerns and coordination with federal and local government programs.

2) Compositions and function:

The approach used by the Fish and Game Department could serve as a model (without the structure of advisory committees). The planning authority would consist of 7 members who would represent modal concerns and also based on geographic considerations. The members would serve staggered terms.

Two should represent "Land", two "Air", and one "Marine" interests and two serve "At Large".

At least one would be picked to represent one of the 3 DOT/PF "Regions", but not more than 3 from any. (or we could use "Judicial Districts if suitable"). They would serve staggered four (or five) year terms, appointed by the Governor, confirmed by the Legislature. If a member does not fulfill a designated term they can be replaced by another appointee for the rest of the term.

The members of the authority would elect their chairperson.

The personnel presently assigned to DOT/PF for State Wide Planning could be significantly reduced to two positions (for federal mandated functions like statistics) and considerable savings are the result.

The members of the authority would receive reimbursement for expenses, including travel and per diem, however, no salary. They would need minimal clerical support. The Regions would maintain their regional planning staff which would fulfill the present functions in relation to the headquarters Statewide Planning Group and the Regional Director.

Therefore the present "Div. Statewide Planning and Programming" would be controlled by the Authority and not the Commissioner.

Considerable savings could be achieved.

The present "Alaska Transportation Planning Council" could be eliminated, as the Authority would include this function.

The "research" function should not be included as part of the Authorities task. It should be left as is, primarily with the University and the materials sections. Maintenance is part of the operating budget and should remain under the control of the Commissioner of DOT/PF.

Heinrich Springer

Tel: 561-5354.

**Bond Reimbursement and Grant Review Committee  
(AS 14.11.014)**

March 4-5, 1997

**The major issue facing education facilities is the need to establish a stable, long-term source of funding for K-12 facilities projects which is an integral part of a comprehensive plan for statewide capital needs.**

**Bond Reimbursement and Grant Review Committee**  
**(AS 14.11.014)**

March 4-5, 1997

**The major issue facing education facilities is the need to establish a stable, long-term source of funding for K-12 facilities projects which is an integral part of a comprehensive plan for statewide capital needs.**

**To implement this we need to do the following:**

- 1. Projects should be funded in the priority order established by the statutorily established ranking system. The current ranking system is a system which offers a credible prioritization of need statewide.**
- 2. The committee and the Department of Education should continue to develop, review, and adopt facilities related standards.**
- 3. As partnerships are established between family, school, community, and business groups, the Committee and the Department should explore non-traditional facilities' plans and uses as alternatives which might enhance student learning and offer this information to districts for their consideration.**

The Board of Regents' FY98 capital budget request attempts to balance fiscal realities with the university's critical capital needs. Highest priority has been given to deferred maintenance and code compliance, instructional equipment and telecommunications improvements, renovation and completion of existing facilities, and planning for growth.

The FY98 general fund capital budget request is summarized below:

	<u>General Funds</u>
Systemwide Deferred Maintenance/Code Compliance	\$35,000.0
Systemwide Instructional Equipment & Telecommunications	\$ 6,000.0
UAA Computer Network Improvements	\$ 1,500.0
UAF School of Fisheries Auke Cape Facility Planning/Match	\$ 1,500.0
UAA Anchorage Campus Library Facility Planning	\$ 1,400.0
UA Museum Planning/Match <i>FLK's</i>	\$ 500.0
UAS Sitka Classroom Renovation & Completion	\$ 1,195.3
Systemwide Renovation, Infrastructure, Safety Improvements:	
Systemwide ADA Compliance	\$ 1,000.0
UAF Space/Infrastructure Planning/Renovation	\$ 1,000.0
UAA Kachemak Bay Renovation/Planning	\$ 200.0
UAA Renovation of Space Anchorage & Kodiak	\$ 2,004.7
UAS Ketchikan Campus Remodel/Renovation	\$ 300.0
UAF Bristol Bay Classroom Addition	<u>\$ 900.0</u>
	\$ 5,404.7
UA Small Business Development Programs	<u>\$ 450.0</u>
 Total General Fund Request	 <u><u>\$52,950.0</u></u>

In addition, \$800.0 in associated non-general fund authority is requested for the "Systemwide Instructional Equipment & Telecommunications" and "UAS Sitka Classroom Renovation & Completion" projects. Non-general fund authority is also requested to allow for the receipt and expenditure of \$1,500.0 in University Receipts for development of the UAF International Arctic Research Center, and to allow for the carryforward of up to \$5,000.0 of operating funds for the establishment of a Systemwide Renewal and Replacement fund.

**University of Alaska**  
**FY98 - FY03 Capital Budget Request**  
 (Total Funds)

	FY98		FY99		FY00		FY01		FY02		FY03	
	CF	Total	CF	Total	CF	Total	CF	Total	CF	Total	CF	Total
Systemwide - Deferred Maintenance/Code Compliance	35,000.0	35,000.0	35,000.0	35,000.0	35,000.0	35,000.0	35,000.0	35,000.0	35,000.0	35,000.0	35,000.0	35,000.0
Systemwide - Instructional Equipment and Telecommunications	6,000.0	6,500.0	7,500.0	7,500.0	7,500.0	7,500.0	7,500.0	7,500.0	7,500.0	7,500.0	7,500.0	7,500.0
UAA - Computer Network Improvements	1,500.0	1,500.0		0.0		0.0		0.0		0.0		0.0
UAF - SFOS Auke Cape Facility Planning	1,500.0	1,500.0		0.0		0.0		0.0		0.0		0.0
UAA - Anchorage Campus Consortium Library Facility	1,400.0	1,400.0	2,000.0	2,000.0	6,000.0	6,000.0	6,000.0	6,000.0		0.0		0.0
UAF - UA Museum Planning	500.0	500.0		0.0		0.0		0.0		0.0		0.0
UAS - Sitka Classroom Renovation/Completion	1,195.3	1,495.3		0.0		0.0		0.0		0.0		0.0
Systemwide - Renovation, Infrastructure, Safety and Other Improvements (to be reviewed each year)	5,404.7	5,404.7	7,300.0	7,300.0	6,000.0	6,000.0	6,000.0	6,000.0	15,000.0	15,000.0	15,000.0	15,000.0
Proposed for FY98:												
Systemwide - ADA Barrier Removal - \$1,000.0												
UAF - Space/Infrastructure Planning/Renovation - \$1,000.0												
UAA - Kachemak Bay Renovation/Planning - \$200.0												
UAA - Renovate Space Anchorage and Kodiak - \$2,004.7												
UAS - Ketchikan Campus Remodel/Renovation - \$300.0												
UAF - Bristol Bay Classroom Addition - \$900.0												
Systemwide - Renewal & Replacement Fund	0.0	5,000.0										
UAF - International Arctic Research Center Development	0.0	1,500.0										
UA - Small Business Development Programs	450.0	450.0	450.0	450.0	450.0	450.0	450.0	450.0	450.0	450.0	450.0	450.0
UAS - Juneau Classroom Construction			3,700.0	3,700.0	3,000.0	3,000.0						
<b>Total</b>	<b>52,960.0</b>	<b>60,250.0</b>	<b>55,950.0</b>	<b>55,950.0</b>	<b>57,950.0</b>	<b>57,950.0</b>	<b>54,950.0</b>	<b>54,950.0</b>	<b>57,950.0</b>	<b>57,950.0</b>	<b>57,950.0</b>	<b>57,950.0</b>

\* The Small Business Development programs have historically been funded in the capital budget, first under the Department of Commerce and Economic Development and since FY97 under the University of Alaska. This request assumes that the programs will be similarly funded in the capital budget in FY98 and outlying years.

