

ALASKA LEGISLATURE COMMITTEE FILES 1997-1998 00/2

9710 SENATE RULES

110

**Airline Affairs Committee Presentation
Anchorage International Airport
Passenger Terminal Expansion Program**

Summary of Rates and Charges (cont.)

Terminal Rents November 5 Scenario A	Terminal Rents October 15 Scenario A	Year	Landing Fees November 5 Scenario A	Landing Fees October 15 Scenario A
42.16	41.82	2011	0.75	0.80
42.59	42.22	2012	0.75	0.79
43.03	42.63	2013	0.75	0.79
43.48	43.05	2014	0.75	0.79
43.93	43.47	2015	0.75	0.79
44.42	43.92	2016	0.75	0.78
42.36	41.86	2017	0.71	0.74
42.79	42.33	2018	0.71	0.74
43.31	42.80	2019	0.71	0.74
43.84	43.29	2020	0.71	0.74
44.38	43.80	2021	0.71	0.74
44.93	44.32	2022	0.71	0.73
45.52	44.85	2023	0.71	0.73
46.10	45.40	2024	0.71	0.73
33.14	30.91	2025	0.54	0.55

November 5, 1997

**Leif Selkregg Associates Program Management Team
by Hudson AIPF, LLC Aviation, Infrastructure & Project Finance**

State Contribution

- October 24, 1997 Letter from Commissioner of Department of Transportation and Public Facilities to the Chairman of the Airline Airport Affairs Committee
- \$26.3 million commitment of federal highway funds to be received by the State which will be used to fund terminal access roads
- Clear demonstration of the State's good faith in committing non-airline funding sources
- October 24th letter refers to additional \$15 million in non-airline funds:

"The State has also identified a minimum of \$15 million in airside development which is eligible for FAA Discretionary Funds. We commit to aggressively pursue these funds to further reduce the airline share of the project costs."

- October 24th letter joins the State with the airlines in pursuing lower rates and charges to make Anchorage International Airport more competitive in the aviation market
- The most explicit value of the State contribution is the lowering of annual debt service on the bond issue (see following chart)

November 5, 1997

**Leif Selkregg Associates Program Management Team
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**Airline Affairs Committee Presentation
Anchorage International Airport
Passenger Terminal Expansion Program**

	<u>October 15 Bond Issue</u>	<u>November 5 Bond Issue</u>
Par Amount of Bonds	\$199,130,000	\$177,205,000
Project Fund from Bond Proceeds	177,207,788	152,000,031
Project Fund from Airport Capital Allocation	6,400,000	6,100,000
Project Fund from State Capital Allocation	0	26,300,000
Capitalized Interest Fund Deposit	22,477,655	20,002,796
Maximum Annual Debt Service (Level Debt Structure)	16,388,159	14,583,284

November 5, 1997

Leif Selkregg Associates Program Management Team
by Hudson AIPF, LLC *Aviation, Infrastructure & Project Finance*

Update of Other Assumptions

- New Project Fund bonding requirement based on 1997 Dollars and 3% Escalation is as follows:

Cash Flow Line	1998	1999	2000	2001	2002	2003	
6.1	6.1						
18.4	18.4	19.0					
41.9	41.9	43.2	44.5				
42.3	42.3	43.6	44.9	46.2			
42.1	42.1	43.4	44.7	46.0	47.4		
13.7	13.7	14.1	14.5	15.0	15.4	15.9	
164.5	6.1	19.0	44.5	46.2	47.4	15.9	179.0 TOTAL

Note 1: \$6.1 million in FY 1998 is not included in the 172.9 million Project Fund bonding requirement.

Note 2: prior 1997 dollars were \$190.9 million, escalating to a total of \$207.5 million.

November 5, 1997

**Leif Selkregg Associates Program Management Team
by Hudson AIPF, LLC Aviation, Infrastructure & Project Finance**

**Airline Affairs Committee Presentation
Anchorage International Airport
Passenger Terminal Expansion Program**

- Incorporate an assumption of less than 100% occupancy of the Airline Rentable area of the Terminal when the project comes on line in Fiscal Year 2002

Fiscal Year	Total Usable Square Feet	Total Available Airline Rentable Square Feet	Actual Rented as % of Available Rentable (rounded)	Total RENTED Airline Rentable Square Feet	Total VACANT Airline Rentable Square Feet
2002	591,565	232,256	80.51%	187,000	45,256
2003	631,863	257,357	80.43%	207,000	50,357
2004	631,863	257,357	83.54%	215,000	42,357
2005	631,863	257,357	89.37%	230,000	27,357
Thereafter	631,863	257,357	89.37%	230,000	27,357

- Update fuel flowage fee assumption to tie to takeoff weight assumption rather than 3% straight line growth

November 5, 1997

**Leif Selkragg Associates Program Management Team
by Hudson AIPF, LLC Aviation, Infrastructure & Project Finance**

**Airline Affairs Committee Presentation
Anchorage International Airport
Passenger Terminal Expansion Program**

- Incorporate updated concession revenues work based on the October 15th Design Presentation to the Airline Affairs Committee; concession consultant has identified several additional design factors which strengthen the outlook for concession revenues, including, for example, location, size, configuration, and store content

Fiscal Year	Food & Beverage Per Enplaned Passenger	News, Gifts & Specialty Per Enplaned Passenger
1997	0.39	0.27
1998 to 2001	increase at 1.5% per annum	increase at 1.5% per annum
2002 (New Program)	0.64	0.58
2003 and thereafter	increase at 1.5% per annum	increase at 1.5% per annum

- Incorporate higher operating assumptions in the areas of Custodial and Building Maintenance for the AIA Main Terminal only

Custodial	One time step up of 10% in FY 2002; then resume 3% escalation
Building Maintenance	Includes two components: Maintenance one time step up of 5% in FY 2002; then resume 3% escalation Utilities one time step up of 15% in FY 2002; then resume 3% escalation

November 5, 1997

**Leif Selkregg Associates Program Management Team
by Hudson AIPF, LLC Aviation, Infrastructure & Project Finance**



**Anchorage Chamber
of Commerce**

**Resolution in Support of Revitalizing the Anchorage International Airport
Anchorage Chamber of Commerce
Resolution 97/98-6**

WHEREAS, legislation to consider revitalizing the Anchorage International Airport (AIA) will be introduced during this legislative session; and

WHEREAS, AIA is the state's largest transportation hub, with more than five million passengers traveling through the domestic terminal last year and a forecasted increase in passengers in excess of three percent annually through the year 2005; and

WHEREAS, future expansion of Alaska's economy is tied closely to the airport, with more than 11,000 jobs already directly related to AIA activities and further increases in airport activities expected to create new employment opportunities; and

WHEREAS, a recent study by nationally recognized consultants identified many structural and design deficiencies at the AIA terminal and documented the need to expand and improve it to meet the requirements of the year 2005; and

WHEREAS, project financing has been approved by the airlines in accordance with the terms of the Airport Operating Agreement, to be financed through revenue bonds, which bonds are expected to be repaid through user fees; and


WHEREAS, the remaining costs will be paid by the federal government; and

WHEREAS, the airlines that carry the preponderance of the passenger traffic and produce most of the passenger revenue have approved the proposed AIA terminal revitalization;


THEREFORE, be it resolved that the Anchorage Chamber of Commerce endorses revitalization of Anchorage International Airport, as approved by the airlines, and urges approval of the necessary authorizing legislation; and

BE IT FURTHER RESOLVED that copies of this resolution be forwarded to all members of the Alaska State Legislature, Governor Knowles, and members of Alaska's Congressional delegation.

Approved this 16th day of January 1998.



Joe Griffith, 1997-98 Chairman



April Jensen, President

ALASKA STATE CHAMBER OF COMMERCE

Position 98-1

Revitalizing the Anchorage International Airport

WHEREAS, the Alaska State Legislature will be considering revitalizing the Anchorage International Airport (AIA) during this legislative session; and

WHEREAS, this airport is the state's largest transportation hub; and

WHEREAS, more than five million passengers traveled through the AIA domestic terminal last year, and an annual increase in excess of three percent in passengers is forecast through the year 2005; and

WHEREAS, air transportation is extremely important to Alaskans, who travel by air at more than three times the national average; and

WHEREAS, the future expansion of Alaska's economy is tied to AIA's ability to serve an increase in passenger and cargo service; and

WHEREAS, a recent six month study pinpointed the many deficiencies at AIA's terminal; and

WHEREAS, the study documented the need to expand and improve the AIA terminal to meet the needs of the traveling public for the year 2005; and

WHEREAS, the airlines that carry 84 percent of the passenger traffic and produce nearly 90 percent of passenger revenue support an AIA terminal revitalization; and

WHEREAS, significant costs will be paid by the federal government;

THEREFORE BE IT RESOLVED that the Alaska State Chamber of Commerce endorses revitalization of the Anchorage International Airport.

ADOPTED

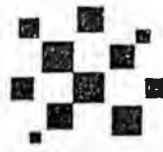
BY _____

Pamela La Bolle
President

BY _____

David Marquez
Chairman, Board of Directors

Signatures due 2/11/98



Anchorage Economic Development Corporation
The Center of Opportunity

February 9, 1998

Governor Tony Knowles
Office of the Governor
State Capitol
Juneau, Alaska

Dear Governor Knowles:

At the full meeting of the Board of Directors on February 4, 1998, The Anchorage Economic Development Corporation adopted the enclosed position of support for the improvement of the Anchorage International Airport.

The AEDC recognizes the need to improve the passenger terminal and to provide appropriate amenities supporting travelers. The AEDC also recognizes the importance of cargo traffic to the economic viability of the Anchorage International Airport. The transportation and access corridors play an important part in the future growth of the cargo business in Anchorage. It is important for these elements to be included in the planned improvements to AIA. The AEDC supports a financing approach that maintains the cost competitiveness of carrier operations at AIA.

