

ALASKA LEGISLATURE COMMITTEE FILES 1997-1998 8672

9744 SENATE STATE AFFAIRS

1 the date that the lieutenant governor certifies that a majority of votes cast on an advisory  
2 question asking whether the legislature should appropriate \$1,500,000,000 from the  
3 constitutional budget reserve fund (art. IX, sec. 17, Constitution of the State of Alaska) to  
4 capitalize the build Alaska fund (AS 35.45.120) is in favor.

## HOUSE BILL NO.

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTIETH LEGISLATURE - SECOND SESSION

BY THE HOUSE RULES COMMITTEE BY REQUEST OF THE DEFERRED MAINTENANCE  
TASK FORCE

Introduced:

Referred:

## A BILL

## FOR AN ACT ENTITLED

1 "An Act authorizing projects of the Public Facilities Financing Corporation and  
2 the amount of the cost of the projects that may be borne by the Public Facilities  
3 Financing Corporation; and providing for an effective date."

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

5 \* Section 1. AUTHORIZATION OF PUBLIC FACILITIES FINANCING  
6 CORPORATION PROJECTS. Subject to the limitations of AS 35.45.010 - 35.45.900, the  
7 Public Facilities Financing Corporation established under AS 35.45.010 is authorized under  
8 AS 35.45.050(b)(1) to participate in the following projects and to spend no more than the  
9 following amounts for those projects:

10	PROJECT	AMOUNT
11	Public schools, K - 12	\$120,857,700
12	University of Alaska	50,275,300
13	Harbors	18,203,000
14	Highways, the Alaska marine highway system, and	

1	airports	61,192,200
2	Buildings and ADA compliance	43,100,600
3	Water, sewer, and fuel clean-up	<u>6,313,900</u>
4	TOTAL	\$299,942,700

5 \* Sec. 2. This Act takes effect only if an Act that establishes the Public Facilities  
6 Financing Corporation is adopted by the Twentieth Alaska State Legislature and enacted into  
7 law.

8 \* Sec. 3. If this Act takes effect under sec. 2 of this Act, it takes effect on the effective  
9 date of an Act that establishes the Public Facilities Financing Corporation.

**HOUSE BILL NO.****IN THE LEGISLATURE OF THE STATE OF ALASKA****TWENTIETH LEGISLATURE - SECOND SESSION****BY THE HOUSE RULES COMMITTEE BY REQUEST OF THE DEFERRED MAINTENANCE  
TASK FORCE****Introduced:****Referred:****A BILL****FOR AN ACT ENTITLED**

1 "An Act relating to preventive maintenance programs required for certain state  
2 grants; and providing for an effective date."

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

4 \* Section 1. AS 14.11.011(b) is amended to read:

5 (b) For a municipality that is a school district or a regional educational  
6 attendance area to be eligible for a grant under this chapter, the district shall submit

7 (1) a six-year capital improvement plan that includes a description of  
8 the district's fixed asset inventory system and preventive maintenance program no later  
9 than September 1 of the fiscal year before the fiscal year for which the request is  
10 made; the six-year plan must contain for each proposed project a detailed scope of  
11 work, a project budget, and documentation of conditions justifying the project;

12 (2) evidence that the district has secured and will maintain adequate  
13 property loss insurance for the replacement cost of all facilities for which state funds  
14 are available under AS 14.11.005 or 14.11.007 or has a program of insurance

1 acceptable to the department; [AND]

2 (3) evidence acceptable to the department that the proposed project  
3 should be a capital improvement project and not part of a preventive maintenance  
4 program or regular custodial care program; and

5 (4) evidence acceptable to the department that the district

6 (A) has a preventive maintenance plan that

7 (i) includes a computerized maintenance management  
8 program;

9 (ii) addresses energy management for all buildings  
10 owned or operated by the district;

11 (iii) includes a regular custodial care program for all  
12 buildings owned or operated by the district;

13 (iv) includes preventive maintenance training for  
14 facility managers and employees with maintenance duties;

15 (v) includes renewal and replacement schedules for  
16 electrical, mechanical, structural, and other components of all  
17 facilities owned or operated by the district; and

18 (B) is adequately adhering to the preventive maintenance  
19 plan.

20 \* Sec. 2. AS 37.06.010 is amended by adding a new subsection to read:

21 (j) Before the department may pay a draw under this section to a municipality,  
22 the department shall have evidence acceptable to the department that the municipality

23 (1) has a preventive maintenance plan that

24 (A) includes a computerized maintenance management program;

25 (B) addresses energy management for all buildings owned or  
26 operated by the municipality;

27 (C) includes a regular custodial care program for all buildings  
28 owned or operated by the municipality;

29 (D) includes preventive maintenance training for facility  
30 managers and employees with maintenance duties;

31 (E) includes renewal and replacement schedules for electrical,

1 mechanical, structural, and other components of all facilities owned or operated  
2 by the municipality; and

3 (2) is adequately adhering to the preventive maintenance plan.

4 \* Sec. 3. AS 37.06.020 is amended by adding a new subsection to read:

5 (1) Before the department may pay a draw under this section to an entity, the  
6 department shall have evidence acceptable to the department that the entity

7 (1) has a preventive maintenance plan that

8 (A) includes a computerized maintenance management program;

9 (B) addresses energy management for all public buildings  
10 owned or operated by the entity;

11 (C) includes a regular custodial care program for all public  
12 buildings owned or operated by the entity;

13 (D) includes preventive maintenance training for managers of  
14 public facilities owned or operated by the entity and employees with  
15 maintenance duties;

16 (E) includes renewal and replacement schedules for electrical,  
17 mechanical, structural, and other components of all public facilities owned or  
18 operated by the entity; and

19 (2) is adequately adhering to the preventive maintenance plan.

20 \* Sec. 4. This Act takes effect July 1, 1998.

## HOUSE BILL NO.

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTIETH LEGISLATURE - SECOND SESSION

BY THE HOUSE RULES COMMITTEE BY REQUEST OF THE DEFERRED MAINTENANCE  
TASK FORCE

Introduced:

Referred:

## A BILL

## FOR AN ACT ENTITLED

1 "An Act relating to operating appropriations for annual maintenance and repair  
2 and periodic renewal and replacement of public buildings and facilities; and  
3 providing for an effective date."

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

5 \* Section 1. AS 37.07.020 is amended by adding a new subsection to read:

6 (e) The budget prepared under (a) of this section must present the proposed  
7 operating expenditures for each agency for annual maintenance and repair and periodic  
8 renewal and replacement of public buildings and facilities separately from the other  
9 proposed operating expenditures by the agency. Proposed operating appropriations for  
10 an agency for annual maintenance and repair and periodic renewal and replacement for  
11 public buildings and facilities contained in an appropriation bill prepared under (a) of  
12 this section must be presented separately from appropriations for other proposed  
13 operating expenditures by the agency.

14 \* Sec. 2. AS 37.07.120 is amended by adding new paragraphs to read:

1 (8) "maintenance and repair" means the day-to-day scheduled and  
2 preventive maintenance effort, including janitorial and minor repair work, required to  
3 keep buildings and facilities operational and in a continuous state of readiness;

4 (9) "renewal and replacement" means the scheduled replacement of  
5 worn-out major building components and the replacement or retrofitting of obsolete  
6 or inefficient building systems in order to maintain or extend the life of a building or  
7 facility.

8 \* Sec. 3. This Act takes effect July 1, 1998.