**Systemwide Deferred Maintenance/Code Compliance.....\$35,000,0 GF**

The Board of Regents' highest priority capital need continues to be funding to reduce the backlog of deferred maintenance and code compliance violations. This problem is of such magnitude and has such a direct effect on student retention, safety and efficiency of operations that it must be resolved. It is also a problem that by its very nature gets progressively worse so that today's headache becomes tomorrow's nightmare. More and more students will find the facilities unacceptable and will go elsewhere, causing a downward spiral in enrollment and tuition revenue which in turn will negatively affect all of the university's programs. This request outlines a six-year plan for eliminating the backlog and ensuring that it does not reoccur.

At the current time, the university estimates that it has a remaining deferred maintenance backlog of approximately \$150.0 million. This is greater than the amount previously estimated for two reasons. First, until the university gets to the point where it is fully funding annual building maintenance and repair (M&R) and renewal and replacement (R&R) budgets the backlog in deferred maintenance will continue to grow at a rate at least equal to the underfunding. Second, each year that repairs are delayed increases the cost of those repairs by an inflation factor estimated to be approximately 3% per year. For these reasons, the backlog of deferred maintenance is a larger number today even though since FY94 the university has invested over \$3.5 million in additional operating funds and the State of Alaska approximately \$50 million in capital funds.

Reducing and ultimately eliminating the deferred maintenance backlog involves a two-pronged approach: 1) Allocating sufficient resources on an ongoing basis to adequately fund annual building M&R/R&R requirements and prevent the additional backlog of deferred maintenance; and 2) allocating adequate capital funds to reduce the existing backlog and prevent further deterioration of facilities. The university is well on track with the first of these efforts. Recognizing that deferred maintenance on university owned facilities can only be controlled if adequate annual expenditures are made for M&R/ R&R, the Board of Regents in FY93 mandated that budget deficits in these areas be eliminated by the end of FY2001. In accordance with that policy and in spite of overall budget reductions, university units have internally reallocated over \$3.5 million to M&R and R&R since FY94 and will devote an additional \$3 million to this effort in FY98. By FY2001, the university will be fully funding building M&R/R&R requirements at an annual cost of approximately \$32 million. Concurrently, the Legislature has made significant contributions in the second of these efforts, particularly for residential facilities. Using funds appropriated to date, we have outlined a repair schedule for residential facilities and are seeking alternative fund sources for costs not fully covered by previous appropriations. We have also made some progress on non-residential facilities, though funding for that effort has been fairly limited. To reduce and eliminate the remaining backlog, however, will take approximately six years of additional sustained capital contributions at the proposed level. Should the amount of funding applied to this problem continue at the FY97 appropriation level, it is estimated that it will take approximately 100 years to fully address the problem.

This request, coupled with increased allocations to annual building maintenance and in combination with capital requests for deferred maintenance/code compliance in the outlying years of the six-year capital plan, will significantly reduce the backlog in deferred maintenance by the end of FY2002 and will eliminate it by FY2004. Without

this funding, there is simply no way that the university can reallocate enough resources to resolve the problem internally. On the contrary, buildings will continue to deteriorate and enrollments will continue to be adversely affected. The university believes that this is a responsible and attainable approach to this very serious problem.

**Systemwide Instructional Equipment & Telecommunications . . \$6,000.0 GF**  
**\$500.0 NGF**

Understanding and using computer technology has become a necessity in virtually every profession. Correspondingly, equipment and telecommunications infrastructure play an increasingly critical role in the university's ability to provide a quality education to its students, maintain accreditation standards, and to attract research dollars. However, in much the same way that buildings require ongoing maintenance to protect and preserve them, equipment and its related infrastructure must be routinely replaced and upgraded as it becomes obsolete or dysfunctional. Computers, for example, have at most a four to five year functional life in today's rapidly expanding technological environment. In recent years funding to routinely replace or upgrade equipment has been severely curtailed in the operating budget and at best sporadic in the capital budget. As a result, students and faculty frequently must cope with equipment that is barely operational, let alone sufficiently advanced to support current curriculum and distance delivery needs. The university is also significantly behind national standards for computer access and availability, averaging over 50 students per computer compared to national standards of 20:1 for general core courses and 10:1 for disciplines such as engineering, computer science and business administration. This request, coupled with similar requests in the outlying years of the FY98-FY03 six-year capital improvement plan, will provide annual funding to replace worn and defective classroom and laboratory equipment on all campuses, upgrade classrooms and laboratories with video and audio-conferencing capabilities, and supplement library acquisitions and media equipment. It will also provide funding for networking and infrastructure improvements necessary to support distance delivery and other instructional demands. Systemwide instructional equipment and network improvements shall be apportioned inter-MAU according to student population and need at the campuses in order that all students have access to comparable quality.

In addition, this request includes \$500.0 in matching federal receipt authority. To assist universities in state-of-the-art equipment research and teaching equipment, funding agencies are frequently willing to provide part of the costs. Purchase of this equipment in turn helps researchers to ensure successful project results and to attract further research dollars, generating approximately \$4 federal and other restricted dollars for every \$1 invested by the state.

**UAA Anchorage Computer Network Improvements . . . . . \$1,500.0 GF**

Today's educational environment requires that the university have the ability to incorporate electronic information technology throughout its curriculum. This is not currently possible at the Anchorage Campus. To achieve this goal, the campus must have a complete communications infrastructure capable of integrating video, voice, and data. Equipment items are also necessary for continued support of student instruction and institutional functions. This request will provide \$1,500.0 to complete the UAA communications network which will wire and activate over 1,000 additional user data connections throughout the campus. These funds will enable UAA to complete the electronic connection of all campus buildings, provide support to the library, and

provide equipment necessary for distance delivery instruction. Previous legislative appropriations for this project (\$530.0 in FY94 and \$1,400.0 in FY96) allowed the university to substantially complete the raceway system connecting campus buildings and internal cable tray systems in 14 buildings. However, until this project is completed, roughly two-thirds of campus users will continue to have substandard network communications capabilities. This request will provide \$1,200.0 for 850 connections to the communications network. The connections include workstations, classrooms, labs and conference rooms, which are used for training. The average connect cost includes the following: tile removal and replacement, conduit or cable tray, fire stop, Category 5 wiring and wire box, information outlet, termination and testing of Category 5 installed wiring, and one ethernet board per workstation, classroom, lab, etc. All costs are verifiable and are based on actual construction costs for providing basic connectivity for 178 information outlets in the UAA Administration Building. To date, 744 workstations have been connected to the Anchorage campus communications system using these construction methods. The remaining \$300.0 will purchase equipment to support 850 connections. Equipment to be purchased includes data routers, hubs, fiber optic transceivers, fiber termination equipment and cables. Instructional equipment and network improvements shall be apportioned intra-MAU according to student population and need at the campuses in order that all students have access to comparable quality.

**UAF School of Fisheries Auke Cape Facility Planning.....\$1,500.0 GF**

UAF's School of Fisheries and Ocean Sciences (SFOS) is seeking \$1,500.0 to be a partner with the National Marine Fisheries Service (NMFS) in developing plans for a fisheries center of excellence at Auke Bay in Juneau. NMFS, which is responsible for marine fish management in federal waters adjacent to Alaska, is proceeding on a timetable for planning and construction of the Auke Bay facility that makes a decision about UAF's participation urgent. This request will provide \$1,500.0 that will allow UAF to participate in the planning and development process, and will also provide the needed match to seek federal support for the construction phase of the project. This is a great opportunity to secure badly needed space as well as a chance to be a major partner in expanded research issues affecting Alaska's fisheries and other natural resources.