Please keep us advised of the progress of this project. We will provide appropriate comment and documentation during the process of moving this complex undertaking forward.

Sincerely,

Ernest E. Hall
Chairman of the Board

cc: Joseph Perkins, Commissioner, Dept. of Transportation & Public Facilities
Mort Plumb, Director, Anchorage International Airport
Randy Simmons, Director, AIDEA

**Anchorage Economic Development Corporation
Statement of Position on
Anchorage International Terminal Expansion
February 4, 1998**

I. Introduction

The Anchorage Economic Development Corporation (AEDC) has identified the Anchorage International Airport (AIA) as one of the most important economic engines of the metropolitan area of Anchorage. With over 11,000 employees and \$319 million in payroll, the AIA accounts for almost one job in 10 in Anchorage. In 1997, 34 air carriers have landing rights at AIA. The airport currently serves over five million passengers annually, over half are Alaskans, with 25% domestic visitors, and 15% international travelers. Based on current trends, six million passengers are expected by the year 2005. The Anchorage International Airport is the top U.S. cargo airport based on landed weight of all-cargo aircraft. Over 95% of the cargo between the U.S. and Asia stops in Anchorage. The expanded cargo transfer capability ruling approved by the U.S. Department of Transportation has enhanced the ability of cargo carriers to transfer cargo in Anchorage. This makes AIA even more attractive for cargo hub operations and inter-airline cargo transfers.

II. Three Reasons to Support the Terminal Expansion

Anchorage International Airport has proposed a terminal expansion project based on forecasts of need to the year 2005. A number of scenarios were reviewed and evaluated, and the program is designed for implementation over a period of years. AIA proposed financing of the project results in fees for doing business at the airport which are competitive with those of medium and large hub airports in the United States.

A. Anchorage is the passenger gateway to Alaska. Based on national industry standards, current terminal facilities are inadequate for today's needs and insufficient to accommodate growth.

- Main terminal provides only 75% of space needed today.
- Ticket lobby is only 40% of the space needed today.
- Baggage claim lobby is only 43% of the space needed today.
- Concourse "C" is functionally obsolete. Built in 1952.

B. Cargo activity provides a business-based reason for aircraft to land in Anchorage.

- Of the \$191 million in the terminal expansion project, \$18 million is earmarked for hard stand development for cargo carrier refueling
- Facility and transportation infrastructure is required to support growth of cargo operations at AIA. Efficient road access for cargo and freight movement between industrial parts of the city and the airport need to be addressed.
- The AIA improvement plan includes the road access and taxiway development requirements to support cargo movement into and within the airport.

C. Through its airport, Anchorage can make a good first impression. Vacationers and business travelers first exposure to Alaska is the Anchorage International Airport. The current terminal would benefit from amenities found at most major airports. The terminal expansion includes the following major elements:

- Five new jet aircraft gates.
- Seven new regional aircraft parking positions.
- Expanded and new ticket lobby and baggage claim.
- Expanded curbside and road system.
- New tour group processing facilities.
- Expanded and new retail space.

III. AEDC Supports Revitalization of the Anchorage International Airport

The AEDC supports essential improvements to the passenger terminal at AIA as well as the improvements to cargo carrier service. The AEDC also supports the upgrading of roads to expedite movement of passengers and cargo between the AIA and destinations within Anchorage. The financing of these improvements should be phased to provide a continuation of competitive costs for use of the airport for both passenger and cargo carriers. The revitalization of AIA will enhance its role as a major economic engine of Anchorage and will provide a facility commensurate with its world class status in global travel and trade.

COMMONWEALTH NORTH

Resolution in support of revitalizing Anchorage International Airport

This resolution is consistent with the Commonwealth North study focusing on economic development, quality of life, education, and the role of state government entitled Agenda 2000, Alaska's Future in a New World.

Commonwealth North:

Endorses the Anchorage International Airport revitalization project as approved by the airlines; and

Requests all state legislators to approve the authorizing legislation to revitalize the Anchorage International Airport; and

Forwards this resolution to all members of the Alaska State Legislature, Governor Tony Knowles, and Alaska's congressional delegation.

Resolved for the following reasons:

1. This airport is the state's largest transportation hub with more than five million passengers per year and an annual increase exceeding three percent forecast through the year 2005; and
2. Air transportation is extremely important to Alaskans, who travel by air at more than three times the national average; and
3. The future expansion of Alaska's economy is tied to AIA's ability to serve an increase in passenger and cargo service; and
4. More than 11,000 jobs are already directly related to AIA's activities and further increases in airport activities will create new employment opportunities; and
5. A recent six month study pinpointed the many deficiencies at AIA's terminal and documented the need for expansion and improvement to meet the needs of the traveling public for the year 2005; and
6. The majority of the \$191 million related to the terminal revitalization will be financed through revenue bonds which will be repaid through rates and fees collected from air carriers; and
7. The remaining costs will be paid by the federal government; and
8. Project financing has been approved by airlines in accordance with the terms of the Airport Operating Agreement. Airlines that carry 84 percent of the passenger traffic and produce nearly 90 percent of passenger revenue have approved the proposed AIA terminal revitalization.

Unanimously resolved by the Board on February 10, 1998

SB

360

FISCAL NOTE

No. 1
Bill Version: CS SB360(FIN)
(S) Publish Date: 5/5/98

Revision Date: _____ Dept. Affected: _____ Revenue: _____
Title: AHFC Bonds for Certain Capital Projects BRU: Alaska Housing Finance Corporation
Component: Alaska Housing, Operations
Sponsor: (S) FIN
Requestor: (S) FIN COMPONENT SERIAL NO. 110

Expenditures/Revenues: (Thousands of Dollars)

OPERATING EXPENDITURES	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04
PERSONAL SERVICES	79.6	83.5	87.7	92.1	96.7	101.5
TRAVEL	2.5	2.5	2.5	2.5	2.5	2.5
CONTRACTUAL	0.2	0.2	0.2	0.2	0.2	0.3
SUPPLIES	0.8	0.8	0.8	0.9	0.9	1.0
EQUIPMENT	4.5					
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	87.6	87.0	91.2	95.7	100.3	105.3

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1103 AHFC Receipts	87.6	87.0	91.2	95.7	100.3	105.3
Other						
TOTAL	87.6	87.0	91.2	95.7	100.3	105.3

Estimate of any current year cost \$ 0.0

POSITIONS:

FULL-TIME	1	1	1	1	1	1
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

This action will require a new PCN and funding for a Finance Officer to track and monitor the specific activity relating to the projects funded under this bond deal. The grade level for this position would start at 22A. Other expenses include telephone charges and a new computer and printer along with standard office and computer supplies. We anticipate a small amount of travel and training. This position will be responsible for: 1) monitoring expenditures in order to assure compliance with authorization; 2) establishing a monitoring system for AHFC working with the state's accounting system; 3) preparing activity and expenditure reports for interested parties such as AHFC's Finance department, CEO, Board of Directors, the Bond holders, and the State; 4) tracking the expenditures necessary to comply with federal tax laws related to permitted arbitrage and eligible capital projects; 5) and the administration of the investment plan such that earnings from the investment of bond proceeds are maximized.

Prepared by: John Binney
Division: Alaska Housing Finance Corporation
Approved by Commissioner: Wilson L. Condon
Agency: Revenue

Phone: 330-8445
Date: May 4, 1998
Date: May 4, 1998

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Page 1 of 1

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SCR

3



SENATOR DAVE DONLEY

ALASKA STATE LEGISLATURE

Sponsor Statement for Senate Concurrent Resolution 3

On February 13th British Petroleum (Alaska) Inc. announced they have suspended work on the Northstar oil field development project. British Petroleum is concerned with a lawsuit (Baxley, The Republican Moderate Party vs. State of Alaska & John Shively) challenging the revisions to the lease terms of Northstar field ratified by the legislature and signed by the Governor last year.

SCR 3 urges the Attorney General of the State of Alaska to use every appropriate resource and due diligence to defend the state's interests in this case. SCR 3 also respectfully requests the Superior Court to expedite consideration of the pending legislation so that work on the project can resume as quickly as possible.

In 1996 the legislature authorized the Commissioner of Natural Resources to revise the Northstar unit oil and gas leases. The legislature emphasized to British Petroleum (Alaska) Inc. the importance of a strong commitment to Alaska-hire, Alaska-build, and Alaska-buy in the development of the Northstar field. British Petroleum (Alaska) Inc. has honored its commitment to these important Alaskan issues.

Following the revised lease agreement, construction of modules for the Northstar project began in Anchorage. Several Alaskan construction and oil services companies made preparations for the increased work load. People were hired. Plans were put into place.

The lawsuit has directly resulted in many Alaskans losing their jobs. In the interest of all Alaskans, this case must be resolved quickly.

SCR 3 simply asks the Courts to act as expeditiously as possible on this hearing in order to put Alaskan families back to work.