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

**BY THE HOUSE RULES COMMITTEE BY REQUEST OF THE DEFERRED MAINTNANCE  
TASK FORCE**

**Introduced:**

**Referred:**

**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 Legislature recognizes the critical role that local school  
7 districts serve in the state in meeting this most important constitutional responsibility; and**

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

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

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

**14 WHEREAS use of prototype school designs has enabled the Anchorage, Fairbanks,  
15 Kenai Peninsula, and Matanuska-Susitna Borough school districts to more quickly and  
16 economically respond to their district's need for new schools and realize cost savings;**

**17 BE IT RESCLVED that the Alaska Legislature encourages school districts to use**

1 prototype school designs wherever feasible so future school classrooms can be constructed  
2 quicker and funds maximized; and be it

3 **FURTHER RESOLVED** that the Department of Education is requested to develop  
4 a prototype school designs for core school functions that could be used by school districts; and  
5 be it

6 **FURTHER RESOLVED** that the Department of Education is requested to develop  
7 incentives for school districts to use prototype school designs in school construction funded  
8 through the educational facilities maintenance and construction fund (AS 37.05.560); and be  
9 it

10 **FURTHER RESOLVED** that, if statutory changes are necessary to implement these  
11 incentives, the Department of Education is requested to report suggested statutory changes to  
12 the legislature by March 1, 1998, so the changes can be considered by the Second Regular  
13 Session of the Twentieth Alaska State Legislature.

14 **COPIES** of this resoiation shall be sent to Shirley J. Holloway, commissioner of  
15 education, to the Alaska State Board of Education, and to the school board of each school  
16 district.

# **BUILDING ALASKA FOR THE 21ST CENTURY**

## **APPENDIX H**

**MEMORANDUM****State of Alaska**

Office of the Governor  
Office of Management and Budget  
Telephone: 465-4660

October 9, 1997

TO: Administrative Service Directors  
Facility Advisory Council Members  
DOT/PF Facility Maintenance Employees

FROM: Annalee McConnell, Director, Office of Management and Budget  
Mark Boyer, Commissioner, Department of Administration  
Joe Perkins, Commissioner, Department of Transportation  
and Public Facilities

RE: Facility Update

To some this is an update, while to others this memorandum outlines the Knowles administration's long and short-term goals to effectively manage the state's major fixed assets — facilities. First, we would like to thank everyone who has assisted us throughout this project. We are well aware that without each agency's support, we could not have recognized progress toward these goals.

**Long-term Goals**

- Rental Rate Methodology — A rent structure for facilities would enable the state to receive reimbursement for facilities costs from the federal government and other fund sources, and would provide an incentive for more efficient utilization of facilities. The rate would recover the full costs of operating and maintaining state facilities in accordance with applicable Generally Accepted Accounting Principles, federal guidelines and state policies. We hired an independent consultant who helped us identify the elements needed to develop a facilities chargeback methodology.

We hope to work with the legislature during the 1998 session to establish a Facilities Internal Service Fund (ISF) to implement this rental concept. A facilities fund would isolate facilities financial activity, allow fund balances to carryforward into the next fiscal year and recover sufficient funds to maintain the facilities. The rate would be based on prior year costs plus anticipated repairs divided by square footage. Thus the critical need to capture accurate cost data now.

- Deferred Maintenance Backlog — Another advantage of an ISF is to build funds so we can prevent future accumulation of deferred maintenance projects.
- Consolidate Facility Functions — Ultimately we think it will be advantageous to merge the facilities functions of the Department of Transportation and Public Facilities (DOT/PF) with

*Endorsed by  
Jack Force*

*lopedate*

---

Facility Update  
October 9, 1997  
Page 2

the leasing and space planning functions of the Department of Administration (DOA). At one point we considered consolidating these functions in the Department of Administration this year. However, given the major initiatives currently underway in both DOA and DOT/PF, we now believe that it is not advisable to proceed with a transfer of facilities responsibilities from DOT/PF to DOA at this time. DOT/PF will continue its current facilities functions for at least the next twelve months. During this time we intend to move forward with the following initiatives to improve facilities operations and maintenance.

### *Short-term Goals*

- **Nome Pilot Project** — This pilot is testing the use of a coordinated maintenance team, the effects of performing scheduled preventative maintenance, and application of an automated maintenance management system to improve the efficiency and effectiveness of facility maintenance. It began July 1 with three participating departments: DOT/PF, Military and Veterans' Affairs, and Corrections.
- **AKSAS Account Structure** — Departments were to begin tracking facility costs in the five work categories identified by the Facility Council no later than August 1, 1997. These categories are Operations, Leasing, Routine Maintenance and Repair, Renewal and Replacement, and Renovation and Remodeling. Accurately tracking costs in these categories by building or other Facility Council approved method is vital to the rate development process.
- **Facilities Rent Structure Pilot** — As the first phase of establishing a rent structure for state facilities we are developing a simulated rate on one facility using the rate methodology established by the independent consultant. Our objective is to establish a rent structure that can be evaluated for possible incorporation in the FY 2000 budget cycle.

---

We hope this facility update clarifies our goals and objectives for improving the maintenance of our state facilities. If you have any questions or comments, contact Keith Gerken (DOA) at 465-5683, Rod Wilson (DOT/PF) at 465-6962 or Kym Gertner (OMB) at 465-4666.

# **BUILDING ALASKA FOR THE 21ST CENTURY**

## **APPENDIX I**

---

**ORRICK, HERRINGTON  
& SUTCLIFFE LLP**

January 9, 1998

Internet  
[rogerdavis@orrick.com](mailto:rogerdavis@orrick.com)

Direct Dial  
(415) 773-5758

**By Fax: 907/465-3518**

Representative Eldon Mulder, Co-Chair  
Senator Tom Kelly, Co-Chair  
Deferred Maintenance Task Force  
Room 501  
State Capitol Building  
Juneau, Alaska 99801-1182

Re: **Public Facilities Financing Corporation**

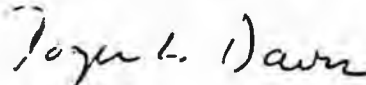
Dear Gentlemen:

Pursuant to our engagement to review certain aspects of proposed legislation creating the Public Facilities Financing Corporation, based on the draft presented to us, research of such matters as we deemed appropriate, and conference calls with Denny DeWitt, Eric Wohlforth and others, we believe the proposed legislation can fairly easily be revised to enable the Corporation to issue bonds (1) the interest on which would be exempt from federal income taxes (without having to restrict the yield on the Build Alaska Fund established in the legislation) and (2) that would not be invalid as state debt within the meaning of Article IX, Section 8 of the Alaska Constitution.

A memorandum setting forth the changes we recommend to accomplish this goal will follow in a few days. Of course, whether any particular bonds are tax-exempt or valid will depend on the final form of legislation enacted, how it is implemented and the specific details pertaining to those particular bonds. Therefore, this letter is not intended to be viewed (or be relied upon) as an opinion regarding the tax-exemption or validity of any bonds.

Please contact me at (415) 773-5758 or George G. Wolf (the tax partner working with me) at (415) 773-5988 if you have any questions.

Very truly yours,



Roger L. Davis

RLD:ksg

**CONFIDENTIAL**

**MEMORANDUM**

**TO:** Representative Eldon Mulder, Co-Chair  
Senator Tom Kelly, Co-Chair  
Deferred Maintenance Task Force

**FROM:** Roger L. Davis and George G. Wolf

**DATE:** January 17, 1998

**RE:** Legislation Creating the Public Facilities Financing Corporation

---

The version of the Public Facilities Financing Corporation bill faxed to us on January 12, 1998 did an excellent job of translating our January 9 discussions into appropriate legislature language, which accomplishes the revisions contemplated by our January letter regarding tax-exemption and validity of bonds. Only the following few observations seem worth making (particularly with an aim of making as few changes as possible):

1. With regard to Sec. 35.45.110, I thought that uses of the Build Alaska Fund had to be more open ended in order to avoid running afoul of the constitutional proscription against dedicated funds (Art. IX, Sec. 7). Maybe use of the word "may" in the second sentence of subsection c is enough. We had suggested prefacing the sentence with "Unless otherwise specified by the legislature,". This is not one of the issues for which you solicited our expertise, and we are sure there are others more expert than ourselves on this matter, so we defer to you.