This request also responds to 1990 and 1993 accreditation reports which cited the university for not meeting "criteria ... pertaining to the adequacy of instruction and research facilities, furnishings and equipment." The 1993 report also states that "the use of sub-par facilities ... coupled with the dispersal of students and faculty at off-campus locations throughout the Juneau area continues to seriously compromise the quality of the program." Co-location of the SFOS Juneau instruction and research program at the new facility will also free up instructional space badly needed by UAS instructional programs.

**UAA Anchorage Campus Consortium Library Planning .....\$1,400.0 GF**

The Anchorage Campus Consortium Library, which serves the needs of both the University of Alaska Anchorage and Alaska Pacific University, was constructed more than twenty years ago and no longer meets the diverse needs of this growing institution. For example, the national standard for commuter campus libraries recommends library study space for 20 percent of the full-time equivalent (FTE) student count be available. The Consortium Library has study areas for less than 5 percent of

Anchorage

UAA's FTE students. Furthermore, each addition of shelving, local area network work stations and/or CD indexes replaces a few more student study spaces. The stack area is inadequate and the library is rapidly running out of shelving space for its growing collection of books and periodicals. This request will provide planning funds for a new library/academic facility that will provide the Anchorage campus with a central area where general education classes can be offered in a setting which fosters student retention and scholastic success. This facility will provide quiet areas where students can study as well as a modern library and distance education center. The new facility will provide about twice the usable space of the existing library, which will be used to house traditional stack areas and give access to reference services. The library/academic center will also connect to a wide array of student services, including the Campus Center, Bookstore, Sports Center, Advising and Counseling Center, and the Student Health Clinic. With this facility, the Anchorage Campus will be transformed into an integrated and functional campus with a logical design.

This request provides \$1,400.0 for planning and design of the new facility. Funds for site development and construction of the 50,000 square feet facility with associated parking will be requested in FY99-FY01.

**UAF UA Museum Addition Planning and Design.....\$500.0 GF**

Constructed in 1979, the University of Alaska Museum receives more than 140,000 visitors each year. The present size of the museum's research labs, collection storage and exhibition spaces is inadequate and substandard in environmental systems to support research in the natural sciences related to polar regions, teaching and public service. This was made clear in a 1985 professional assessment of the museum facility which identified a need for more than 40,000 square feet of additional teaching and research laboratory space, and was further emphasized in a 1995 preliminary concept study which identified a need for an additional 70,000 gross square feet of space. Moreover, private donations raised during UAF's major fund-raising campaign and throughout this year signal the importance of this museum to the public and its commitment to the expansion. This request provides funds for preliminary planning for an expansion of the museum, including scope definition, resolution of site development issues, and support activities to further private fund-raising efforts for construction. More than \$3 million has already been raised through major gifts from the Usibelli Coal Mine, the Usibelli family, the Wests and others.

**UAS Sitka Classroom Renovation & Completion..... \$1,195.3 GF**  
**\$300.0 NGF**

The Sitka Campus is housed in a World War II era aircraft hangar that was partially converted in 1985. Further renovations are needed to make this facility fully usable. In particular, the Sitka Campus has need of laboratory facilities to support delivery of life sciences and physical science courses. It also is in need of specialized facilities for taping, editing and delivery of video courses for the campus's distance-delivered instruction and media program, which currently operates out of a classroom closet. Further, vocational education facilities are currently limited to a welding shop, and there is only one classroom with a capacity to support large enrollments. Life sciences and physical sciences must utilize local high school facilities, and high demand vocational and career programs such as the Alternative High School, Rural Sanitation and a variety of health administration programs must utilize off-campus facilities scattered throughout

the community. Such lack of facilities impairs the delivery of an integrated general core and program specific curriculum.

This project will provide a life science and physical science lab, media classroom with support spaces, and audioconferencing and seminar rooms, with all additional space to be incorporated within the existing facility. Total cost of the renovation is estimated to be \$2,320.3, \$825.0 of which was funded by sale proceeds of the former campus facility. In FY95 these proceeds were used to fund project design and engineering, construction framing, rough-in of mechanical and electrical systems, and fire warning and suppression systems. This request for \$1,195.3, which will be matched by \$300.0 from the City of Sitka, will allow completion of the renovation, and will convert what would otherwise be 13,000 square feet of incomplete and useless space into laboratory and classrooms that can be fully utilized for program offerings.

**Systemwide Renovation/Infrastructure/Safety Improvements . . \$5,404.7 GF**

The university's highest capital priority has been and continues to be reducing the backlog of deferred maintenance. However, the university has many other high priority capital needs, including safety improvements in the areas of lighting, fire alarm systems, and pedestrian walkways and crossings; renovations or remodeling of facilities at Anchorage, Ketchikan, Kodiak, Sitka, Fairbanks, Nome and Homer to achieve cost efficiencies and meet enrollment and programmatic needs; and upgrade or replacement of the infrastructure at various locations to meet enrollment growth or prevent the further deterioration of facilities. The university recognizes that the likelihood that these projects, which total over \$80 million, will be funded on an individual basis is very unlikely. As an alternative, the university requests a broadly titled, annual appropriation in each of the next six years to be applied to the university's highest priority renovation, infrastructure and safety improvement projects. The university believes that the flexibility and stability afforded by this process will allow it to innovatively and cost effectively satisfy these vitally important needs. Projects proposed for FY98 include: Systemwide ADA Barrier Removal, \$1,000.0; UAF Space/Infrastructure Planning & Renovation, \$1,000.0; UAA Kachemak Bay Renovation & Planning, \$200.0; UAA Renovations in Anchorage and Kodiak, \$2,004.7; UAS Ketchikan Campus Remodel & Renovation, \$300.0; and UAF Bristol Bay Classroom Addition, \$900.0.

**Systemwide Renewal and Replacement Fund ..... \$5,000.0 NGF**

Recognizing that deferred maintenance on university owned facilities can only be controlled if adequate annual expenditures are made on building maintenance, the Board of Regents has mandated that budget deficits for renewal and replacement be eliminated by the end of FY2001. To compute minimum budget levels, the university uses a nationally recognized formula-based method that considers such factors as the rate of overall plant deterioration and rate of inflation, as well as the replacement value of each campus's facilities and physical plant infrastructure. However, annual expenditure of funds for a specific building, particularly when that building is relatively new, may not correspond to the formula-based budget. On the contrary, it may be prudent to "save" amounts in earlier years for major renewal and replacement projects. Although the university has limited authority to carry forward university receipts, it currently has no mechanism to carry forward general or other unrestricted funds. The intent of this appropriation will be to allow the university to carry forward up to \$5,000.0 to be used

specifically for renewal and replacement projects, and may require separate action by the Legislature. The university will work with the Office of the Governor and the Legislature to obtain any necessary statutory changes.

**UAF International Arctic Research Center ..... \$1,500.0 NGF**

This request provides the university authority to receive and expend an additional \$1.5 million in funds from Japanese and other private sources for the development of the UAF International Arctic Research Institute (IARC). This development includes the construction of an approximately 100,000 gross square foot addition to the Geophysical Institute's Elvey Complex at the Fairbanks Campus, which will provide research and office facilities to house some of the Geophysical Institute's programs as well as several federal and international agencies with complementary missions. Total cost of this facility is estimated to be approximately \$32.0 million, which is being funded from a variety of sources as shown below. Development of the IARC may also include related equipment and infrastructure at the Fairbanks Campus, and related improvements at other university sites as funding allows.