DD/jja

January-May: STATE CAPITOL • JUNEAU, AK • 99801-1182 • (907) 465-3892 • FAX: (907) 465-6595
June-December: 716 W. 4TH AVE. • STE. 430 • ANCHORAGE, AK • 99501 • (907) 258-8181 • FAX: (907) 258-1648

MEMBER: Senate Finance Committee • Legislative Budget & Audit Committee
• Senate Community & Regional Affairs Committee



SENATOR DAVE DONLEY

ALASKA STATE LEGISLATURE

Sponsor Statement for Senate Concurrent Resolution 3

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DD/jja

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MEMBER: Senate Finance Committee • Legislative Budget & Audit Committee
• Senate Community & Regional Affairs Committee

Produced in House

FISCAL NOTE

No. 1

STATE OF ALASKA
1997 LEGISLATIVE SESSION

Bill Version: CS SCR 3 (RES)

(S) Publish Date: 3-6-97

Revision Date 2/19/97 Dept. Affected _____
 Title Northstar agreement litigation BRU _____
 Component _____
 Sponsor Donley Component Serial No. _____
 Requester _____

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXPENDITURES	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES []						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
1091 Designated Program Receipts						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY97) cost: 0.0

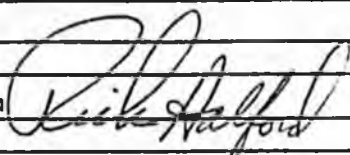
POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This resolution has no fiscal impact on state departments.

Prepared by Senate Resources Committee
 Division _____
 Approved by Senator Rick Halford, Chairman
 Agency _____



Phone 465-4907
 Date _____
 Date 3/4/97

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Alaska State Legislature

JERRY WARD

Senate



State Capitol
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Phone (907) 586-3400
Fax (907) 586-3700

1100 A. 20th Avenue
Anchorage, AK 99501-2100
Phone (907) 224-6100
Fax (907) 224-6020

41 Main Street, Lower
Senate, AK 99501
Phone (907) 283-7999
Fax (907) 243-3077

SENATE CONCURRENT RESOLUTION No. 04

"A Senate Concurrent Resolution declaring
March 1997 as Sobriety Awareness Month (SAM)"

Sponsor Statement

Alcohol and drug abuse has been identified as the single most destructive health problem in Alaska. Its devastating effects have been felt within every racial, ethnic and economic background.

Senate Concurrent Resolution (SCR) No. 04 reinforces the intent language of HB 523 which passed last session. SCR No. 4 follows a conventional wisdom to focus on a solution being embraced by thousands of Alaskan citizens. Social norms, such as they are, it helps to know that the state is doing something positive to recognize, reinforce, and appreciate the example people are setting for sobriety: a positive, healthy and productive way of life, free from the devastating effects of alcohol and drug abuse.

If SRC No. 04 is passed it will help to highlight and reinforce the socially appropriate behaviors and choices that: a) Improve the quality of life and health of individuals, families and communities; b) Reduce the incidence of alcohol and drug related crimes; c) Reduce the burden on government in having to exhaust its resources and pay for the pervasive problems caused by alcohol and drug abuse.

It seems fitting, too, that if we can nationally name a month after a commodity (alcohol), give it free publicity and attention by focussing on its all problems. Alaska should lead the nation in giving equal time to naming a month after a lifestyle (sobriety: a solution) to focus on all of its benefits.

FISCAL NOTE

STATE OF ALASKA
1997 LEGISLATIVE SESSION

BILL NO. SCR 4

Revision Date: February 21, 1997 Dept. Affected: all depts.
 Title: Making March, 1997 Sobriety Awareness BRU: _____
Month Component: _____
 Sponsor: Senator Ward
 Requester: Senate Rules Committee COMPONENT SERIAL NO. _____

Expenditures/Revenues

(Thousands of Dollars)

OPERATING EXPENDITURES	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
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FUND SOURCE

(Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY97) cost: \$ _____

POSITIONS

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

Prepared by: Tim Benintendi, Committee Asst.
 Division: Senate Rules Committee
 Approved by Commissioner: T. Kelly (TR)
 Agency: _____

Phone: 465-3770
 Date: Feb 21, 1997
 Date: 2-24-97

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SENATOR LOREN LEMAN

Northwest Anchorage

716 W 4th Ave, Suite 520, Anchorage, AK 99501 (907) 258-8189 Session: State Capitol, Juneau, AK 99801 (907) 465-2095

Sponsor Statement SCR 8

"Relating to the twenty-ninth annual Girls' State."

Since 1969 Alaska Girls' State has encouraged hundreds of young women to be involved in Alaska politics. This week-long program provides young women, typically those between their junior and senior years in high school, with knowledge of state and local government. The delegates set up mock institutions of the legislative, executive and judicial branches of government and imitate their functions.

The 29th Alaska Girls' State will be held at Camp Challenge near Palmer under the sponsorship of the American Legion Auxiliary and cooperating organizations.

Because it encourages young women to be leaders this exceptional program deserves the recognition and support of the Legislature.

No. 1

Bill Version: SCR 8

(S) Publish Date: 3/19/97

FISCAL NOTE

BILL NO. SCR 8

STATE OF ALASKA
1997 LEGISLATIVE SESSION

Revision Date 3/17/97 Dept. Affected _____
 Title Twenty-Ninth Annual Girls' State BRU _____
 Component _____
 Sponsor Leman _____
 Requester Senate State Affairs Component Serial No. _____

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXPENDITURES	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES []						
------------------------	--	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
1091 Designated Program Receipts						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY97) cost: 0.0

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)
This resolution will have no fiscal impact.

Prepared by Senate State Affairs
 Division _____
 Approved by Senator Lyda Green, Chair
 Agency _____

Phone 465-4522
 Date _____
 Date 3/17/97

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SCR

10

GARY WILKEN

SENATOR

Districts 29 & 30
West Fairbanks

Senate Standing Committees

Chairman: Health, Education,
and Social Services (HESS)
Vice Chairman: Transportation
Vice Chairman: Community and
Regional Affairs

Special Committee

Member: Administrative Regulation Review



During Session:
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Juneau, Alaska 99801-1182
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(907) 465-4714 (f)
[www: akRepublicans.org/wilken.htm](http://www.akRepublicans.org/wilken.htm)
E-mail: Senator_Gary_Wilken@legis.state.ak.us

Interior:
119 N. Cushman St., Room 213
Fairbanks, Alaska 99701
(907) 452-3421
Fax (907) 452-3426

SPONSOR STATEMENT

SCR 10 - Supporting Use of Furbearer Resources

Senate Concurrent Resolution 10 calls for the Alaska State Legislature's endorsement of continued harvest and use by Alaskans of the state's renewable furbearer resources, consistent with the principles of sustained yield.

There are some that feel trapping should no longer be allowed in our state. I strongly disagree and through this legislation I hope the Legislature will too.

We, in Alaska, are blessed with many renewable resources including abundant furbearer populations. Not only is trapping an important management tool for helping to maintain healthy furbearer populations, it is also a traditional activity for many Alaskans and helps promote self-reliance by providing income, food, and clothing. Trapping ties Alaska to its pioneer roots, and helps to keep alive the very values that built the forty-ninth state.

FISCAL NOTE

No. 1
 Bill Version: SCR 10
 (S) Publish Date: 4-25-97

STATE OF ALASKA
1997 LEGISLATIVE SESSION

Revision Date 4/9/97 Dept. Affected _____
 Title Supporting use of furbearer resource BRU _____
 Component _____
 Sponsor Wilken _____
 Requester _____ Component Serial No. _____

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXPENDITURES	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

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

CHANGE IN REVENUES []						
-------------------------------	--	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
1091 Designated Program Receipts						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY97) cost: 0.0

POSITIONS

Full-time						
Part-time						
Temporary						

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

This resolution will have no fiscal impact on state agencies.

Prepared by Senate Resources Committee
 Division _____
 Approved by Senator Rick Halford, Chairman
 Agency _____

Phone 465-4907
 Date _____
 Date 4/21/97

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SCR

18

SENATE RULES COMMITTEE

May 11, 1997

4:40 p.m.

MEMBERS PRESENT

Senator Loren Leman, Chairman
Senator Mike Miller
Senator Robin Taylor
Senator John Torgerson
Senator Jim Duncan

MEMBERS ABSENT

All members present

COMMITTEE CALENDAR

SENATE CONCURRENT RESOLUTION NO. 18

Suspending Uniform Rules 24(c), 35, 41(b), and 42(e) of the Alaska State Legislature concerning House Bill No. 63, relating to motor fuel taxes.

PREVIOUS SENATE COMMITTEE ACTION

SCR 18 - No previous action to record.

ACTION NARRATIVE

TAPE 97-7, SIDE A

#SCR 18

CHAIRMAN LEMAN called the Senate Rules Committee meeting to order at 4:40 p.m., and noted the presence of Senators Miller, Torgerson, Taylor, Duncan and Leman.

CHAIRMAN LEMAN brought SCR 18 (SUSPEND UNIFORM RULES FOR HB 63) before the committee as the only order of business.

SENATOR TORGERSON moved SCR 18 be approved for calendaring at the discretion of the Chair. Hearing no objection, it was so ordered.

#

There being no further business to come before the committee, the meeting adjourned at 4:40 p.m.