There is a typo in subsection (b) at line 18-19 of page 10, which should read "obligations of the state or state department or agency that secures payment of any bonds of the corporation." The state, other than through a department or agency, could be the obligor of the "obligations" referred to, and those obligations may be a source of payment for the corporation's bonds without being formally "pledged." However, these are relatively minor points that may not be considered essential.

2. Subsection (6) of Sec. 35.45.040 should refer to "real property" as well as "other personal property," particularly in light of Sec. 35.45.050(f) which authorizes the state to lease or buy real property from or to the corporation.

Representative Eldon Mulder,  
Co-Chair  
Senator Tom Kelly, Co-Chair  
Deferred Maintenance Task  
Force  
January 17, 1998  
Page Two

3. We note that not included in the legislation is our suggestion to add to what is now Sec. 35.45.090 that "All property sold or leased to or from the corporation in connection with and as part of the security or source of payment for any bonds of the corporation, including all interest therein and transfers thereof, shall be free of all taxation, fees and charges whatsoever." This was intended to avoid any property or possessory interest taxes, transfer fees, recording fees and the like that might be created by transactions authorized by Sec. 35.40.050(f). If there are no such taxes or fees, then this language is unnecessary. If there could be any such taxes or fees (for example, in the case of a for profit vendor lessor), then this language could be useful.

4. Note that the limitation to "state share" in line 2 of page 4 will probably mean that the corporation cannot finance the full cost of a project if a portion of the cost is to be borne by federal grants or the University of Alaska, etc., even if these contributions have not yet been received by the state, and even if it would be more timely, efficient and cost-effective to issue bonds for the total cost and pay down the bonds with the federal grants or other contributions when received. Therefore, we suggest deleting "the state share of" in line 2 in order to provide greater flexibility.

5. The language of Sec. 35.45.050(g) (page 6 lines 7-10, 13-15) departs from the language we had suggested in a manner that could confuse the two level nature of the financings authorized by this bill. The corporation issues the bonds, and the state is not obligated in any manner to pay the bonds. The state's obligation is with respect to a lease, installment sale or other agreement or arrangement with the corporation, and the appropriations made by the legislature are to pay those obligations not the bonds. Those obligations secure the bonds. The following language would better reflect this structure:

(a) lines 7-10 should read:

"corporation, except moneys which the legislature may appropriate to pay such leases, installment sales or other agreements or arrangements. The legislature is under no obligation to appropriate money to make any such payments or otherwise with respect to any bonds of the corporation. The bonds of the corporation shall recite"

Representative Eldon Mulder,  
Co-Chair  
Senator Tom Kelly, Co-Chair  
Deferred Maintenance Task  
Force  
January 17, 1998  
Page Three

(b) lines 13-14 should read:

**"money of the state, except money appropriated by the state for the purpose of paying its lease, installment sale or other agreement or arrangement with the corporation, which the state is under no obligation to appropriate, and that issuance of bonds by the corporation does not"**

6. There is a typo in Sec. 35.45.070 in line 8 of page 9. The word "security" should be "securities".

# **BUILDING ALASKA FOR THE 21ST CENTURY**

## **APPENDIX J**

**Deferred Maintenance Task Force**  
**BUILDING ALASKA FOR THE 21ST CENTURY**

**Build Alaska Expenditures for Public Facility Repair and Replacement Construction**

**SIX-YEAR Build Alaska financing plan will support:**

**Repair**

Schools	\$338,000,000
University	\$188,000,000
Highways, Marine Highway, Airports	\$299,000,000
Harbors	\$55,000,000
Public Facilities	\$173,000,000
Water & Sewers	\$63,000,000
<b>Subtotal</b>	<b>\$1,116,000,000</b>

**Replacement**

Schools and University Buildings	\$304,000,000
<b>Subtotal</b>	<b>\$1,420,000,000</b>

Total available in financing plan

Schools, University Buildings, and Other Construction	\$80,000,000
<b>Total</b>	<b>\$1,500,000,000</b>

**NOTE: Sale of the Four Dam Pool and a blend of 15 and 20 year bonds could easily net an extra \$200 million from the proposed funding plan.**

**Deferred Maintenance Task Force**  
**Building Alaska for the 21Century**

<b><u>BUILD ALASKA Spending and Debt Service</u></b>							
	<u>FY 1999</u>	<u>FY 2000</u>	<u>FY 2001</u>	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>6 YEAR TOTAL</u>
Build Alaska Debt Service	30,000.0	25,000.0	25,000.0	25,000.0	20,000.0	17,000.0	142,000.0
Cumulative Annual New Debt Service	30,000.0	55,000.0	80,000.0	105,000.0	125,000.0	142,000.0	537,000.0
Build Alaska Funds Available from Bonding	300,000.0	250,000.0	250,000.0	250,000.0	200,000.0	170,000.0	1,420,000.0
Capital Funds Available from General Fund Cash	90,000.0	90,000.0	90,000.0	90,000.0	90,000.0	90,000.0	540,000.0
<b>Totals</b>	<b>390,000.0</b>	<b>340,000.0</b>	<b>340,000.0</b>	<b>340,000.0</b>	<b>290,000.0</b>	<b>260,000.0</b>	<b>1,960,000.0</b>