Prior appropriations for this effort include: \$2.1 million in general funds from FY93, FY94 and FY96 appropriations; \$1.3 million from the National Science Foundation (approved by RPL in FY96), and \$28.5 million of university receipt authority approved in FY95 and FY97 to cover receipts from Japanese and other private contributions and proceeds from university revenue bonds. Construction of the main facility has already been bid (using funds and authority already in hand) and will begin construction this spring.

**UA Small Business Development Programs.....\$450.0 GF**

This request represents the minimum level of funding needed to maintain the current level of operations for the UA small business development programs, which have historically been funded through the capital budget. Until FY97 these funds were channeled through the Department of Commerce & Economic Development to the university. In FY97 capital funding for these programs was appropriated directly to the university in the amount of \$400.0, down from \$461.0 in FY96.

Because most of the small business development programs overlap the state fiscal year, the full impact of the FY97 funding reduction is not yet completely understood. The longer range impact, however, is likely to be a loss of federal matching funds and restructuring of current programs, including the closure of at least one office. Current programs include the following:

Small Business Development Center (SBDC): This program, which currently has five regional centers located in Anchorage, Fairbanks, Juneau, Kenai and Wasilla, is a cooperative venture of the U.S. Small Business Administration, the University of Alaska, and private industry. Its primary emphasis is to provide in-depth quality information and technical assistance to small businesses in order to promote growth, expansion, innovation and increased productivity of Alaska's small businesses. The SBDC is funded through a mixture of federal funds, state funds, private and local contributions, and workshop fees and publication sales. Federal funds require a one-to-one match.

Procurement Technical Assistance Center (PTAC): This program, which is co-located in the Anchorage, Fairbanks and Juneau SBDC offices, is a cooperative venture of the U.S. Department of Defense and the UA SBDC. Its primary purpose is to stimulate competition for Department of Defense and other federal contracts by assisting Alaska businesses to enter the government contracting market and to stimulate the economy by helping existing businesses expand their market base through the sale of their products and services to government agencies. The PTAC is funded through a mixture of federal and state funds. Federal funds require a match based on population levels.

Buy Alaska: This program, which is also co-located and administered through the SBDC, is a cooperative effort of the University of Alaska and the Anchorage Economic Development Corporation. The program seeks to encourage in-state purchasing through a multi-media advertising and public awareness campaign and provides direct assistance to participants through the Buyer/Seller Network. Buy Alaska is funded through a mixture of state and private funds.

**HOUSE BILL NO.**  
**IN THE LEGISLATURE OF THE STATE OF ALASKA**  
**TWENTIETH LEGISLATURE - FIRST SESSION**

**BY**

**Introduced:**  
**Referred:**

**A BILL**  
**FOR AN ACT ENTITLED**

1 "An Act relating to the Education Facilities Financing Authority; and providing  
2 for an effective date."

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

4 \* Section 1. FINDINGS. The legislature finds that

5 (1) there is an urgent need for improvement to existing primary and secondary  
6 school and university facilities and for new primary and secondary school and university  
7 facilities throughout the state;

8 (2) the establishment of the Education Facilities Financing Authority as  
9 provided in this Act will provide an effective means of financing school and university  
10 facilities.

11 \* Sec. 2. AS 44.27 is amended by adding new sections to read:

12 **Article 3. Education Facilities Financing Authority.**

13 **Sec. 44.27.100. Education Facilities Financing Authority.** The Education  
14 Facilities Financing Authority is created as a public corporation of the state in the

1 Department of Education. The authority is an instrumentality of the state but has  
2 legal existence independent of and separate from the state and has continuing  
3 succession until its existence is terminated by law. The authority is subject to  
4 AS 37.07 (Executive Budget Act).

5 **Sec. 44.27.110. Board of directors.** The authority is governed by a board of  
6 three directors, consisting of the commissioner of revenue, the commissioner of  
7 education, and the commissioner of transportation and public facilities. The directors  
8 are subject to AS 39.50 (conflict of interest). Before entering upon the duties of  
9 office, a director shall take and subscribe to an oath to perform the duties faithfully,  
10 impartially, and justly to the best of the director's ability. A record of the oath shall  
11 be filed in the Office of the Governor.

12 **Sec. 44.27.120. Officers, quorum, and meetings.** (a) The board of directors  
13 shall elect one of their number as chair. The board shall elect a secretary and a  
14 treasurer who need not be directors, and the same person may be elected to serve both  
15 as secretary and treasurer. The powers of the authority are vested in the board of  
16 directors, and two directors of the authority constitute a quorum. Action may be taken  
17 and motions and resolutions adopted by the authority at any meeting by the affirmative  
18 vote of at least two directors. A vacancy in the directorship of the authority does not  
19 impair the right of a quorum to exercise all of the powers and perform all of the duties  
20 of the authority.

21 (b) The directors and officers of the authority may meet and transact business  
22 by an electronic medium if (1) public notice of the time and locations where the  
23 meeting will be held by an electronic medium has been given in the same manner as  
24 if the meeting were held in a single location; (2) participants and members of the  
25 public in attendance can hear and have the same right to participate in the meeting as  
26 if the meeting were conducted in person; and (3) copies of pertinent reference  
27 materials, statutes, regulations, and audio-visual materials are reasonably available to  
28 participants and to the public. A meeting by an electronic medium as provided in this  
29 subsection has the same legal effect as a meeting in person.

30 (c) The authority may appoint persons as employees it considers advisable and  
31 may employ professional advisors, counsel, technical experts, agents, and others as

1 appropriate. The employees of the authority are in the exempt service under  
2 AS 39.25.110.

3 **Sec. 44.27.130. Powers of the authority.** The authority may

- 4 (1) sue and be sued;
- 5 (2) adopt and alter an official seal;
- 6 (3) make and enforce bylaws and regulations for the conduct of its  
7 business and for the use of its services and facilities;
- 8 (4) maintain an office at any place in the state;
- 9 (5) acquire, hold, use, and dispose of its income, revenue, funds, and  
10 money;
- 11 (6) acquire, rent, lease, hold, use, and dispose of other personal  
12 property for its purposes;
- 13 (7) subject to AS 44.27.160, issue revenue bonds or notes and provide  
14 for and secure payment of the revenue bonds or notes, provide for the rights of their  
15 holders, and purchase, hold, and dispose of any of its revenue bonds or notes;
- 16 (8) fix and revise from time to time and charge and collect fees and  
17 charges for the use of its services or facilities;
- 18 (9) accept gifts or grants from the United States, or from any  
19 governmental unit or person, carry out the terms or provisions or make agreements  
20 with respect to the gifts or grants, and do all things necessary, useful, desirable, or  
21 convenient in connection with procuring, accepting, or disposing of the gifts or grants;
- 22 (10) do anything authorized by AS 44.27.100 - 44.27.250, through its  
23 officers, agents, or employees, or by contracts with a person;
- 24 (11) make, enter into, and enforce all contracts necessary, convenient,  
25 or desirable for the purposes of the authority or pertaining to a purchase or sale of  
26 bonds or other investments, or the performance of its duties and execution of any of  
27 its powers under AS 44.27.100 - 44.27.250;
- 28 (12) purchase or hold bonds at prices and in a manner the authority  
29 considers advisable;
- 30 (13) adopt and amend regulations by motion, by resolution, or in  
31 another manner permitted under the bylaws of the authority;

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(14) procure insurance against any losses in connection with its property, operations, or assets in amounts and from insurers it considers desirable;

(15) to the extent permitted under its contracts with the holders of bonds or notes of the authority, consent to modification of the rate of interest, time and payment of installment of principal or interest, security, or any other term of a bond or note, contract, or agreement of any kind to which the authority is a party; and

(16) do all acts and things necessary, convenient, or desirable to carry out the powers expressly granted or necessarily implied in AS 44.27.100 - 44.27.250.