SCR

19

CS FOR SENATE CONCURRENT RESOLUTION NO. 19(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTIETH LEGISLATURE - SECOND SESSION

BY THE SENATE FINANCE COMMITTEE

Offered:

Referred:

Sponsor(s): SENATE RULES COMMITTEE BY REQUEST OF THE DEFERRED MAINTENANCE TASK FORCE

A RESOLUTION

1 Relating to the use of prototype designs in public school construction projects.

2 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

3 WHEREAS art. VII, sec. 1, Constitution of the State of Alaska, requires the state to
4 establish and maintain a system of public schools to meet the educational needs of children
5 throughout the state; and

6 WHEREAS the Alaska State Legislature recognizes the crucial role that local school
7 districts serve in the state in meeting this most important constitutional responsibility; and

8 WHEREAS the Alaska State Legislature understands the challenges school districts
9 face to ensure Alaska's children have skilled teachers, quality curriculum, and safe schools;
10 and

11 WHEREAS continued growth is projected in the state's school age population that will
12 increase the need for new schools and place further pressure on school district budgets; and

13 WHEREAS prudent stewardship of state resources requires that every effort be made
14 to get the best value for each state dollar spent; and

15 WHEREAS use of prototype school designs has enabled the Municipality of
16 Anchorage, Fairbanks North Star Borough, Kenai Peninsula Borough, and Matanuska-Susitna
17 Borough school districts to more quickly and economically respond to their district's need for

1 new schools and realize cost savings; and

2 **WHEREAS** the use of prototype school designs reduces future routine and major
3 maintenance cost and improves a school district's maintenance program through the use of
4 standardized building components, systems, and products; and

5 **WHEREAS** school districts experience substantially fewer problems during the first
6 school year in a prototype school, thereby reducing the school district's costs and improving
7 the teaching environment for teachers and learning environment for students; and

8 **WHEREAS** public facilities should be designed to accurately reflect the unique needs
9 of our subarctic and arctic environments, and northern design principles can help minimize
10 annual operating and maintenance costs;

11 **BE IT RESOLVED** that the Alaska State Legislature encourages school districts to
12 use prototype school designs wherever feasible so future school classrooms can be constructed
13 quicker and funds maximized; and be it

14 **FURTHER RESOLVED** that the Governor is requested to direct the Department of
15 Education to develop prototype school designs for schools in consultation with engineering
16 and architecture design professionals, including their statewide and regional organizations, who
17 are familiar with the unique climatic conditions in this state as well as other conditions that
18 affect application of appropriate school designs; and be it

19 **FURTHER RESOLVED** that the Governor is requested to direct the Department of
20 Education to consult with the bond reimbursement and grant review committee established
21 under AS 14.11.014 in developing designs and incentives for school districts to use prototype
22 school designs in school construction funded through the educational facilities maintenance
23 and construction fund (AS 37.05.560); and be it

24 **FURTHER RESOLVED** that the Governor is requested to direct the Department of
25 Education, in those instances where a prototype design may not be appropriate, to identify
26 components within prototype building designs that can be standardized and can be
27 incorporated into the school design; and be it

28 **FURTHER RESOLVED** that, if statutory changes are necessary to implement these
29 incentives, the Department of Education is requested to report suggested statutory changes to
30 the legislature by March 15, 1998, so the changes can be considered by the Second Regular
31 Session of the Twentieth Alaska State Legislature.

ALASKA STATE LEGISLATURE

Rep. Eldon Mulder, Co-Chair
Rep. Kim Elton
Rep. Richard Foster
Rep. Jeannette James
Rep. Beverly Masek
Rep. Gail Phillips



Sen. Tim Kelly, Co-Chair
Sen. Loren Leman
Sen. Georgianna Lincoln
Sen. Robin Taylor
Sen. Gary Wilken
Sen. Mike Miller

DEFERRED MAINTENANCE TASK FORCE

Capitol Building, Room 501 • Juneau, Alaska 99801 • Phone (907) 465-2647 • FAX (907) 465-3518

Sponsor Statement

Senate Concurrent Resolution 19

Finance Committee Substitute

Use of Prototypical Designed Schools

The Deferred Maintenance Task Force received testimony on the cost savings and operational advantages of prototypical schools. Several communities use them today. The Task Force found that the savings in design cost and the ease of maintaining several identical physical plants offered the opportunity to fund more schools as the savings are achieved.

The resolution recognizes the success several school districts have had with prototype schools, the savings that can be achieved, and the need to recognize the unique climates in Alaska.

This resolution requests the Department of Education work with architects and engineers to develop prototype schools and with the bond reimbursement and grant review committee to develop incentives for districts to use them. The Department of Education is requested to report to the legislature by March 15, 1998, any statutory changes that may be needed to accomplish this goal.

One rural school district has expressed great interest in using a prototype designs for schools in its district. They are currently in discussions with the Fairbanks School District to learn from the Fairbanks experience.

ALASKA STATE LEGISLATURE



DEFERRED MAINTENANCE TASK FORCE

Capitol Building, Room 501 • Juneau, Alaska 99801 • Phone (907) 465-2647 • FAX (907) 465-3518

BUILDING ALASKA FOR THE 21ST CENTURY

REPORT TO THE GOVERNOR AND THE LEGISLATURE

HOUSE MEMBERS

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KIM ELTON
RICHARD FOSTER
JEANNETTE JAMES
BEVERLY MASEK
GAIL PHILLIPS

SENATE MEMBERS

TIM KELLY, CO-CHAIR
LOREN LEMAN
GEORGIANNA LINCOLN
ROBIN TAYLOR
GARY WILKEN
MIKE MILLER

LEGISLATIVE STAFF:

DENNIS DEWITT, CHIEF-OF-STAFF
TIM BENINTENDI, MATT GILL, LARRY LABOLLE, AND SHEILA PETERSON

JANUARY 10, 1998

CHAPTER TWO

SUMMARY OF RECOMMENDATIONS

The Deferred Maintenance Task Force adopted the following recommendations.

1. Provide Funding over a Six Year Period for \$1,420,000,000 of Identified Deferred Maintenance Needs
2. Financing Plan
 - a) Create a Public Facilities Financing Corporation with a Build Alaska Fund
 - b) Appropriate \$1.5 billion from the Constitutional Budget Reserve to the Build Alaska Fund
 - c) Make interest on the Build Alaska Fund and the dedicated tobacco tax available to the general fund to increase funds available for annual appropriation to service bonds sold to finance deferred maintenance needs.
3. Authorize a November 1998, Statewide Advisory Vote to Approve the Plan and the New Corporation
4. Require Local School District Financial Participation in School Construction
 - a) 2% to 35% based on AS 14.11.008
5. Require Routine and Preventive Maintenance Programs
 - a) Require Preventive Maintenance Programs be in place prior to receiving funding from this program
 - b) Require Separate operating budget appropriations for routine and preventive maintenance
6. Encourage the Use of Prototypical Designs for Schools
7. Transfer Certain State Owned Harbors to Local Governments

The Task Force found that there were many reasons that state agencies were not funding maintenance. A difference between the legislature and administration in understanding the intent of Legislative appropriations seems to drive much of the problem. The Task Force feels that greater specificity in budgeting would resolve the differences in understanding about the level of funding directed to maintenance. Therefore, the Task Force recommends the budget process be changed to provide for separate appropriations for routine and preventive maintenance (The proposed legislation is found in Appendix G)

The Task Force recognizes that the successful maintenance of our state buildings will require a single dedicated unit (Division or Department) to administer the buildings. The unit would focus on facility operation, rather than program operation. The Task Force encourages the Administration to continue its work on creating a single unit with building operations responsibility. The rent concept discussed in item 8 is helpful in achieving this goal.

6. Encourage The Use Of Prototypical Designs For Schools

The Task Force visited prototypical schools in Fairbanks and listened to testimony about prototypical schools in Anchorage. The Department of Education has done some work in designing prototype for various regions in Alaska. Historically, the state has used prototypical plans for housing and found it to be efficient, effective, and easier to maintain. The state's positive experience with prototype housing is similar to that reported by the Fairbanks' School District for its prototype schools.

One of the tasks assigned to the Task Force is to prevent future problems with deferred maintenance. Clearly the use of a prototypical design that includes structural and major systems will reduce the cost of construction, maintenance, and repair. Having all units using the same type of heating and water system allows a reduction in inventory of parts. It allows better training and reduces "trouble shooting" time. (The proposed Resolution is found in Appendix G)

The Task Force understands that Alaska needs to recognize at least three distinct regions and several educational variables in the prototypical designs. Nonetheless, it believes that three basic regional prototypes can be designed with significant long term savings for the state. The Task Force included \$3,900,000 in the Fiscal Year 1999 funding recommendations to begin design work prototypical schools. The Task Force hopes the Department of Education will use these funds, along with assistance from the Fairbanks and Anchorage School Districts, to accomplish the goal.

SCR

20

Alaska State Legislature

During Interim: (June - Dec)
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Anchorage, AK 99501-2133
(907) 258-8185
Fax (907) 258-0226



During Session: (Jan - May)
State Capitol
Juneau, AK 99801-1182
(907) 465-4993
Fax (907) 465-3872

Drue Pearce

Sponsor Statement

SCR 20

“Relating to support of the State of Alaska’s Oil and Gas Leasing Program.”

*Sponsor: Senator Drue Pearce
Co-Chair Senate Finance Committee*

In 1996 the Legislature created the State’s current Areawide Leasing Program with unanimous support by all 60 legislators and the Governor. The current program has been implemented successfully by the Department of Natural Resources and has provided a cost and labor savings approach to offering lease sales in areas of Alaska already subjected to extensive leasing.

The oil and gas industry operates in a very contentious environment in Alaska. The administration of programs authorized by the Legislature is continually under attack by special interest groups. By passing this resolution, the 20th Alaska State Legislature lends its unwavering support for this practical approach to leasing our State’s oil and gas lands. This resolution further emphasizes the benefits of this program for all Alaskans.

Areawide Leasing

In 1996 the Alaska State Legislature unanimously passed, and Governor Knowles signed, HB 388, finding that annual areawide lease sales are in the best interest of the state.

Areawide lease sales are a cost and labor saving approach to offering lease sales in areas that have already had extensive leasing.

The primary difference between areawide lease sales and past state lease sales is that the legislation extends the life of the Best Interest Finding from 5 to 10 years.

All public processes that have governed past state oil and gas lease are unchanged, i.e., the requirements for notice to the public, the requirement for a Best Interest Finding, the opportunities for public comment, and the requirement that the sale be consistent with the Alaska Coastal Zone Management Program.

The legislation encourages annual sale of unleased lands within the sale area approved in the Best Interest Finding.

The legislation requires that before the state can offer the unleased land for sale each year, the Department of Natural Resources must notify the public of its intent to do so and must issue a request for substantial new information.