## Deferred Maintenance Task Force

### Building Alaska for the 21st Century

#### BUILD ALASKA FINANCING PLAN INTEGRATION INTO FIVE YEAR BUDGET STRATEGY

	FY 1998	FY 1999	FY 2000	FY2001	FY 2002	FY 2003				
<b>Revenues</b>										
Unrestricted Revenues	2,080.9	2,000.4	1,976.1	1,979.0	1,959.7	1,919.8				
Adjustments	(58.7)	(56.1)	(63.8)	(63.8)	(60.0)	(60.0)				
AHFC Dividend	70.0	72.1	74.3	76.5	78.8	81.1				
AIDEA Dividend	16.0	15.0	15.0	15.0	15.0	15.0				
General Fund Balance Forward	66.8									
CBRF Appropriated to Gen. Fund	161.1	204.7	200.0	203.3	205.4	239.8				
Revenue from Tobacco Tax	17.8	32.0	32.0	32.0	31.0	31.0				
Remaining New Revenues	40.6	46.0	38.4							
<b>Total Revenues</b>	<b>2,394.5</b>	<b>2,314.1</b>	<b>2,272.0</b>	<b>2,242.0</b>	<b>2,229.9</b>	<b>2,226.7</b>				
<b>Expenditures</b>										
Operating	2,151.5	2,096.5	2,071.6	2,058.2	2,058.2	2,058.2				
Debt Service	87.4	85.5	68.3	51.7	39.6	36.4				
Capital - Cash	100.0	90.0	90.0	90.0	90.0	90.0				
Capital to Bond Debt Service		10.0	10.0	10.0	10.0	10.0				
Special/Transfers/Fund Capitalization	15.5	15.1	15.1	15.1	15.1	15.1				
Supplementals	16.5	17.0	17.0	17.0	17.0	17.0				
<b>Total Expenditures</b>	<b>2,370.9</b>	<b>2,314.1</b>	<b>2,272.0</b>	<b>2,242.0</b>	<b>2,229.9</b>	<b>2,226.7</b>				
Expenditure Reduction		56.8	42.1	30.0	12.1	3.2				
							FY 2004	FY 2005	FY 2006	FY 2007
<b>CBRF Beginning Balance</b>	<b>3,297.4</b>	<b>3,515.1</b>	<b>3,805.6</b>	<b>4,100.9</b>	<b>4,161.1</b>	<b>4,175.8</b>	<b>4,151.4</b>	<b>4,167.9</b>	<b>4,185.7</b>	<b>4,204.7</b>
Projected Earnings	236.1	251.7	272.5	293.6	297.9	299.0	297.2	298.4	299.7	301.1
Transfers to General Fund	(161.1)	(204.7)	(200.0)	(203.3)	(205.4)	(239.8)	(165.9)	(165.9)	(165.9)	(165.9)
Transfers to Build Alaska Bonding	(17.8)	(26.5)	(47.2)	(55.1)	(102.8)	(108.6)	(139.8)	(139.8)	(139.8)	(139.8)
Additional Settlement Deposits	160.5	270.0	270.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0
<b>CBRF Fund Ending Balance</b>	<b>3,515.1</b>	<b>3,805.6</b>	<b>4,100.9</b>	<b>4,161.1</b>	<b>4,175.8</b>	<b>4,151.4</b>	<b>4,167.9</b>	<b>4,185.7</b>	<b>4,204.7</b>	<b>4,225.0</b>
<b>Build Alaska Bonding</b>										
<i>Build Alaska Bonding Beginning Balance</i>	0.0	17.8	24.3	26.5	11.4	18.4	11.0	6.5	2.0	0.4
Revenue from Tobacco Tax	17.8	32.0	32.0	32.0	31.0	31.0	31.0	30.0	30.0	30.0
		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Transfers from CBRF and operations	87.4	90.0	93.5	84.6	120.6	123.0	139.8	139.8	139.8	139.8
Build Alaska Bonds Debt Service		(30.0)	(55.0)	(80.0)	(105.0)	(125.0)	(142.0)	(142.0)	(142.0)	(142.0)
Current Debt Service	(87.4)	(85.5)	(68.3)	(51.7)	(39.6)	(36.4)	(33.3)	(32.3)	(29.4)	(21.9)
<b>Capital Fund Ending Balance</b>	<b>17.8</b>	<b>24.3</b>	<b>26.5</b>	<b>11.4</b>	<b>18.4</b>	<b>11.0</b>	<b>6.5</b>	<b>2.0</b>	<b>0.4</b>	<b>6.3</b>

Majority Five Year Plan

Build Alaska Six Year Plan

# Deferred Maintenance Task Force

## Building Alaska for the 21st Century

### Notes and Assumptions

- 1 Debt service was adjusted to reflect the latest Alaskan Public Debt Report information less Bank of America income offset
- 2 Capital (cash) was reduced from operating expenditure budget by \$10 million annually. Beginning in FY 1999 that will be used for debt service. (Possible from savings on historically cash appropriations funded in new bonding proposal.)
- 3 The CBRF rate of return was calculated at 7.16% beginning in FY 1998, reflecting Dept. of Revenue's latest projections.
- 4 Tobacco tax revenue will be used in the Build Alaska Fund to support school bonds
- 5 Tobacco tax revenues utilize Department of Revenue's latest projections
- 6 No interest earnings were calculated on the Build Alaska Fund balance.
- 7 The CBRF principal is not reduced by the Build Alaska program in this scenario
- 8 A blend of 15 and 20 year bonds and/or more favorable rates could net nearly \$1.5 billion from \$125 million in debt service
- 9 Sale of the Four Dam Pool at \$100 million, deposited in the CBRF, could generate an additional \$7 million in earnings to service \$70 million in debt in the Build Alaska Fund.
- 10 This is a cash flow example for discussion purposes only. Technically, all funds flow into the general fund and are available for appropriation by the Legislature. For technical understanding of proposal, the proposed legislation should be reviewed.

**SB**

**225**

# 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 Bill 225

#### Appropriation to Build Alaska Fund

SB 225 appropriates \$1,500,000,000 from the Constitutional Budget Reserve to the Build Alaska Fund. This appropriation would take place at the earliest of a voter approved advisory vote or July 1, 1999. This will allow the legislature the opportunity to repeal the transfer if the voters do not approve of the proposal, prior to it becoming effective.

The interest off this Build Alaska Fund will flow into the general as restricted corporate receipts. This will allow the legislature to make annual decisions on its appropriation. By design, the interest on this fund is not designated for specific purposes. to do so would open questions of designated funds and taxable nature of interest income to the state.

The purpose of this fund is to identify the important nature of maintaining and improving Alaska's infrastructure. It can be viewed as a permanent source of funding for future capital needs without completely limiting legislative discretion.

Section 1. moves \$1.5 million from the Constitutional Budget Reserve to the Build Alaska Fund.

Section 2. ties this appropriation to the establishment of the Public Facilities Financing Corporation (PFFC).

Section 3 sets the effective date at the date of the certification of the public vote for the PFFC or July 1, 1999, which ever is earlier. This allows a vote of the people. If the voters turn it down, the legislature has a full session to repeal it prior to the effective date.

# 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

# 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 Lemman  
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 Bill 225

### Appropriation to Build Alaska Fund

SB 225 appropriates \$1,500,000,000 from the Constitutional Budget Reserve to the Build Alaska Fund. This appropriation would take place at the earliest of a voter approved advisory vote or July 1, 1999. This will allow the legislature the opportunity to repeal the transfer if the voters do not approve of the proposal, prior to it becoming effective.

The interest off this Build Alaska Fund will flow into the general as restricted corporate receipts. This will allow the legislature to make annual decisions on its appropriation. By design, the interest on this fund is not designated for specific purposes. to do so would open questions of designated funds and taxable nature of interest income to the state.

The purpose of this fund is to identify the important nature of maintaining and improving Alaska's infrastructure. It can be viewed as a permanent source of funding for future capital needs without completely limiting legislative discretion.

Section 1. moves \$1.5 million from the Constitutional Budget Reserve to the Build Alaska Fund.

Section 2. ties this appropriation to the establishment of the Public Facilities Financing Corporation (PFFC).

Section 3 sets the effective date at the date of the certification of the public vote for the PFFC or July 1, 1999, which ever is earlier. This allows a vote of the people. If the voters turn it down, the legislature has a full session to repeal it prior to the effective date.

**SB**

**226**

# 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 Bill 226

## Required Preventive Maintenance Programs

SB 226 requires that every agency and school district have in place a preventive maintenance program prior to it being able to receive any funding for deferred maintenance, renovation or replacement funds from the state.

The preventive maintenance plan would include:

- a computerized maintenance management program,
- energy management,
- custodial care,
- training of facility managers and employees, and
- renewal and replacement schedules.

The Deferred Maintenance Task Force determined that the best way to prevent a reoccurrence of deferred maintenance was be proactive in maintenance. It recommended that the carrot for accomplishing this goal was withholding funds identified as needed by the Task Force until the preventive maintenance programs are in place and working.

Section 1 requires school districts and regional education attendance areas must have preventive maintenance programs in place prior to receiving maintenance or construction funds. The district is required to provide evidence to the Department of Education that the plan is in place and operating

Section 2 requires that a municipality must have a preventive maintenance program in place before it draws any state funds. The municipality is required to provide evidence of the preventive maintenance program to the Department of Administration.