**Sec. 44.27.140. Issuance of bonds and pledges of assets.** (a) Subject to AS 44.27.160, the authority may issue its bonds or notes in principal amounts sufficient to provide funds for the construction of schools or school facilities that are projects approved under AS 14.11.015(a) and authorized by the legislature.

rural schools

(b) Subject to AS 44.27.170, the authority may enter into agreements providing for financial covenants or pledging amounts to secure bonds of municipalities or the University of Alaska and pay amounts for the following:

(1) the reimbursement up to 70 percent of net payments as determined by the authority made by a municipality that is a school district for the retirement of principal and interest on bonds issued to pay the cost of constructing school facilities that are projects approved under AS 14.11.015(a);

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(2) the reimbursement up to 100 percent of the net payments as determined by University of Alaska for the retirement of principal and interest on bonds issued to pay the cost of constructing university facilities.

(c) Bonds or notes may be issued or agreements made for a facility under (a) and (b) of this section only when

(1) the legislature has authorized the facility and its construction cost;

(2) for agreements made under (b) of this section, the legislature has authorized the percentage of reimbursement that the authority shall agree to reimburse with respect to the facility; and

(3) the commissioner of education has certified that

(A) the facility is designed in accordance with the energy performance standards adopted under AS 44.42.020(a); or

1 (B) the designer and constructor of the facility have certified  
2 that the facility will be designed and constructed in accordance with the energy  
3 performance standards and regulations adopted under AS 44.42.020(a).

4 (d) The authority may issue its bonds or notes in principal amounts that it  
5 considers necessary to provide funds for

6 (1) payment, funding, or refunding of the principal of, or interest or  
7 redemption premiums on, bonds or notes issued by it, whether the bonds or notes or  
8 interest to be funded or refunded have or have not become due;

9 (2) the establishment or increase of reserves to secure or to pay bonds  
10 or notes or interest on bonds or notes and all other costs or expenses of the authority  
11 incident to and necessary or convenient to carry out its corporation purposes and  
12 powers.

13 (e) The authority and a municipality or the authority and the University of  
14 Alaska may enter into agreements as provided by law providing for financial covenants  
15 or pledging amounts for the benefit of bondholders of a municipality or the University  
16 of Alaska to secure the reimbursement of the net payments to be made by the  
17 municipality or the University of Alaska.

18 (f) Except as otherwise provided in AS 44.27.100 - 44.27.250 or by the  
19 authority, every issue of bonds or notes shall be payable out of the revenue or funds  
20 of the authority, subject only to agreements with the holders of particular bonds or  
21 notes pledging particular revenue or funds.

22 (g) Bonds shall be authorized by resolution of the authority and shall be dated  
23 and mature as the resolution may provide, except that a bond may not mature more  
24 than 15 years from the date of its issue. Bonds shall bear interest at rates, be in the  
25 denominations, be in the form, either coupon or registered, carry the registration  
26 privileges, be executed in the manner, be payable in the medium of payment, at the  
27 place or places, and be subject to the terms of redemption that the resolution or a  
28 subsequent resolution may provide. Bonds or notes may be sold at a public or private  
29 sale.

30 (h) The authority may disburse funds necessary to comply with the  
31 construction and reimbursement provisions of (a) and (b) of this section. The authority

1 shall administer the reimbursement payments authorized under (b) of this section and  
2 shall provide by regulation for the filing of applications for reimbursement, the form  
3 of proof of costs for which application for reimbursement is made, and other  
4 regulations necessary to administer this section. An agreement not to modify an  
5 appropriation for construction or reimbursement after bonds or notes have been issued  
6 for the purpose is valid. The authority shall exclude from the total school construction  
7 cost of the local district all state and federal funds included in these costs except funds  
8 provided under this section and AS 43.50.140. In approving applications for  
9 reimbursement under (b)(1) of this section, the authority shall offset against the amount  
10 of reimbursement authorized the amount of any funds distributed to the municipality  
11 in the second preceding fiscal year from the school fund provided for in AS 43.50.140.

12 **Sec. 44.27.150. Trust indentures and trust agreements.** (a) In the discretion  
13 of the authority, an issue of bonds may be secured by a trust indenture or trust  
14 agreement between the authority and a corporate trustee, including a trust company,  
15 bank, or national banking association, with corporate trust powers, located inside or  
16 outside the state, or by a secured loan agreement or other instrument or under a  
17 resolution giving powers to a corporate trustee by means of which the authority may

18 (1) make and enter into any and all the covenants and agreements with  
19 the trustee or the holders of the bonds that the authority may determine to be necessary  
20 or desirable, including, without limitation, covenants, provisions, limitations, and  
21 agreements as to

22 (A) the application, investment, deposit, use, and disposition of  
23 the proceeds of bonds of the authority or of money or other property of the  
24 authority in which it has an interest;

25 (B) the terms and conditions upon which additional bonds of the  
26 authority may be issued; and

27 (C) the vesting in a trustee of rights, powers, duties, funds, or  
28 property in trust for the benefit of bondholders, including the right to enforce  
29 payment, performance, and all other rights of the authority or of the  
30 bondholders, under any agreement of the authority;

31 (2) pledge, mortgage, or assign money, agreements, property, or other

1 rights or assets of the authority either presently in hand or to be received in the future,  
2 or both; and

3 (3) provide for other matters of like or different character that in any  
4 way affect the security or protection of the bonds.

5 (b) For the purpose of securing one or more issues of its bonds, the authority  
6 may establish one or more special funds, called "capital reserve funds," and shall pay  
7 into the capital reserve funds the proceeds of the sale of its bonds and other money  
8 that may be made available to the authority for the purposes of those funds from  
9 another source. The funds shall be established only if the authority determines that the  
10 establishment would enhance the marketability of the bonds. Money held in a capital  
11 reserve fund, except as provided in this section, shall be used as required solely for (1)  
12 the payment of the principal of, and interest on, bonds or of the sinking fund payments  
13 with respect to those bonds, (2) the purchase or redemption of bonds, or (3) the  
14 payment of a redemption premium required to be paid when those bonds are redeemed  
15 before maturity; however, money in a fund may not be withdrawn from it at any time  
16 in an amount that would reduce the amount of that fund to less than the capital reserve  
17 requirement set out in (2) of this subsection, except for the purpose of making, with  
18 respect to those bonds, payment, when due, of principal, interest, redemption  
19 premiums, and the sinking fund payments for the payment of which other money of  
20 the authority is not available. Income or interest earned by, or increment to, a capital  
21 reserve fund, due to the investment of the fund or any other amounts in it, may be  
22 transferred by the authority to other funds or accounts of the authority to the extent  
23 that the transfer does not reduce the amount of the capital reserve fund below the  
24 capital reserve fund requirement under (c) of this section.

25 (c) If the authority decides to issue bonds secured by a capital reserve fund,  
26 the bonds may not be issued if the amount in the capital reserve fund is less than an  
27 amount that may be established by resolution of the authority, called the "capital  
28 reserve fund requirement," unless the authority, at the time of issuance of the  
29 obligations, deposits in the capital reserve fund from the proceeds of the obligations  
30 to be issued or from other sources, an amount which, together with the amount then  
31 in the fund, is not less than the capital reserve fund requirement.