The legislation requires that if the DNR Commissioner determines there is substantial new information, a supplement to the Best Interest Finding must be issued 90 days before a sale.

The legislation requires that the public be given opportunity to comment on the supplement.

In the Department of Natural Resource's Five Year Oil & Gas Program submitted to the Legislature in January of 1997, the state is proposing three areawide lease sales, one in Cook Inlet (April, 1999), one in the Beaufort Sea (October, 1999) and one on the North Slope (February, 1999).

AREAWIDE LEASING

To better achieve stability and predictability in the leasing program, and in response to industry's request for more frequent lease sales, the state is implementing areawide leasing on the North Slope, in the Beaufort Sea and in the Cook Inlet region. The first areawide lease sale is scheduled for June 1998 on the North Slope. Then, beginning in 1999, the state intends to conduct annual areawide lease sales in all three regions. Areawide leasing will provide an established time each year that the state will offer for lease all available acreage within a geographical region. By conducting annual areawide sales, companies will be able to fiscally plan and develop their exploration strategies years in advance. The result will be more efficient exploration and earlier development.

Administrative Process

Areawide leasing necessitates changes to DNR's administrative process prior to and following a sale. Previously, industry was asked to nominate areas to include in a lease sale, and DNR sought public comment on the sale areas being proposed for addition to the program. Areawide leasing will include all available acreage within each geographic region, so there will no longer be the need for industry nominations. Nor will there be the need for public comment on a sale area being proposed as long as the configuration of the area does not change in successive years. Should the boundaries of a prescribed geographical area be altered, DNR will seek public comments on the new configuration.

Each geographic region will be divided into tracts that will remain fixed for future sales. The extent of the state's ownership interest in these lands will not be determined prior to the sale. Instead, following the sale DNR will verify title only for acreage that is leased. Therefore, should a potential bidder require title or land status information for a particular tract prior to the sale, it will be the bidder's responsibility to obtain that information from DNR's public records. It is possible that a tract included in the sale may contain land that the state cannot legally lease (existing lease, federal, native or private land, etc.). Once title has been verified, the legal descriptions for each tract's leasable acreage will be made available to the public for inspection prior to issuing the leases. Depending on the number of tracts leased and the complexity of the land holdings involved, it could be weeks to months following the sale before the leases are issued.

Best Interest Finding Process

In 1996, to facilitate areawide leasing, the Alaska State Legislature passed legislation establishing that a best interest finding developed for a lease sale would be in effect for ten years. Previously, a finding had a life of five years. As a result of this legislation, once a finding has been written for an areawide sale, DNR can then conduct a lease sale in that same area each year for up to ten years without having to repeat the entire finding process. Areawide leasing will still provide an opportunity for public comment. Prior to each sale, DNR must solicit any new information that is available, determine if it necessitates such a revision, and then issue either a revised finding or a finding of new no information.

The public notification process for individual sales will be different depending on whether or not an original finding is required.

When an Original Best Interest Finding is Required:

The planning and execution of an oil and gas lease sale that requires a finding is a lengthy process which begins years before a sale is conducted. This process involves the participation of a number of state agencies, with DNR serving as the lead agency. It also involves federal agencies, industry, environmental organizations, local communities and the public.

Aside from statutory requirements, there are important reasons for starting the leasing process far in advance of an actual lease sale. An early start provides the time to conduct analyses of the region prior to each sale. An analysis of the socioeconomic and environmental effects of activity resulting from the sale allows DNR to develop mitigation measures designed to protect the environment, wildlife resources, and subsistence uses. Much of the environmental and socioeconomic information

for each sale is obtained as a result of DNR's requests for comments from federal, state, and local agencies, industry and environmental groups, as well as the public. The balance of this information is obtained by staff research.

DNR believes that public involvement in the leasing process is especially important. Therefore, the department provides several opportunities prior to a scheduled lease sale for the public to comment. A call for comments for general information on the area is issued approximately three years before the sale. About two years prior to the sale DNR requests specific socioeconomic and environmental information. All public and agency comments received by DNR are then used to develop the director's preliminary best interest finding. The preliminary finding describes the proposed sale and its potential impacts, and is normally published approximately nine months before the sale. DNR encourages public comment on the preliminary finding, including the proposed mitigation measures. For each of these comment opportunities and findings display ads or legal notices are placed in statewide and local newspapers. Comments received help develop the final finding and the decision of the director as to whether or not the sale is in state's best interests.

During the public process, DNR staff may attend public meetings or teleconferences in affected communities and meet with local governments and organizations in order to gather information on the proposed lease sale area, and to provide information on the leasing process. During the 60-day comment period following the issuance of the preliminary finding, DNR staff conduct a public hearing in one or more of the affected communities.

Concurrent to writing the best interest finding, DNR analyzes a proposed lease sale for consistency with the Alaska Coastal Management Program (ACMP) and the local coastal management plans. The consistency analysis is issued along with the preliminary finding and the final consistency determination is issued concurrent with the final finding

When an Original Best Interest Finding is Not Required:

Approximately nine months before a sale, DNR issues a call for comments requesting substantial new information that has become available since the most recent finding for that region. Based on information received, DNR determines whether or not it is necessary to revise the finding. Either a revised finding, or a decision of no new information justifying a revision to the best interest finding, is issued 90 days prior to the sale.

Mitigation measures placed on earlier leases will be carried forward to all future sales unless, as a result of new information, DNR deems it necessary to change some of the measures, or add additional ones. A new coastal management consistency review will be done whenever new information or conditions suggest the proposed lease sale may no longer be consistent with ACMP standards.

Alaska Support Industry**ALLIANCE**

4220 'B' Street, Suite 200

Anchorage, AK 99503

Phone 907.563.2226

Fax 907.561.8870

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Karen Cowart

**THE ALLIANCE**

... for responsible development of Alaska's Oil, Gas & Mineral Resources

February 3, 1997

Senator Drue Pearce

Alaska State Legislature

State Capitol (MS 3100)

Juneau, AK 99801-1182

Dear Senator Pearce:

One of the most important issues facing Alaska's oil & gas industry, and thus the economy, is the state's new Areawide Leasing Program. It would appear that the Legislature agrees, having passed the law creating the program. In fact, the vote says it all. In 1996, every single one of Alaska's elected officials ... democrat, independent and republican ... passed HB388. As a trade organization consisting of over 300 businesses that supply products and services to oil and gas companies and activities, The Alliance was extremely pleased to see the law pass in such a unified manner.

Unfortunately, there are those that are choosing to ignore our state leader's unanimous passage of areawide leasing. The opposition claims that they did not have sufficient time to express their opinions on the legislation. Given the two-year time period during which the bill was considered and modified, The Alliance believes there was in fact ample time to provide comment at numerous stages. For this reason, The Alliance asks that the legislature reiterate support for areawide leasing through a resolution. This reiteration will assist The Alliance in efforts to accurately portray the program and the benefits to be reaped by all Alaskans.

Smart global economics... efficiency in government... business and job opportunities ... additional royalty revenue for our Permanent Fund. Areawide leasing simply makes good sense for Alaska.

Sincerely,

Karen Cowart
General Manager

Atch: Alliance Resolution #98-02

SCR

25

AMENDMENT

OFFERED IN THE SENATE

TO: CS for SCR 25 (JUD) [0-LS1657AE]

Page 1, line 1:

Delete: "and an expeditious decision on the appeal"

Explanation: this is a technical change required to make the title consistent with the body of the resolution, in accordance with an amendment to SCR 25 adopted by the Senate Judiciary Committee.

SCR

31

0-LS1796A
Lauterbach
5/8/98

SENATE CONCURRENT RESOLUTION NO.
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTIETH LEGISLATURE - SECOND SESSION

BY

Introduced:
Referred:

A RESOLUTION

1 **Suspending Uniform Rules 24(c), 35, 41(b), and 42(e) of the Alaska State**
2 **Legislature concerning House Bill No. 459, relating to the medical assistance**
3 **program.**

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

5 That under Rule 54 of the Uniform Rules of the Alaska State Legislature, the
6 provisions of Rules 24(c), 35, 41(b), and 42(e) of the Uniform Rules, regarding changes to the
7 title of a bill, are suspended in consideration of House Bill No. 459, relating to the medical
8 assistance program.

LEGAL SERVICES

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

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

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

MEMORANDUM

May 8, 1998

SUBJECT: Title Change Needed for SCS CSHB 459(FIN) (Work Order No. 0-LS1504L)

TO: Senator Bert Sharp
Attn: Jerry Lee

FROM: Terri Lauterbach *TLauterbach*
Legislative Counsel

Enclosed is the SCS requested for HB 459.

At your staff's request, we have not changed the bill title to accommodate the amendment made by the Senate Finance Committee. Therefore, the bill title is defective. It violates the state constitution's requirement that the subject of the bill be expressed in the title.

Since midwife services have been moved to being the 7th service eliminated under Medicaid, "14th" needs to be changed to "7th" on page 1, line 6, or, in the alternative, the title needs to be more general.

I have enclosed a sponsor-blank resolution to authorize a title change in the second house, as requested by your staff. Please let me know if I can be of further assistance.

TML:pl
98-102.plm

Enclosures

SJR

3



SENATOR DAVE DONLEY
ALASKA STATE LEGISLATURE

MEMORANDUM

To: Senator Tim Kelly
Chair, Senate Rules Committee

From: Senator Dave Donley *DD*

Re: Calendar Request for SJR 3 - "Prisoner Rights"

Date: April 1, 1997

I request that you calendar Senate Joint Resolution 3, relating to the rights of prisoners, for floor action.

Senate Joint Resolution 3 would limit the rights of convicted prisoners in the State of Alaska to the requirements of the U.S. Constitution.