Section 3 requires that an unincorporated community must have a preventive maintenance program in place before it can receive capital matching grant programs. The unincorporated community is required to provide evidence of the preventive maintenance program to the Department of Community and regional affairs.

Section 4 provides for an effective date of July 1, 1998.

# STATE OF ALASKA

TONY KNOWLES, GOVERNOR

## DEPARTMENT OF EDUCATION

### EDUCATION SUPPORT SERVICES / FACILITIES

GOLDBELT PLACE  
801 WEST 10TH STREET, SUITE 200  
JUNEAU, ALASKA 99801-1894

(907) 465-1858  
FAX (907) 463-5279

**TO:** Senate State Affairs

**FROM:** Michael Morgan, PMP  
Facilities Manager 

**DATE:** February 4, 1998

**SUBJECT:** Amendments to SB 226, Preventive Maintenance Programs

\*\*\*\*\*

The following amendments are suggested for SB 226:

Section 1

- 1) Add: (4)(A)(i) ...program, cardex system, or other formal systematic means of tracking the timing and costs associated with planned and completed maintenance activities, including scheduled preventive maintenance

This change allows districts an option other than computers to manage their maintenance/preventive maintenance and, renewal and replacement programs.

\*\*\*\*\*

- 2) Delete: (4)(A)(ii) ...for [all] buildings ...
- 3) Delete: (4)(A)(iii) ...for [all] buildings ...

These changes remove this consideration from the position of "absolutely everything or nothing" when determining project eligibility for funding.

\*\*\*\*\*

- 4) Change: (4)(A)(iv) ... facility mangers and maintenance employees [with maintenance duties]; ...

This change focuses on those with primary responsibility for maintenance, as opposed to those who may just have incidental maintenance duties, e.g. custodians.

\*\*\*\*\*

5) Delete: (4)(A)(v) ...and other components of [all] facilities  
Section 2 and 3

This change removes this requirement from the position of "absolutely everything or nothing" when determining project eligibility for funding.

\*\*\*\*\*

If the intent of this is to require this on all school projects, then this change would be appropriate:

Change AS 37.06.010, AS 37.06.020, AS 37.05.315, 316, and 317 to match.

\*\*\*\*\*

Section 4 Change the effective date to July 1, 1999.

The department's preference for this bill would be to move this entire section, with proposed changes, from AS 14.11.011 to a new sub-section of AS 14.11.013, (b)(7). This would move it from the eligibility consideration to the ranking arena. Practically, this would mean that if a district missed one of the criteria on a technicality or due to poor paperwork, their entire group of projects would not be rejected and omitted from the list, but they would just rank lower that they might have otherwise. This would also mitigate the fiscal impact currently forecast.

ALASKA STATE LEGISLATURE

FOR  
COPY



CONTACT  
JK

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

ELDON MULDER, CO-CHAIR  
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

**SB**

**227**

# ALASKA STATE LEGISLATURE

Rep. Eldor 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 Bill 227 Proposed Committee Substitute**

### **Public Facilities Financing Corporation and Advisory Vote**

The Deferred Maintenance Task Force was charged to develop a financing mechanism for the funding of deferred maintenance for public facilities. The Task Force recommends that the Legislature establish a public corporation similar to the Alaska Housing Finance Corporation and the Alaska Industrial Development and Export Authority.

The Public Facilities Financing Corporation (PFFC) is established in the Department of Revenue. It is authorized to sell bonds to finance projects authorized by legislative action. The legislature will annually appropriate to the Corporation funds to pay the debt service on the bonds. Thus, the legislature maintains the control of identifying projects and the amount of funding. Thus it will also control the amount of annual debt service it will be exposed to.

The PFFC will function in the Department of Revenue similar to the state bond committee. It will have an executive director. The remainder of the staff work will be done by hiring consultants and including their fees in the bond package. This will minimize the need for new employees and is the normal practice.

Section 1. Legislative findings that there is a need for deferred maintenance to existing public facilities and for new public facilities and a Corporation to finance those needs.

Section 2. Adds Chapter 45 to AS 35 titled the Public Facilities Financing Corporation

35.45.010 Establishes the Public Facilities Financing Corporation in the Department of Revenue. The Corporation is independent, but subject to the Executive Budget Act.

35.45.020 Sets the board of directors as the commissioners of Revenue, Education, and Transportation and Public Facilities, the executive directors of AHFC and AIDEA.

35.45.030 Deals with officers, quorums, and employment of staff.

35.45.040 Sets out the powers and duties of the corporation. The Corporation is given routine operating powers, is allowed to acquire and hold property, issue revenue bonds, collect rents and fees, and accept gifts and grants.

*The Proposed CS changes subsection (6) to reflect that property is not limited to personal property.*

35.45.050 Allows the Corporation to issue bonds for projects approved by the legislature, and payment of the bonds is made by funds appropriated by the legislature. Authorizes state departments to enter into agreements with the Corporation. Agencies receiving funds from these bonds must have preventive maintenance programs in place and must be energy efficient. Bonds sold by the corporation may be "moral obligation bonds", they will not be secured by the full faith and credit of the state.

*The Proposed CS changes subsection (a) to allow the Corporation to finance the entire project rather than just the state portion. This will allow the use of federal funds or other funding for projects.*

*It changes subsection (g) to include various forms of financing arrangements that will be used by the Corporation. The process is that the Corporation will issue bonds based on a lease. The legislature will appropriate lease payments that will then be used to fund the bonds.*

35.45.060 Provides the details of the bonds that may be issued by the Corporation. It requires that the Corporation notify the legislature prior to bond sales and inform the legislature amounts necessary of appropriation to maintain the necessary reserves and to service debt.

35.45.070 Limits the bonding allowed to \$2 million. This is a level unlikely to be reached in the foreseeable future, but allows the

Sponsor Statement  
SB 227

Corporation to be useful in future capital funding activities, as directed by future legislatures.

*The proposed CS changes the word security to securities, correction of a typing error.*

35.45.080 Limits personal liability of directors and employees.

35.45.090 Exempts these bonds from state taxation.

35.45.100 States that the state will not alter the terms under which the bonds are issued or impair the rights of the bond holders. This is not a guarantee or promise of repayment or performance of the Corporation.

35.45.110 Establishes the Build Alaska Fund. Funding and amount is considered in HB 314.

*The proposed CS changes the word secures to secure, correction of a typing error.*

35.45.120 Requires an annual audit.

35.45.130 requires an annual report to the governor and legislature.

35.45.140 provides for adoption of regulations by the Corporation.

35.45.900 Defines terms for Chapter 45

Section 3 Makes the state procurement applicable to the Corporation.

Section 4 Makes the executive director exempt from classified service.

Section 5. Makes the Corporation a state board or commission for purposes of the administrative Conflict of Interest statutes.

Section 6 This provides for an advisory vote on moving funds from the Constitutional Budget Reserve to the Build Alaska Fund. The amount will be amended to follow the amount the Finance committees recommend in HB 314. The likely recommendation will be less than the current number, as the anticipated draw on the CBRF will be greater than estimated when this proposal was drafted in the December 1997.

Section 7 Provides an immediate effective date.

**SB**

**228**

# 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

### SB 228

## Authorizing Projects for Financing from the Public Facilities Financing Corporation

This bill authorizes projects for funding by the Public Facilities Financing Corporation (PFFC). This is the legislative action requires prior to any action by the PFFC. It is through this mechanism that the legislature maintains control of the projects and amounts that will be funded by the Corporation. The Corporation has no independent authority to fund projects though its bonding.