1 (d) In computing the amount of a capital reserve fund for the purpose of this  
2 section, securities in which all or a portion of the funds are invested shall be valued  
3 by a reasonable method established by the authority by resolution. Valuation on a  
4 particular date shall include the amount of any interest earned or accrued to that date.

5 (e) The chair of the authority shall annually, not later than January 2, make  
6 and deliver to the governor and the legislature a certificate stating the amount, if any,  
7 required to restore a capital reserve fund to the capital reserve fund requirement. The  
8 legislature may appropriate the amount described in this subsection, and all money  
9 appropriated during the then current fiscal year by the legislature for the restoration  
10 shall be deposited by the authority in the proper capital reserve fund. Nothing in this  
11 section creates a debt or liability of the state.

12 (f) If the authority decides to covenant to issue bonds secured by a capital  
13 reserve fund, the bonds may not be issued until 10 days after the authority has mailed  
14 notification to the state bond committee and the Legislative Budget and Audit  
15 Committee by certified mail of its intention to establish a capital reserve fund to secure  
16 the bond issue. The notification must include the amount of the capital reserve fund  
17 to be established and the amount of bonds proposed to be issued. The notification  
18 must be accompanied by an estimate by the authority of the need to withdraw money  
19 from the capital reserve fund during the term of the bond issue, the amount that it may  
20 be necessary to withdraw, and the time at which withdrawals are estimated to be  
21 needed. The authority shall annually prepare a revised estimate, considering the same  
22 factors, and a statement of all withdrawals that have occurred from the date of issuance  
23 of the bonds to the end of the calendar year. The revised estimate and statement shall  
24 be submitted to the state bond committee and the Legislative Budget and Audit  
25 Committee by January 30 of the year following preparation of the revised estimate.

26 **Sec. 44.27.160. Bonding limitations.** The authority may not issue bonds or  
27 make agreements under AS 44.27.140 unless the money in the education facilities fund  
28 (AS 44.27.200) equals or exceeds <sup>1,200,000,000</sup> ~~5700,000,000~~.

29 **Sec. 44.27.170. Bond reimbursement limitation.** The authority may not enter  
30 into an agreement to reimburse a municipality or the University of Alaska for  
31 payments made to retire principal and interest on bonds issued to construct education

1 facilities or University of Alaska facilities unless the money in the education facilities  
2 fund (AS 44.27.200) equals or exceeds <sup>1,200,000,000</sup> ~~\$700,000,000~~ and the bonds issued by the  
3 municipality or the University of Alaska comply with AS 44.27.140(g), except that the  
4 bonds need not be authorized by the authority.

5 **Sec. 44.27.180. Nonliability on bonds.** (a) Neither the members of the  
6 authority nor a person executing the bonds is personally liable on the bonds or is  
7 subject to personal liability or accountability as a result of the issuance of the bonds.

8 (b) Bonds issued by the authority do not constitute an indebtedness or other  
9 liability of the state or of a political subdivision of the state, except the authority.  
10 Bonds shall be payable solely from the income and receipts or other funds or property  
11 of the authority. The authority may not pledge the faith or credit of the state or of a  
12 political subdivision of the state, except the authority, to the payment of a bond.

13 **Sec. 44.27.190. Pledge of the state.** (a) The state pledges to and agrees with  
14 the holders of bonds issued under AS 44.27.100 - 44.27.250 that the state will not limit  
15 or alter the rights and powers vested in the authority by AS 44.27.100 - 44.27.250 to  
16 fulfill the terms of a contract made by the authority with the holders and that the state  
17 will not in any way impair the rights and remedies of the holders until the bonds,  
18 together with the interest on them with interest on unpaid installments of interest, and  
19 all costs and expenses in connection with an action or proceeding by or on behalf of  
20 the holders are fully met and discharged. The authority is authorized to use this  
21 pledge and agreement of the state in agreements involving holders of bonds of the  
22 authority.

23 (b) The pledge of the state is limited to the express provisions of (a) of this  
24 section and is not a guarantee, surety, promise, undertaking, or assurance of repayment  
25 or performance of any obligation of the authority.

26 **Sec. 44.27.200. Education facilities fund.** (a) The education facilities fund  
27 is established in the authority. The fund consists of appropriations made to the fund  
28 by the legislature, and, subject to appropriation, the income of the fund. The authority  
29 may enter into agreements for financial covenants or pledge amounts in the fund that  
30 exceed <sup>1,200,000,000</sup> ~~\$700,000,000~~ to secure the payment of bonds of the authority and may make  
31 expenditures from the fund for the purposes of the agreements.

1 (b) The fund and any other funds of the authority shall be invested by the  
 2 Alaska Permanent Fund Corporation as agent of the authority in the manner provided  
 3 for assets of the permanent fund under AS 37.13.120 unless otherwise provided in a  
 4 trust agreement securing bonds.

5 **Sec. 44.27.210. Annual audit.** The authority shall have its financial records  
 6 audited annually by a certified public accountant. The legislative auditor may  
 7 prescribe the form and content of the financial records of the authority and may have  
 8 access to the records at any time.

9 **Sec. 44.27.220. Annual report.** Before March 1 of each year, the authority  
 10 shall submit to the governor and the legislature a comprehensive report describing  
 11 operations, income, and expenditures for the preceding 12-month period.

12 **Sec. 44.27.250. Definitions.** In AS 44.27.100 - 44.27.250, unless the context  
 13 requires otherwise,

14 (1) "authority" means the Education Facilities Financing Authority  
 15 established under AS 44.27.100;

16 (2) "bonds" means revenue bonds, notes, or other obligations of the  
 17 authority issued under AS 44.27.100 - 44.27.250;

18 (3) "fund" means the education facilities fund established under  
 19 AS 44.27.200.

20 \* **Sec. 3.** AS 36.30.850(b) is amended by adding a new paragraph to read:

21 (38) contracts of the Education Facilities Financing Authority  
 22 (AS 44.27.100).

23 \* **Sec. 4.** AS 39.25.110 is amended by adding a new paragraph to read:

24 (33) the employees of the Education Facilities Financing Authority.

25 \* **Sec. 5.** AS 39.50.200(b) is amended by adding a new paragraph to read:

26 (56) Education Facilities Financing Authority (AS 44.27.100).

27 \* **Sec. 6. AUTHORIZATION OF FACILITIES.** (a) The Education Facilities Financing  
 28 Authority established under AS 44.27.100, enacted in sec. 2 of this Act, is authorized under  
 29 AS 44.27.140(a) to issue its bonds for construction of the following facilities at the following  
 30 costs:

31 

<del>          </del> District Name	Project/Location	Amount
-------------------------------------	------------------	--------

*DOE list to \$290 million*

1 (b) The Education Facilities Financing Authority is authorized under  
 2 AS 44.27.140(b)(1) to agree to pay amounts and to pay amounts sufficient to reimburse 70  
 3 percent of net payments, as determined by the authority made by the following municipalities  
 4 that are school districts for the retirement of principal and interest on bonds issued to pay the  
 5 following costs of constructing the following school facilities:

6	Municipal School District	Project	Amount
	<i>\$180 million</i>		

7 (c) The Education Facilities Financing Authority is authorized under  
 8 AS 44.27.140(b)(2) to agree to pay amounts and to pay amounts sufficient to reimburse 100  
 9 percent of net payments, as determined by the authority, made by the University of Alaska  
 10 for the retirement of principal and interest on bonds issued to pay the following costs of  
 11 constructing the following university facilities:

12	Location	Project	Amount
	<i>\$60 million</i>		

13 (d) The University of Alaska is authorized to issue bonds and enter into obligations  
 14 with the Education Facilities Financing Authority necessary to finance projects identified under  
 15 (c) of this section, as required under AS 14.40.253.