The Alaska State Constitution provides Alaskans with individual rights and liberties that the United States Constitution does not. Unfortunately these additional constitutional rights protect not only law abiding Alaskans but also give special rights to convicted criminals currently incarcerated in Alaska. This creates difficulties with prison administration in Alaska and encourages law suits by prisoners under the Alaska constitution.

While such special State Constitutional rights are highly desirable for the general public, they are not appropriate for convicted imprisoned criminals. SJR 3 prevents this confusion and undesirable results by adopting a single constitutional standard - the Federal standard - for determining prisoner's rights.

Thank you in advance for your consideration of this request. If you have any questions, please contact myself or James Armstrong of my staff at 465-3892.

DD/jja

January-May: STATE CAPITOL • JUNEAU, AK • 99801-1182 • (907) 465-3892 • FAX: (907) 465-6595
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MEMBER: Senate Finance Committee • Legislative Budget & Audit Committee
• Senate Community & Regional Affairs Committee



SENATOR DAVE DONLEY

ALASKA STATE LEGISLATURE

SPONSOR STATEMENT SJR 3 (JUD) LIMITING PRISONER RIGHTS UNDER THE ALASKA CONSTITUTION TO THE REQUIREMENTS OF THE U.S. CONSTITUTION

Senate Joint Resolution 3 would limit the rights of convicted prisoners in the State of Alaska to the requirements of the U.S. Constitution.

The Alaska State Constitution provides Alaskans with individual rights and liberties that the United States Constitution does not. Unfortunately these additional constitutional rights protect not only law abiding Alaskans but also give special rights to convicted criminals currently incarcerated in Alaska. This creates difficulties with prison administration in Alaska and encourages law suits by prisoners under the Alaska constitution.

While such special State Constitutional rights are highly desirable for the general public, they are not appropriate for convicted imprisoned criminals. SJR 3 prevents this confusion and undesirable results by adopting a single constitutional standard - the Federal standard - for determining prisoner's rights.

Another related difficulty is the Cleary consent decree which has hamstrung the administration of prisons in Alaska. The Cleary consent decree did not distinguish between Federal and State constitutional standards. But this decree does require greater prisoner's rights in Alaska than are required by the U.S. Constitution. SJR 3 cannot directly overrule Cleary since it was a consent decree. SJR 3 can, however, assure that the U.S. Constitution, and not a more protective state constitutional standard, will be the standard for future decisions on prisoner's rights in Alaska.

Additionally, pursuant to recent legal developments, the state may be able to modify or overturn the Cleary consent decree in which case the new single standard adopted by SJR 3 could be applied. SJR 3 itself may give the state sufficient basis to request a court to re-open the Cleary settlement and at the least will add to any legal justification to do so. The immediate impact of passage of SJR 3 may be small, but as the Federal courts allow tougher Federal prisons and limit prisoner's rights the standard for Alaskan prisoners will get tougher also.

DD/jja

January-May: STATE CAPITOL • JUNEAU, AK • 99801-1182 • (907) 465-3892 • FAX: (907) 465-6595
June-December: 716 W. 4TH AVE. • STE. 430 • ANCHORAGE, AK • 99501 • (907) 258-8181 • FAX: (907) 258-1648

MEMBER: Senate Finance Committee • Legislative Budget & Audit Committee
• Senate Community & Regional Affairs Committee

Produced in House



SENATOR DAVE DONLEY

ALASKA STATE LEGISLATURE

SJR 3 PRISONER'S RIGHTS FEDERAL CONSTITUTIONAL RIGHTS VS. STATE CONSTITUTIONAL RIGHTS

1) DISCIPLINE & CLASSIFICATION

The United States Supreme Court held that prisoners facing loss of good time or solitary confinement are entitled to due process protections. Prisoners facing a mere loss of privileges are not entitled to these protections. Wolff v. McDonnell (1974).

The Alaska Supreme Court has expanded upon these protections for Alaska inmates facing disciplinary charges, finding greater protections under the Alaska Constitution. McGinnis v. Stevens (1975).

2) PROGRAMS AND REHABILITATION

Under the United States Constitution courts have not articulated a right of prisoners to participate in particular programs or to receive rehabilitative treatment. Each circuit that has considered the issue has held that enforced idleness does not constitute cruel and unusual punishment. Toussaint v. McCarthy (1986)

The Alaska Supreme Court has found that prisoners have a right of access to rehabilitation programs under the Alaska Constitution. Ferguson v. State, Department of Corrections (1990)

3) LAW LIBRARIES AND ACCESS TO COURTS

The United States Supreme Court held that the right of access to the courts is such a fundamental right that prison officials are under an affirmative duty to ensure that it is maintained. To ensure that it is maintained, prison officials are required to either provide law libraries in prisons or any alternative means that guarantee prisoners their right of access to the courts. Bounds v. Smith (1977)

In Alaska the Cleary settlement does not allow any alternatives to providing expensive law libraries at each institution.

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Produced in House

The 9th Circuit Court of Appeals recently held that in Alaska case a prisoner has a constitutional right to a photocopier. *Hiser v. Franklin* (1996)

4) **SQUARE FOOTAGE REQUIREMENTS ON CELL SIZES**

The Department of Corrections is required, under the Cleary consent decree, to provide a specific amount of square footage in inmate's cells. These square footage requirements vary on the number of inmates in a cell and the number of hours a prisoner is required to be in the cell. Additionally, there are specific requirements on the number of inmates that may occupy "dormitory" type cells. There are also different square footage requirements for any new facility built in Alaska.

The Federal constitution does not make such square footage requirements for prisoner's cells or limits on dormitory style housing.

DD/jja

FISCAL NOTE

STATE OF ALASKA
1997 LEGISLATIVE SESSION

No. 1
Bill Version: STR 3
(S) Publish Date: 2/27/97

Revision Date: _____
Title: "Proposing an amendment to the Constitution limiting the rights of prisoners..."
Sponsor: Senator Donley
Requestor: (S) Judiciary

Department Affected: Administration
BRU: Public Defender Agency
Component: Public Defender Agency
COMPONENT SERIAL NO. 1631

EXPENDITURES/REVENUES:

(Thousands of Dollars)

OPERATING EXPENDITURES	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
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CHANGE IN REVENUES ()	0.0	0.0	0.0	0.0	0.0	0.0
------------------------	-----	-----	-----	-----	-----	-----

FUND SOURCE:

(Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
OTHER						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY 97) cost: \$ 0.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary.)

The resolution places before the voters of Alaska an amendment limiting the rights and protections of Alaskan prisoners against infliction of cruel and unusual punishment to those rights and protections required under the federal constitution.

There is no fiscal impact on the Public Defender Agency.

Prepared by: Barbara K. Brink, Director
Division: Public Defender Agency

Phone: (907) 264-4414
Date: _____

Approved by Commissioner: Mark Boyer
Agency: Department of Administration

Alison M. Slay
Date: 2/5/97

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Rev. 6/98

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Department of Education
State of Alaska

FISCAL NOTE

STATE OF ALASKA
1997 LEGISLATIVE SESSION

No. 1
Bill Version: STR 3
(S) Publish Date: 2/27/97

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Title: "Proposing an amendment to the Constitution limiting the rights of prisoners..."
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OPERATING EXPENDITURES	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
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CHANGE IN REVENUES ()	0.0	0.0	0.0	0.0	0.0	0.0
-------------------------------	------------	------------	------------	------------	------------	------------

FUND SOURCE: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
OTHER						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY 97) cost: \$ 0.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary.)

The resolution places before the voters of Alaska an amendment limiting the rights and protections of Alaskan prisoners against infliction of cruel and unusual punishment to those rights and protections required under the federal constitution.

There is no fiscal impact on the Public Defender Agency.

Prepared by: Barbara K. Brink, Director
Division: Public Defender Agency

Phone: (907) 264-4414
Date: _____

Approved by Commissioner: Mark Boyer
Agency: Department of Administration

Alison M. Selig
Date: 2/5/97

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Mary Pagenkopf

Senate Rules Committee 3/7/97 10:47 am

SJR

7



Official Business

Alaska State Legislature

Senate

State Capitol
Juneau, AK. 99801-1182

Rules Committee

MEETING AGENDA

I. CALL TO ORDER: Senate Rules Committee on Tuesday, January 28th, 1997 in Room 203 of the Capitol Building at


II. ROLL CALL:
Kelly.....Leman.....Taylor.....
Torgerson.....Duncan.....

III. AGENDA ITEMS:

1) SECURITY CONTRACT - L. Norman Carson 

MOTION: Move that the Senate Rules Committee approve a sole-source contract to Larry Norman Carson in the amount of \$18,200 to provide armed lead security services from January 6th, 1997 until one day following the adjournment of the regular session. The Senate Rules Committee delegates their signatory responsibilities required by Procurement Procedures sec.150 (b) and sec. 040 to the Chair for this contract.

2) SJR 7 - Supporting Alaska National Guard Youth Corps Challenge Program funding.

 LAST YEAR'S CONTRACT WAS FOR \$1,300. THE \$900 INCREMENT RESULTS FROM HIS BEING BROUGHT IN A WEEK EARLY TO BE ON HAND DURING ORIENTATION WEEK.

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Mary Pagenkopf

Senate Rules Committee 1/28/97 11:15 am



Official Business

Alaska State Legislature

Senate

Rules Committee

State Capitol
Juneau, AK. 99801-1182

MEMORANDUM

DATE: January 27, 1997

TO: Senators Leman, Taylor, Torgerson, and Duncan
Senate Rules Committee Members

FROM: Senator Tim Kelly, Chairman *TDK* *(TB)*
Senate Rules Committee

SUBJ: Committee Hearing - January 28th

We will hold a Senate Rules Committee meeting directly following the Senate session, on Tuesday, January 28, 1997, in the Fahrenkamp Room, Capitol 203. The agenda items are as follows:

PROFESSIONAL SERVICES CONTRACT - L. Norman Carson

SJR 7 - AK Natl Guard Youth Corps Challenge Program

If there are questions, please contact Tim Benintendi at 3770.