Projects in this bill are prioritized by year and are organized by categories. The proposal assures every category receives annual funding. This assures that even those projects necessary for state operations with less popular or geographical appeal will receive funding. The initial proposal from the Deferred Maintenance Task Force suggests all the identified deferred maintenance be addressed in a six year period.

ALASKA STATE LEGISLATURE

FOR COPY



Contact

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

ELDON MULDER, CO-CHAIR  
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

**SB**

**244**

# Alaska State Legislature

## Senate

**JERRY WARD**

State Capital  
Juneau, AK 99801-1182  
Phone (907) 465-4940  
Fax (907) 465-3766

716 W. 4th Ave., Ste. 450  
Anchorage, AK 99501-2133  
Phone (907) 258-8183  
Fax (907) 258-0820

145 Main Street Loop  
Kenai, AK 99611  
Phone (907) 283-7996  
Fax (907) 283-3075



### SPONSOR STATEMENT

#### SB 244

#### **“An Act relating to polygraph or other lie-detecting testing for certain correctional officers”**

Senate Bill 244 allow for the administering of polygraph tests to correctional officers or persons applying for employment as correctional officers. Presently, only police officers and certain transportation officers are subject to polygraph testing. Correctional officers are in positions of great power, and many are armed like other law enforcement officers. Polygraph testing is no less in order for correctional officers than for other law enforcement personnel.

Polygraph testing is a way to insure the character and integrity of correctional officers, as well as the safety of inmates and other correctional employees. Polygraph testing is a proven method of screening employees for positions requiring high security and safety. This legislation will protect the State of Alaska and its citizens.

STATE OFFICE

# ALASKA PEACE OFFICERS ASSOCIATION

P.O. Box 240106 Anchorage, Alaska 99524-0106 Phone (907) 277-0515 Fax (907) 272-5355



## Business Manager

Joseph E. Young  
Anchorage

## Board of Directors

John Charbonneau, President  
Anchorage

Robin Lown, Vice President  
Juneau

Michael Corkill, Past President  
Anchorage

Charles Kopp, Member  
Kenai

Kenai Chapter

Bob Brandlen, Member  
Anchorage

Anchorage Chapter

Angella Long, Member  
Palmer

Mat-Su Chapter

Michael Judd, Member  
Fairbanks

Farthest North Chapter

George Cole, Member  
Juneau

Capitol City Chapter

Elga King, Member  
Wrangell

Wrangell Chapter

Ray Mestas, Member  
Ketchikan

First City Chapter

Robert Claus, Member  
Craig

Prince of Wales Chapter

John Lucking, Jr., Member  
Unalaska

Aleutian Islands Chapter

Senator Jerry Ward  
Alaska State Legislature  
State Capital  
Juneau, Alaska 99801-1182

February 11, 1998

Dear Senator Ward,

On behalf of the Alaska Peace Officers Association (APOA), I would like to thank you for introducing SB 244 relating to polygraph testing for certain correctional officers.

At a recent meeting of the APOA Board of Directors, we unanimously agreed to endorse SB 244. We feel that this legislation will help ensure that only the most qualified of applicants will be selected for critical correctional officer positions and that the use of polygraph testing is a valuable tool in this process.

Please contact us if there is anything we can do to assist you with this bill as it proceeds through the legislative process. You may contact us at the APOA office in Anchorage at 277-0515.

Once again, thank you for sponsoring this legislation.

Sincerely,

John Charbonneau  
State President  
Alaska Peace Officers Association

SB 244

**SB**

**249**



# Alaska State Legislature

## Senate

**JERRY WARD**

State Capital  
Juneau, AK 99801-1182  
Phone (907) 465-4940  
Fax (907) 465-3766

716 W 4th Ave, Ste 450  
Anchorage, AK 99501-2111  
Phone (907) 258-8183  
Fax (907) 258-0820

145 Main Street Loop  
Kenai, AK 99611  
Phone (907) 283-7996  
Fax (907) 283-3075

### Sponsor Statement SB 249

**“An Act authorizing an advisory vote on whether the legislature should propose amendments to the Constitution of the State of Alaska relating to the use of income of the Permanent Fund.”**

Senate Bill 249 calls for the Lieutenant Governor to place on the ballot in the next general election a question on whether the legislature should pass a resolution proposing an amendment to the Alaska Constitution. This amendment would provide that any excess income, after permanent fund checks and inflation proofing, could only be deposited into the principle of the Permanent Fund account unless the people of Alaska vote to do otherwise.

As it stands now, money left over after dividends and inflation proofing can be spent by a simple majority vote of the Legislature. In fact, the Permanent Fund Dividend program could be eliminated by a simple majority vote of the Legislature and with the approval of the Governor. Senate Bill 249 will give the citizens of Alaska a more active role in determining how the income from the Permanent Fund, which belongs to the people of Alaska, is spent and will bring a higher level of fiscal responsibility to the Legislature.

In this time of declining revenue it has become all the more important to involve the people of Alaska in the important decisions of how to spend the earnings from their Permanent Fund.

**SB**

**255**

# Alaska State Legislature

Sen. Tim Kelly, Chairman  
Anchorage  
Sen. Loren Leman, Vice-Chair  
Anchorage  
Sen. Robin Taylor  
Wrangell  
Sen. John Torgerson  
Kasilof  
Sen. Jim Duncan  
Juneau



Official Business

## Senate Rules Committee

State Capitol  
Juneau, AK 99801-1182  
(907) 465-3822  
Fax: (907) 465-3756  
1-800-770-3822  
(JANUARY - MAY)  
INTERNET: //http://www.state.ak.us

716 West 4th, Suite 400  
Anchorage, AK 99501  
(907) 258-8180  
Fax: (907) 258-4524

### SPONSOR STATEMENT

#### SB 255 - Joint Committee On Military Bases In Alaska

Senate Bill 255 would establish a Joint House and Senate Committee On Military Bases in Alaska. We propose this joint committee have an existence longer than that called for in the Uniform Rules, Rules 21 (b) & (c), because of the reactivation of the federal Base Realignment and Closure Commission (BRAC).

Creating this joint committee for longer than the duration of the current 20th Legislature requires a change in statute, and cannot be done by means of a concurrent resolution, hence this bill. The joint committee would expire on the date the 22nd Legislature convenes. This time frame corresponds with the activity period of BRAC, which will again be reviewing all military facilities in North America for justification of their continued existence.

The attention by BRAC given to Alaska bases in the past presents a considerable challenge, and necessitates vigilance, and a strong, unified response from the legislature. The military establishment in Alaska accounts for approximately \$2.7 billion throughout the Alaskan economy. In addition, the base closures experienced to date, Adak Naval Air Facility and Fort Greely, have shown that the process requires considerable attention on the part of state government to monitor the economic impact and the reuse potential of such base closures. This joint committee would provide that critical focus.

Section 1 of SB 255 sets out the legislative findings on the need for such a joint committee.

Section 2 of the bill establishes the joint committee within the legislature. This joint committee would have the status of an interim committee, able to meet at will, session or interim, but would not have authority to introduce legislation. It would exist similarly to the Legislative Budget & Audit Committee, the Select Committee On Legislative Ethics, and the Legislative Council. It would be an administrative unit of the Legislative Council.

This section also provides for the composition of the committee, the term of existence, travel and per diem policy, and reporting responsibilities.

Section 3 repeals the Act on the convening day of the 22nd Alaska Legislature.

Section 4 provides for an immediate effective date.

If there are questions on this legislation, please contact Tim Benintendi of my office at 3770.

only by the adoption of a simple resolution. The presiding officer of each house appoints the members of a special committee and designates a member to chair the special committee unless otherwise ordered by the house. The persons who chair like committees of each house may arrange for the committees to meet jointly to receive testimony and deal with other matters which may be expedited by joint committee action.