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

*Approp.*  
*Move 1.2 bill*  
*from CBR to*  
*Education Facilities*  
*fund.*



University of Alaska  
Statewide System of Higher Education  
Fairbanks, Alaska 99775-5100

February 25, 1997

**TO:** Dave Gray  
Staff to Senator Mackie

**FROM:** Marylou Burton  
Director, UA Statewide Budget Office

**RE:** Deferred Maintenance/  
Alaska Education Facilities Financing Program

Wendy Redman asked me to provide you with the attached list of unfunded non-residential deferred maintenance projects for the University of Alaska. These projects total \$144.8 million in today's dollars, but assuming a 3% inflation factor will total \$153.6 by the time first construction began in the summer of FY99.

Please give me a call at 463-3086 if you have any questions.

**THE FOLLOWING PAGES MAY  
NOT FILM LEGIBLY BECAUSE OF  
THE POOR QUALITY OF THE ORIGINAL**

**University of Alaska**  
**Unfunded Non-Residential Deferred Maintenance Projects**

	Non-Residential Deferred Maintenance (in FY97 Dollars)	Percentage	Alaska Education Facilities Financing Program Proposal (in FY99 Dollars)
UAA	35,338.0	27%	37,493.6
UAF	107,392.7	71%	113,943.7
UAS	2,038.5	2%	2,162.8
<b>Totals</b>	<b>144,769.2</b>	<b>100%</b>	<b>153,600.1</b>

**Assumptions**

Bond issued after 1998 election.  
 First construction, summer 1999 (FY2000).

Inflation assumed at 3% per year:

**UNIVERSITY OF ALASKA ANCHORAGE  
FY97 DEFERRED MAINTENANCE  
NON-RESIDENTIAL UNFUNDED PRIORITY LISTING**

Priority	Campus	Building	Project Title	Project Amount	Cumul. Total	Inflation to FY2000 6.1%	Cumul. Total
1	ANC	ENGINEERING	REPAIR SITE DRAINAGE SYSTEM	60,000	60,000	63,660	63,660
2	ANC	WAREHOUSE	REPAIR VENTILATION DEFICIENCIES	75,000	135,000	79,575	143,235
3	ANC	ADMIN	REPAIR HEATING SYSTEM & CONTROLS	150,000	285,000	159,150	302,385
4	ANC	ALLIED HEALTH	PAINT/SEAL EXTERIOR	120,000	405,000	127,320	429,705
5	ANC	LIBRARY	DOC STATIC CTRLS. LOW TEMP ALARMS	75,000	480,000	79,575	509,280
6	MSC	SHOGRASS	REPAIR FIRE SPRINKLER SYSTEM	175,000	655,000	185,675	694,955
7	MSC	KERTTULA	REPAIR FIRE SPRINKLER SYSTEM	175,000	830,000	185,675	860,630
8	ANC	LIBRARY	REPLACE CARPET, 2nd FLOOR	375,000	1,205,000	397,675	1,278,505
9	ANC	LIBRARY	REPAIR RESTROOMS	350,000	1,555,000	371,350	1,649,855
10	ANC	MCDONALD	REPAIR RESTROOMS	175,000	1,730,000	185,675	1,835,630
11	ANC	MONSERUD	REPAIR RESTROOMS	175,000	1,905,000	185,675	2,021,205
12	ANC	HARTLIEB	REPAIR RESTROOMS	225,000	2,130,000	238,725	2,259,930
13	ANC	SHORT	REPAIR RESTROOMS	175,000	2,305,000	185,675	2,445,605
14	KOC	VO-TECH	REPAIR HVAC SYSTEM, PH II	25,000	2,330,000	26,525	2,472,130
15	ANC	AUTODIESEL	REPAIR ROOF	375,000	2,705,000	397,675	2,870,005
16	ANC	SCIENCE	REPLACE GALVANIZED DOMESTIC WATER PIPING	250,000	2,955,000	265,250	3,135,255
17	ANC	LIBRARY	REPAIR HVAC SYSTEM CONTROLS	200,000	3,155,000	212,200	3,347,455
18	KOC	GOODRICH	REPLACE HVAC COMPONENTS	195,000	3,350,000	206,895	3,554,350
19	KOC	GENNY BENSON	REPAIR CENTRAL HTG PLANT, DOC CTRLS	150,000	3,500,000	159,150	3,713,500
20	ANC	WILLIAMSON	REPLACE BOILERS/HEATING EQUIPMENT	75,000	3,575,000	79,575	3,793,075
21	KOC	VO-TECH	REPAIR/REPLACE HVAC CONTROLS	75,000	3,650,000	79,575	3,872,850
22	KOC	ALC	REPAIR/REPLACE WINDOWS	25,000	3,675,000	26,525	3,899,175
23	ANC	ADMIN	REPLACE CARPET, PH II	75,000	3,750,000	79,575	3,978,750
24	ANC	DIPLOMACY	REPAIR HVAC CONTROLS	250,000	4,000,000	265,250	4,244,000
25	MSC	CAMPUS-WIDE	REPAIR ROADS-STREET PARKING	200,000	4,200,000	212,200	4,456,200
26	MSC	OKESON	PAINT EXTERIOR	50,000	4,250,000	53,050	4,509,250
27	ANC	K	REPLACE ROOF, PH II	550,000	4,800,000	583,550	5,092,800
28	ANC	K	REPAIR FIRE PROTECTION SYSTEM, PH II	70,000	4,870,000	74,270	5,187,070
29	ANC	CAS	REPLACE ELEVATOR CONTROLS	50,000	4,920,000	53,050	5,220,120
30	ANC	CAS	REPAIR FIRE PROTECTION SYSTEM	122,000	5,042,000	129,442	5,349,562
31	ANC	WILLIAMSON	REPLACE ROOF	335,000	5,377,000	355,435	5,704,997
32	ANC	SPORTS CENTER	REPAIR POOL GUTTERS & FILTER TANK	150,000	5,527,000	159,150	5,864,147
33	PWS	GROUDEN-HARRISON	REPAIR BUILDING INSULATION	250,000	5,777,000	265,250	6,129,397
34	ANC	CAMPUS CENTER	REPAIR/REPLACE ROOF	470,000	6,247,000	499,670	6,628,067
35	ANC	ARTS	REPAIR OUTSIDE AIR DAMPERS	15,000	6,262,000	15,915	6,643,982
36	ANC	CAS	REPLACE LIGHT FIXTURES	185,000	6,447,000	196,285	6,840,287
37	ANC	K	REPAIR/REPLACE LIGHT FIXTURES PH II	52,000	6,499,000	55,172	6,895,439
38	PWS	GROUDEN+HARRISON	REPAIR DOMESTIC WATER TREATMENT SYSTEM	20,000	6,519,000	21,220	6,816,659
39	ANC	HARTLIEB	REPAIR FIRE PROTECTION SYSTEM	225,000	6,744,000	238,725	7,155,384
40	ANC	HARTLIEB	REPLACE STRIP LIGHTING FIXTURES	120,000	6,864,000	127,320	7,262,704
41	ANC	ADMIN	REPAIR OVERHANG	235,000	7,099,000	249,335	7,532,039
42	ANC	CAMPUS CENTER	REPAIR RESTROOMS	220,000	7,319,000	233,420	7,765,459
43	ANC	K	REPAIR/REPLACE LIGHTING FIXTURES, STARWAY	15,000	7,334,000	15,915	7,781,374
44	ANC	SCIENCE	REPAIR EMERGENCY POWER	35,000	7,369,000	37,135	7,818,509
45	ANC	MCDONALD	REPLACE STRIP LIGHTING FIXTURES	160,000	7,529,000	169,760	7,988,269
46	ANC	MCDONALD	REPLACE DOORS AND HARDWARE	100,000	7,629,000	104,100	8,094,369
47	ANC	ALLIED HEALTH	REPAIR FIRE ALARM SYSTEM	70,000	7,699,000	74,270	8,168,639
48	ANC	ARTS	REPAIR/REPLACE HUMIDIFICATION SYSTEM	65,000	7,764,000	68,965	8,237,604