FISCAL NOTE

No. 1

Bill Version: SJR 7

STATE OF ALASKA
1997 LEGISLATIVE SESSION

BILL NO. (S) Publish Date: 1/24/97

Revision Date: _____ Dept Affected: Military and Veterans Affairs
 Title: Supporting continued funding of the Alaska BRU: Alaska National Guard
National Guard Youth Corps Challenge Prog Component: Youth Corps
 Sponsor: Senator Phillips
 Requestor: Senate State Affairs Component Serial No. _____

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXPENDITURES	FY98	FY99	FY00	FY01	FY02	FY03
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0
CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
CHANGE IN REVENUES ()	0.0	0.0	0.0	0.0	0.0	0.0

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY97) cost: \$ none

POSITIONS

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

ANALYSIS: (Attach a separate page if necessary)

Requests for funding of \$3.3M are in the FY 98 State Operating Budget of which \$3.1M is federal and \$250.0 is state general funds. Authorization and funding for this program is due to expire on September 30, 1997 on the federal level. Congress will be deliberating on continuation of this program during this Congressional session. Because authority to receive federal funds is requested in the operating budget, along with a request for a \$250.0 increment, there is no fiscal impact to this resolution.

Prepared by: Carol Carroll, Director Phone: 465-4730
 Division: Administrative Services Date: 22-Jan-97
 Approved by Commissioner: Carol Carroll Date: 1/22/97
 Agency: Military and Veterans Affairs



ALASKA STATE LEGISLATURE

SENATOR RANDY PHILLIPS
SENATE DISTRICT L

SESSION
State Capitol
Juneau, AK 99801
(907) 465-4949
800-478-4950
Fax: 465-4979

INTERIM
P.O. Box 142
Eagle River AK 99577
(907) 694-4949
Fax: 694-4948

Memorandum

TO: Senator Tim Kelly, Chair
Senate Rules Committee

FROM: Senator Randy Phillips *R.P.*

DATE: January 24, 1997

RE: Senate Joint Resolution No. 7
Supporting continued funding of the Alaska National Guard Youth
Corps Challenge Program

The above referenced resolution has been referred to the Senate Rules Committee.

Please consider this as my formal request that Senate Joint Resolution No. 7 be calendared for the Senate floor as soon as possible.

If you have any questions or comments do not hesitate to call me at 4949. Your cooperation is appreciated.



ALASKA STATE LEGISLATURE

SENATOR RANDY PHILLIPS
SENATE DISTRICT L

SESSION
State Capitol
Juneau, AK 99801
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Eagle River AK 99577
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Fax: 694-4948

Memorandum

TO: Senator Lyda Green, Chair
Senate State Affairs Committee

FROM: Senator Randy Phillips *REP*

DATE: January 21, 1997

RE: Sponsor Statement for: Senate Joint Resolution No. 7
Supporting continued funding of the Alaska National Guard Youth
Corps Challenge Program

I introduced Senate Joint Resolution No. 7 to send a strong message of support for the National Guard Youth Corps Challenge Program to the U. S. Congress. The Challenge Program is a 17.5 month intervention/prevention program for teenagers that are statistically "at risk" to become unemployed welfare recipients and criminals of the future. The program consists of two parts, a 22 week military residential phase at Camp Carroll on Fort Richardson and a 12 month post-residential phase. The Challenge Program has shown strong success with its first four years of operations, 85% of graduates are in school furthering their education and/or working 12 months after graduation from the program.

The Challenge Program has been funded 100% by the federal government since its inception.

Authorized budgets in thousands:

FY 94	\$2,120
FY 95	\$3,120.5
FY 96	\$3,120.5
FY 97	\$3,120.5
FY 98 request	\$3,120.5 federal and \$250.00 state general fund

The funding is scheduled to end on September 30, 1997. The state has budgeted a portion of the cost of continuing this program and I believe that it is important to let Congress know that the program is supported by the Alaska State Legislature.



ALASKA STATE LEGISLATURE

SENATOR RANDY PHILLIPS SENATE DISTRICT L

SESSION
State Capitol
Juneau, AK 99801
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Fax: 465-4979

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Eagle River AK 99577
(907) 694-4949
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Alaska National Guard Youth Corps Challenge Program

Information Paper

The Need

- 82% of long-term prison inmates do not have a high school diploma or GED
- 80% of dropouts report using drugs regularly
- 88% of female dropouts under age 30 who are heads of households live in poverty
- Dropouts are increasing; in 1992-93 there were 1802, for 1996-97 the number will be over 3000
- Counting dropouts, expelled, and those that attend high school for 4 years but do not graduate, the number will be over 4000 for 1996-97
- Dropouts require 35% more social services than high school graduates or GED holders
- Unemployment rates for high school dropouts are more than twice those for high school graduates or GED holders
- The lifetime lost earnings from Alaska's 1991-92 dropouts is over \$500 million
- For basic skills training
- For alternate sources of secondary education

One Solution (the Youth Corps)

- 17.5 month intervention/prevention program for teenagers that are statistically "at risk" to be unemployed welfare recipients and criminals of the future
 - 22 week military residential phase at Camp Carroll on Fort Richardson
 - 12 month post-residential phase
- Cost is \$17,500 per student (including the post-residential stipend)
- 85% of graduates are in school furthering their education and/or working 12 months after graduation

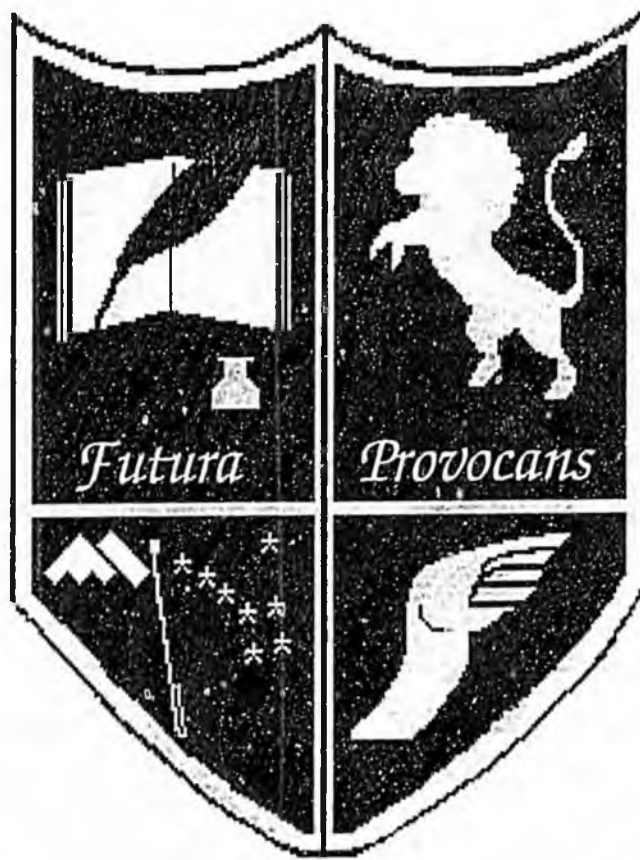
Benefits to the State

- Juvenile/Adult crime is reduced
- Illegal drug use is reduced
- Social services costs are reduced (welfare reform)
- Adult corrections costs are reduced. Adult prisoners cost between \$30,000 and \$55,000 per year
- Juvenile corrections costs are reduced. Juvenile offenders cost between \$55,000 and \$139,000 per year. The average length of stay for a juvenile offender is 13.5 months, with an average cost of \$62,000 per stay
- Lifetime earnings increase for Alaska's Youth Corps graduates (6 classes) will be over \$91,000,000
- Disenfranchised youth become healthy, productive and contributing citizens of the state and their community

Funding and the Future

- Previous classes were funded entirely by federal grant
- U.S. Department of Defense withdrew 10% of existing FY 97 Youth Program funds on January 13, 1997
- Pilot Status authority and federal funding expire on September 30, 1997

Challenging The Future



National Guard Youth Corps Challenge Program

Alaska

COSTS OF DROPPING OUT:

- Unemployment rates for high school dropouts are more than twice those for high school graduates.
- Nationally, each year's class of early leavers will, over their lifetime, cost the nation about \$260 billion in lost earnings and foregone taxes.
- The lifetime lost earnings from Alaska's 1991 dropouts is over \$500 million (using national estimates).
- National estimates indicate that dropouts require 35% more social services than high school graduates.
- Over a ten-year period, earnings have decreased 12% for male dropouts and 9% for high school graduates, while college graduates' earnings rose 10%.

-- *Alaska's Adolescents: A Plan for the Future*, Alaska Adolescent Health Advisory Committee, Alaska Department of Health and Social Services (1995) at 79.

ALASKA NATIONAL GUARD YOUTH CORPS

ChalleNGe Program

P.O. Box 5727

Fort Richardson, Alaska 99505

(907) 384-6015/6017 or 800-797-2267 Fax: (907) 384-6007

ChalleNGe Program History

In federal fiscal year 1993, the U.S. Congress enacted legislation establishing and funding 10 pilot programs for 16-18 year-old "at-risk" youth in various states. For the purposes of the pilot projects, "at-risk" was defined as being out of school without having completed a secondary school education.

These projects were designed to follow a model suggested by a 1989 Rockefeller Foundation study which combined a military-style residential setting with a strong community service component in an effort to help these "at-risk" teens get their lives back on track.