→ (b) A joint committee is a committee of both houses. A joint committee may be established only by the adoption of a concurrent resolution. The presiding officer of each house appoints one-half of the members of a joint committee. The persons who co-chair a joint committee shall be chosen in the manner provided by the presiding officers.

→ (c) A resolution establishing a special or joint committee shall specify the date or conditions of termination of the committee. A standing committee may meet between sessions. A special or joint committee may meet during the session or between sessions, or both, as authorized by the resolution which establishes the committee. A standing, special, or joint committee which acts between legislative sessions may consider any legislative matter which is consistent with the jurisdiction of the committee. A standing, special, or joint committee which acts between legislative sessions constitutes a subcommittee of the Legislative Council for administrative purposes. A special or joint committee may expend money only in accordance with an appropriation made for the work of the committee.

(d) A committee may not be established unless authorized by law or by the Uniform Rules.

#### OPEN AND EXECUTIVE SESSIONS

RULE 22. OPEN AND EXECUTIVE SESSIONS. (a) All meetings of a legislative body are open to all legislators, whether or not they are members of the particular legislative body that is meeting, and to the general public except as provided in (b) of this rule.

(b) A legislative body may call an executive session at which members of the general public may be excluded for the following reasons:

(1) discussion of matters, the immediate knowledge of which would adversely affect the finances of a government unit;

(2) discussion of subjects that tend to prejudice the reputation and character of a person;

(3) discussion of a matter that may, by law, be required to be

(SAMPLE ACTIVITY)

January 19, 1998

TO: Senate President Miller, Senate Majority Leader Taylor, Senate Rules Committee Chairman Kelly, Representative Mulder  
FROM: Chris Nelson  
SUBJECT: Trip Report

**PURPOSE OF TRIP:** Review Fort Greely reuse plans, inspect the facilities proposed for reuse, observe the community input process.

**SCOPE OF ACTIVITIES:** Visit Fort Greely, meet personally with Army officials and leaders of the Delta/Greely Community Coalition, attend the second of the Coalition's two public hearings on the proposal to convert the post into a privately operated prison.

**DATES AND LOCATION:** Fort Greely and Delta Junction, January 15-16, 1998.

**SUMMARY:** The proposal to convert a major portion of the closing Fort Greely military reservation into a privately operated medium security prison is feasible. After two years of exhaustive redevelopment study, it is the only plan currently available which will offset the adverse economic impact created by the loss of nearly 350 military positions and 200 civilian jobs when the post closes. Through a process which included two well attended public meetings and an advisory election, the plan has won community support by a decisive margin.

**DISCUSSION:**

1. Fort Greely and Naval Air Facility Adak were the only two military bases in Alaska selected for elimination by the 1995 Base Realignment and Closure Commission (BRAC). The Fort Greely action is a realignment: military and civilian positions will be shifted to Fort Wainwright in Fairbanks and the major portion of the base's cantonment area, including barracks, recreational facilities, and family housing, will be closed. Fort Greely's two major military activities, the Northern Warfare Training Center at Black Rapids and the Cold Regions Test Center at Bolio Lake, will be operated by a greatly reduced on-site staff augmented on a rotational basis with personnel from Fort Wainwright. The Army will retain the 670,000 acre range area. Realignment actions were originally scheduled to be completed by December, 1998, but the timetable was subsequently extended until the end of 2001.

2. The Delta/Greely Community Coalition, a broadly based group which includes representatives of the local city council, school district, federal employee union, and private citizens, was recognized

by the Department of Defense (DoD) as the Local Reuse Authority (LRA) empowered to develop and implement plans for civilian reuse of the closing facilities. Funded by a grant from DoD's Office of Economic Assistance (OEA), the Coalition and its consultants have spent the last two years attempting to interest both government agencies and civilian enterprises in using the vacated base. While several small enterprises expressed an interest in Fort Greely, the Coalition had been unsuccessful in finding an "anchor tenant" with a sufficient payroll to fill the void created by the Army's departure. That situation changed in December, however, when Allvest, Inc., proposed turning a major portion of the post into an 800 bed privately operated medium security correctional facility.

3. Allvest's original proposal envisioned a "fast track" transfer which would have enabled the prison to open in December, 1998. Army officials expressed concern over that timeline, however, noting that it would displace members of the Fort Greely civilian workforce who had made key career and retirement decisions based on the announced closure date of 2001. Recognizing the Army's concerns, Allvest modified its proposal to extend the transfer period to January, 2000. This new timeline won support from Fort Greely employees and many of them have now become advocates for the prison proposal.

4. To win community support for the plan, the Delta/Greely Community Coalition conducted a well publicized public participation process which included two heavily attended town meetings held in the high school gym followed by a community-wide vote. I attended the second of the public meetings which drew approximately 300 residents and lasted for over three hours. Everyone was given the opportunity to question or comment on the proposal and the discussion was spirited. On Saturday, January 17, a higher than predicted turnout of registered voters approved the prison proposal by an overwhelming 640 - 396 margin.

5. Following the vote, some opponents of the proposal expressed the criticism that the plan was moving forward "too fast." That objection, however, ignores the fact that the Delta/Greely Community Coalition has been working actively for over two years, through a well publicized process which continually invited and encouraged citizen participation, to develop reuse alternatives for the base. The prison proposal is actually the latest step in a very lengthy and deliberate public process.

6. Prompt action by the Legislature is the next step required to keep this process on track. A legislative package to relieve current prison overcrowding by authorizing and resourcing privately operated corrections facilities will enable Allvest, the Delta/Greely Community

Coalition, and the Army to move forward in the development of plans that will establish a seamless transition for Fort Greely from military to civilian use. The Fort Greely prison, which will be called the "Buffalo Flats Correctional Facility," could become the first privately operated correctional facility in Alaska. Our state currently pays an out of state vendor to house several hundred Alaska prisoners in a privately operated prison in Arizona. Legislation enacted during the Second Session of the Twentieth Alaska Legislature can redirect that money to be spent in Alaska, in a community which is facing a devastating economic impact as its military base closes and is now asking for the establishment of a prison as a result of a lengthy and open process.

RECOMMENDATIONS:

1. Meet with representatives of the Delta/Greely Community Coalition, the Army, and Allvest and review their proposals and timetables for the establishment of the Buffalo Flats Correctional Facility.
2. Draft and introduce appropriate legislation to authorize and resource this facility. Consider it a priority issue for action by the Twentieth Legislature.

February 6, 1998

TO: Senate President Miller, Senate Majority Leader Taylor, Senate Rules Committee Chairman Kelly  
FROM: Chris Nelson  
SUBJECT: Trip Report

**PURPOSE OF TRIP:** Coordination on issues affecting Alaska military bases focusing on preparation for possible Base Realignment and Closure (BRAC) rounds in 2001 and 2004 as well as reuse activities at bases closed by BRAC 1995.

**SCOPE OF ACTIVITIES:** Held meetings with Alaska Congressional Delegation staff members working military base issues, the Washington members of Alaska's 1995 BRAC team, and key officials and staff members at the National Association of Installation Developers. Meetings focused on the Clinton Administration's new base closure initiatives, actions currently being taken by other communities across the nation to save their bases, and the challenges encountered by the groups developing reuse plans for Fort Greely and Adak, the two Alaska bases selected for closure by the 1995 BRAC.