**UNIVERSITY OF ALASKA ANCHORAGE**  
**FY97 DEFERRED MAINTENANCE**  
**NON-RESIDENTIAL UNFUNDED PRIORITY LISTING**

Priority	Campus	Building	Project Title	Project Amount	Cumul. Total	Inflation	
						to FY2000 6.1%	Cumul. Total
45	ANC	CAMPUS CENTER	REPAIR HVAC SYSTEM	115,000	7,878,000	122,015	6,359,618
50	ANC	ALLIED HEALTH	REPAIR/REPLACE VAV BOXES	35,000	7,914,000	37,135	8,398,754
51	ANC	CAS	REPLACE INTERIOR FINISHES	2,275,000	10,189,000	2,413,775	10,610,529
52	KPC	WARD	REPAIR ROOF	240,000	10,429,000	254,640	11,085,189
53	KPC	VARIOUS	REPAIR EMCS-FIRE MONITORING/SECURITY	180,000	10,609,000	190,980	11,258,149
54	KOC	ALC	REPLACE BATHROOM FLOORING	90,000	10,639,000	31,730	11,287,979
55	KPC	MCCLANE	REPAIR SPRINKLER SYSTEM	44,000	10,683,000	46,684	11,334,663
56	ANC	HARTLIEB	REPAIR/REPLACE AIR HANDLER	152,000	10,835,000	181,272	11,485,935
57	ANC	AUTO DIESEL	REPAIR MECHANICAL SYSTEM	225,000	11,060,000	238,725	11,734,680
58	KCC	BENNY BENSON	REPAIR BATHROOM VENTILATION	8,000	11,068,000	8,488	11,743,148
59	KCC	BENNY BENSON	REPAIR INTERIOR/REPLACE FLOORING	50,000	11,118,000	53,050	11,799,198
60	ANC	ENGINEERING	REPLACE ENTRY GRATES	5,000	11,123,000	5,305	11,801,503
61	KPC	MCCLANE	REPAIR ENTRY	26,000	11,149,000	27,586	11,829,089
62	ANC	SHORT	REPAIR ENTRY	25,000	11,174,000	26,525	11,855,614
63	ANC	MCDONALD	REPAIR ENTRY	300,000	11,474,000	318,300	12,173,914
64	KPC	MCCLANE	REPAIR FIRE PROTECTION SYSTEM	20,000	11,494,000	21,220	12,195,134
65	KPC	GOODRICH	REPAIR FIRE PROTECTION SYSTEM	18,000	11,512,000	19,098	12,214,232
66	ANC	AUTO DIESEL	REPLACE LIGHTING	25,000	11,537,000	26,525	12,240,757
67	ANC	ARTS	REPAIR ENTRY DOORS	32,000	11,569,000	33,952	12,274,709
68	ANC	SPORTS CENTER	REPLACE JOGGING TRACK TILES	150,000	11,719,000	159,150	12,433,859
69	ANC	SPORTS CENTER	REPAIR/REPLACE ICE RINK BOARDS	121,000	11,840,000	128,381	12,562,240
70	ANC	MONSERUD	REPLACE PNEUMATIC CONTROLS	100,000	11,940,000	106,100	12,668,340
71	ANC	ENGINEERING	REPLACE COMPUTER COOLING	95,000	12,035,000	100,795	12,769,135
72	ANC	HARTLIEB	REPLACE INTERIOR FINISHES, PH II	186,000	12,231,000	207,656	12,977,001
73	ANC	SHORT	REPLACE INTERIOR FINISHES, PH II	285,000	12,516,000	302,385	13,279,476
74	ANC	SHORT	REPAIR/REPLACE LIGHTING/CEILING SYSTEM, PH II	180,000	12,706,000	201,590	13,481,066
75	ANC	AUTO DIESEL	REPAIR RESTROOMS	125,000	12,831,000	132,625	13,613,691
76	ANC	MONSERUD	REPLACE STRIP LIGHTING FIXTURES	90,000	12,921,000	95,490	13,709,181
77	ANC	BOOKSTORE	REPLACE LIGHT FIXTURES	50,000	12,971,000	53,050	13,782,231
78	ANC	T&A	REPAIR FIRE SPRINKLER SYSTEM	150,000	13,121,000	159,150	13,921,381
79	ANC	MCDONALD	REPLACE INTERIOR FINISHES	532,000	13,653,000	584,452	14,485,833
80	ANC	HARTLIEB	REPAIR/REPLACE DOORS/HARDWARE	125,000	13,778,000	132,625	14,618,458
81	ANC	HARTLIEB	REPAIR/REPLACE LIGHTING FIXTURES	14,000	13,792,000	14,854	14,633,312
82	ANC	MONSERUD	REPLACE LIGHTING/CEILING TILE	226,000	14,018,000	239,788	14,873,098
83	ANC	MONSERUD	REPLACE INTERIOR FINISHES	341,000	14,359,000	361,801	15,234,899
84	ANC	T&A	REPAIR/REPLACE MUTLIZONE UNIT	202,000	14,561,000	214,322	15,449,221
85	ANC	SHORT	REPAIR/REPLACE DOORS/HARDWARE	130,000	14,691,000	137,930	15,587,151
86	ANC	MONSERUD	REPLACE CARPET	78,000	14,769,000	82,758	15,669,909
87	ANC	MONSERUD	REPLACE VAT FLOORING	180,000	14,929,000	189,700	15,839,689
88	ANC	ADULT LRNG CTR	REPAIR MECHANICAL SYSTEM	64,000	14,993,000	67,904	15,907,573
89	ANC	ADULT LRNG CTR	REPAIR FIRE PROTECTION SYSTEM	80,000	15,053,000	83,990	15,971,223
90	ANC	AUTO DIESEL	REPAIR FIRE PROTECTION SPRINKLER SYSTEM	100,000	15,153,000	106,100	16,077,333
91	ANC	HARTLIEB	REPAIR FIRE PROTECTION SPRINKLER SYSTEM	100,000	15,253,000	106,100	16,183,433
92	ANC	LIBRARY	REPLACE ROOF	800,000	16,053,000	848,800	17,032,233
93	ANC	VARIOUS	REPLACE PEDESTRIAN SPINE ROOF	400,000	16,453,000	424,400	17,456,633
94	ANC	VARIOUS	CORRECT FIRE PROTECTION DEFICIENCIES	200,000	16,653,000	212,200	17,668,833
95	PWS	GROUDEN.. RRISON	REPAIR FLOOR & STRUCTURAL PROBLEMS	25,000	16,678,000	26,525	17,695,358
96	MSC	KERTTULA	PAINT EXTERIOR	50,000	16,728,000	53,050	17,748,408