In January of 1994, the Alaska National Guard Youth Corps began its first ChalleNGe Program class. Forty-three young men and women graduated from this first class in June of that year. The Alaska National Guard Youth Corps ChalleNGe Program is now in its sixth session and has graduated 275 students.

Program Objectives

This year in Alaska it is projected that more than 3000 high school students will leave school before completing a secondary education. This number does not include those students who are removed from high school programs for disciplinary reasons. Statistics supplied to the ChalleNGe Program from other agencies indicate that 50% of high school dropouts are not able to find employment and that 80% are regular illegal drug users.

The objective of the Alaska National Guard Youth Corps is to turn these young Alaskans, who statistically are headed for a dismal future, into self-confident, contributing citizens of our state and their local communities.

To accomplish this the ChalleNGe Program uses the proven methodology of the United States armed forces. It includes an intense, disciplined, structured, military-style residential phase 22 weeks in duration, followed by a 12 month post-residential "after-care" phase.

Training at the ChalleNGe Program introduces students to healthy life-coping skills, demanding physical conditioning, leadership and teamwork skills development and successes leading to high self-esteem and pride.

Criteria For Admissions

The ChalleNGe Program does not accept all applicants. Those applying for admission to the program must be 16 to 18 years old, not in school, willing to commit to a drug, alcohol and tobacco-free life while in the program, free of legal entanglements and physically and mentally capable of completing the challenging military-style training program. Most importantly, all applicants to the program must have a real desire to help themselves and must be volunteers.

Program Of Studies

The residential portion of the ChalleNGe Program centers on eight "core" components. These include pursuit of educational excellence, basic vocational skills training, life coping skills, responsible citizenship, health, hygiene, nutrition & sex education, community involvement through volunteer service to others, leadership & teamwork skill development and physical fitness.

Location

The ChalleNGe Program residential phase is conducted at the Camp Carroll Training Site on Fort Richardson. Through a cooperative agreement with the US Army, many facilities on Fort Richardson are available for use during ChalleNGe Program training. Students live in upgraded military barracks within Camp Carroll. Medical, meal and supply facilities are also located at the training site.

The post residential portion of the program is directed by a coordinator at Camp Carroll, but takes place the communities in which program graduates reside.

Host Family & Post Residential Efforts

Students in the program who arrive from towns outside the greater Anchorage area are supplied with host families for the duration of their stay at the ChalleNGe Program.

All students are matched with post residential "mentors" as early in the program as possible. These adult volunteer "mentors" are screened and trained prior to the match and then are encouraged to build relationships with their students throughout the residential phase.

Students from outside the greater Anchorage area are linked with local host/mentor families and with mentors from their home towns.

Mentors and graduates are expected to maintain weekly contact. Mentors are there to help the graduates stay on track, overcome problems and sometimes be a non-threatening friendly adult with whom students can share problems and seek advice.

Youth Corps ChalleNGe Program Results

As of this month (September 1996), the ChalleNGe Program has graduated 275 young men and women and returned them to their communities all across Alaska. Statistically, 55 % of program graduates are employed and 30 % are in academic or vocational training. None of the graduates counted in these narrow success categories is currently in trouble with the law. This 85% success rate has held constant since the first ChalleNGe Program class.

Benefits To The State Of Alaska

In addition to the obvious social benefits derived from redirecting young men and women into more productive lives and away from the negative influences which surround many today, the National Guard Youth Corps provides tangible, measurable benefits to the people of the State of Alaska.

Jobs & Economy: As explained earlier, at least 55% of program graduates are now holding down jobs, paying their own way in society. These job holders create other jobs through their productivity and spending.

Crime: About 20% of those accepted into the ChalleNGe Program had been involved with the juvenile justice system. The life-changing experience of the ChalleNGe Program has turned these graduates into contributing members of society. According to Governor Tony Knowles in a speech on the state of Alaska's children, it costs an average of around \$60,000 for a young person to be placed in Alaska's Youth Corrections facilities. It costs between about \$30,000 and \$55,000 a year to keep an adult in prison in Alaska, according to the Office of the Commissioner of the Alaska Department of Corrections.

Education: Nearly 80% of Alaska ChalleNGe Program graduates received their General Educational Development (GED) certificates through the Youth Corps. Others have returned to traditional high schools following graduation from the ChalleNGe Program to complete diploma requirements. According to Alaska's Attorney General, 82% of those in prison today have not completed a secondary education (GED or diploma program).

Welfare Reform: The Alaska National Guard Youth Corps offers basic academic, vocational, and life skills training to all who qualify. Teen parents currently receiving AFDC, Medicaid and other support payments may qualify for this training as part of an overall public assistance reform package.

Community Service: More than 50 organizations have received assistance in a wide variety of community service projects performed by the students and staff of the Youth Corps during the first five classes of the ChalleNGe Program. Agencies served by the Youth Corps community service program include The Municipality of Anchorage Department of Parks & Recreation, Municipal Libraries and Port Authority, the American Heart Association, Wolf Song of Alaska, the Anchorage YMCA, the Alaska Council on the Prevention of Alcohol and Drug Abuse, Alaskans for a Drug-Free Youth, the Eagle River Bear Paw Festival, and the Fort Richardson Post Chapels. During ChalleNGe Program Class 96-1, more than 5,000 hours of volunteer service to others was performed by the Youth Corps students and staff.

Program Funding And Costs

The cost of operating the ChalleNGe Program during its initial years has ranged between \$3.1 million and \$2.8 million. Funding has been entirely provided by the federal government through the National Guard Bureau to the State of Alaska's Department of Military & Veterans Affairs.

The average cost per graduate, not including a \$2,200 stipend for further education or job placement assistance, is about \$15,300.

Future Program Funding And Costs

According to program managers within the Department of Defense, the federal government has and will provide just enough funding to allow the Alaska National Guard ChalleNGe Program to graduate one class in calendar year 1997. Federal funding for all ChalleNGe Programs is scheduled to run out at the end of July, 1997.

During the 1997 legislative session, the State of Alaska must decide whether to continue Youth Corps funding either in whole or in partnership with the federal government, or to allow the program to close its doors.

This Document Prepared By:
Edward Wicher (SSG),
384-6120/6015 ((Revised: Oct 1996))

What The State Can Do

PROVIDE FUNDING FOR THE OPERATION OF THE
YOUTH CORPS CHALLENGE PROGRAM

PROBLEM: *The National Guard "Youth Corps Challenge Program" has proven itself to be remarkably effective in turning around "at-risk" kids. Federal funding for the program will lapse at the end of this fiscal year. Unless state funding is provided, this very valuable program could be terminated.*

SOLUTION: In 1994, the federal government provided funds to the Alaska National Guard to participate in a pilot project for 16 to 18 year old "at-risk" youth who had dropped out of school. Within the structure of a military-style residential living program, participants undergo an intensive 22-week program to enhance success and personal excellence. The program also provides a 12-month post-residential follow-up. The program is now conducting its sixth class. Federal funding for the program will lapse at the end of July 1997. The state should undertake every effort to ensure that the program continues even after the federal funding stops.

Of the 199 youths who had participated in the program as of January 1996, 145 received their high school diploma and over 30 others returned to high school. With the addition of the members of Class 96-1, the program has now graduated 275 students. Eighty-five percent of all participants have been placed in jobs or are continuing education programs.

The individual success stories are a testament to the effectiveness of the program. Youth who were disenfranchised and adrift, with no life purpose or direction, have realized personal success and have made contributions that benefit everyone in the state. The average cost per participant is about \$17,000. This is a small fraction of what society might spend on these "at-risk" youth if they ended up on welfare or in and out of our mental health and substance abuse treatment programs and jails.

ALASKA NATIONAL GUARD YOUTH CORPS
ChalleNGe Program

YOUTH CORPS - YOUTH CORRECTIONS
COST COMPARISON

Many of those accepted into the ChalleNGe Program had been in trouble with law enforcement authorities and, according to Youth Corrections officials, were headed for more trouble and incarceration at one of Alaska's Youth Corrections Facilities.

According to statistics provided by the Division of Family and Youth Services, it costs between \$151.00 per-day and \$381.00 per-day to house a juvenile offender in Alaska. Using these figures it costs between \$55,115 and \$139,065 per year to keep a juvenile offender in one of Alaska's facilities.

The average length of stay for an offender is 13.5 months, for an average cost of \$61,910 per stay.

The average cost for a Youth Corps student is about \$15,000, not including the \$2,200 stipend for graduates.

Eighty-five percent of Youth Corps ChalleNGe Program graduates are successful and not in either the Youth or Adult Corrections' systems.

As of August 9, 1996, the Youth Corps has graduated 275 students.

ALASKA NATIONAL GUARD YOUTH CORPS
ChalleNGe Program

YOUTH CORPS - ADULT CORRECTIONS
COST COMPARISON

According to the Alaska Department of Corrections, the annual cost of housing a prisoner for one year ranges from a low of \$29,718.30, to a high of \$53,257.15 Using these figures, the average annual cost of housing a prisoner in Alaska is \$38,919.95.

Those accepted as students in the Youth Corps' ChalleNGe Program are statistically destined to become the adult prisoners or welfare recipients of the future. 82% of those in prison today have not completed a high school program.

Using the Youth Corps graduate success rate of 85%, we can estimate that we currently have returned at least 233 graduates (of our 275 total) to society who will not become an adult corrections statistic for at least a year. This equals an annual gross cost avoidance of between \$6,946,652 and \$12,448,858.

At the current level of federal funding, the ChalleNGe Program can be projected to be creating an approximate cost-savings of between \$4.1 million and \$9.7 million, or an average of \$6.9 million annually.

These cost-savings/cost-avoidance figures increase with the graduation of each ChalleNGe Program class.