**DATES AND LOCATION:** Washington, D.C., 2-4 February 1998.

**SUMMARY:** There is a growing consensus in Washington that more military bases will be closed. There is disagreement, however, on the methods and timetables to be used for new closure actions. The question is no longer IF there will be new rounds of base closures but rather WHEN and HOW. Several communities have already started programs to "BRAC-Proof" their bases. The transition from military to civilian reuse has been difficult for bases in Alaska and across the country.

**DISCUSSION:**

1. President Clinton's FY 1999 Budget specifically proposes two more rounds of base closures in 2001 and 2005. In a press release issued on February 2 outlining the Department of Defense (DoD) Budget, Defense Secretary Cohen asked Congress to approve two more BRAC rounds. The Administration is pushing to have these rounds approved by Congress this year.

2. The consensus among the people I visited is that Congress is reluctant to approve new BRAC rounds until the Administration resolves questions created by previous BRAC actions. These questions center around the "depot controversy" which followed the 1995 BRAC as well as the more fundamental issue of whether the base closures are actually producing the savings they were intended to achieve.

-2-

3. The depot controversy was created when the Clinton Administration directed lucrative contracts to two Air Force depots which had been selected for closure in the 1995 BRAC round. McClelland AFB in California and Kelly AFB in Texas are in high electoral vote states considered key to Clinton's re-election. The Administration contracts had the effect of over-riding the BRAC Commission's decision to close those bases and kept their workforces employed throughout the election year. Critics consequently charged that Clinton's contracts politicized the BRAC process.

4. Other Members of Congress have raised fundamental questions regarding the savings actually achieved by base closures. They point out that the adverse economic impact on local communities caused by closures has created a need for increased federal, state, and local government assistance and that environmental cleanup costs are proving to be much greater than originally anticipated. They have asked for detailed answers to justify any new BRAC rounds.

5. The military services are now working to provide answers to those questions and believe that they can ultimately persuade Congress to adopt new BRAC rounds. The biggest difference between the BRAC 2001 and 2005 proposals and previous closure rounds is that the services - the Army, Air Force, Navy and Marines - have now become the leading advocates for reducing base structure. Each service chief has indicated that force modernization is dependent on reducing base operations. Everyone I met with believes that this argument will ultimately prove persuasive to Congress -- if not this year, then next year.

6. Anticipating the inevitability of BRAC 2001, several communities have initiated actions to protect and 'BRAC-proof' their bases. Colorado Springs has already retained their 1995 Washington BRAC lobbyist, Tim Rupli at R. Duffy Wall, to prepare a strategy to save Fort Carson. That installation gained a significant advantage over other Army maneuver bases when it was selected as the test location for the Army's experiment in privatizing the management of base housing. Likewise, Fort Riley, Kansas, received a boost when it was named as the headquarters for one of the two new composite Active Army-National Guard heavy divisions. The State of New York, which for several years has budgeted funds to support and protect all of its military bases, has now increased that budget item to over \$7 million. A significant portion of that money can be expected to go to assist Fort Drum, a major rival to Alaska's Army bases.

-3-

7. Alaska's Army bases currently occupy an extremely vulnerable position. They have always been listed as having the highest operational costs of any of the Army maneuver bases. They have been losing rather than gaining forces since the 6th Infantry Division (Light) was deactivated in 1993. The latest loss is the aviation battalion at Fort Wainwright which is now programmed to be replaced by a National Guard unit. Most significantly, the Army has not requested military construction funds for its Alaska bases in the last three budgets.

8. Transition of closed bases to civilian reuse has not produced the "peace dividend" initially promised by closure advocates. In Alaska, the Fort Greely prison plan is facing political opposition from economic interests opposed to private correctional facilities. The Adak Reuse Corporation continues to search for an "anchor tenant" to underwrite the establishment of a viable civilian economy on the island. Communities across the country report difficulties in the reuse of closed bases.

#### RECOMMENDATIONS

1. Begin preparations for BRAC 2001. While it would be premature to retain a full scale BRAC team along the lines of our efforts in BRAC 95, the Legislature during this Session should establish a Joint Committee on Military Bases to develop a BRAC strategy and identify the resources required to implement it.

2. That committee should additionally focus on the reuse process, not only to facilitate current transition efforts at Fort Greely and Adak but to prepare for a "worst case" scenario in case the state loses a major base in the next century.

encs:

1. FY 99 Defense Budget extract
2. OSD Press Release dated February 2, 1998

**Reengineering DOD's Infrastructure:** DOD must develop new, innovative approaches to manage and reduce infrastructure costs. Following the end of the Cold War, the United States began a major reduction of its military forces. DOD's cuts in infrastructure costs, however, have not kept pace. To make further cuts, DOD plans to adopt innovative management techniques and technological practices.

→ In addition, DOD will submit legislation to Congress proposing two more rounds of base closures and realignments in 2001 and 2005.

DOD has identified specific goals around which to focus the reform of business affairs.

By 1999, DOD will:

- Produce a Facility Strategic Plan to guide the acquisition, operation, maintenance, repair, renovation, and replacement of its physical plant.

By 2000, DOD will:

- Ensure that U.S. forces can achieve visibility of 90 percent of DOD materiel assets, while resupplying military peacekeepers and warfighters and reducing the 1997 average order-to-receipt time by half.
- Dispose of \$2.2 billion in excess National Defense Stockpile inventories and \$3 billion in unneeded Government personal property, while reducing supply inventory by \$12 billion.
- Simplify purchasing and payment by using purchase card transactions for 90 percent of all DOD micropurchases, while re-engineering the requisitioning, funding, and ordering processes.
- Create a world-class learning organization by offering 40 or more hours a year of continuing education and training to DOD's acquisition-related work force.
- Complete the disposal of half of the surplus real property, while privatizing 30,000 housing units.
- Cut paper acquisition transactions by half from 1997 levels through electronic commerce and electronic data interchange.
- Eliminate layers of management by streamlining processes, while cutting

DOD's acquisition-related work force by 15 percent.

**Department of Energy (DOE)  
Performance**

DOE contributes to our national security mainly by reducing the global danger from nuclear weapons and other weapons of mass destruction. DOE is committed to maintaining confidence in the nuclear weapons stockpile without testing, as required under the Comprehensive Test Ban Treaty; to strengthen the nuclear nonproliferation regime; to work with states of the former Soviet Union to improve control of nuclear materials; to develop improved technologies to detect, identify, and respond to the proliferation of weapons of mass destruction and illicit materials trafficking; and to aggressively clean up the environmental legacy of nuclear weapons programs.

The budget proposes \$12.1 billion to meet DOE's national security objectives, of which \$6.1 billion is for ongoing national security missions to support DOD and other agencies.

DOE will achieve the following performance goals:

- Maintain and refurbish specific warheads in 1999, and certify that standards for safety, reliability, and performance of the nuclear weapons stockpile are met.
- Develop advanced simulation, modeling, and experimentation technologies to replace underground testing by 2004, including installing a computer system capable of three trillion operations per second in 1999.
- Dismantle about 500 nuclear weapons.
- Jointly, with Russia, test and demonstrate technologies to dispose of surplus weapons plutonium and begin to develop a pilot scale plutonium conversion system in Russia, design a full-scale pit disassembly and conversion facility, and procure mixed-oxide irradiation services in the United States.
- Complete 85 percent of the development of the next generation nuclear reactor plant for the Navy's new attack submarine.



# NEWS RELEASE

OFFICE OF ASSISTANT SECRETARY OF DEFENSE  
(PUBLIC AFFAIRS)

WASHINGTON, D.C. 20301

PLEASE NOTE DATE

**FOR RELEASE AT  
8:00 AM EST  
February 2, 1998**

**No. 026-98  
(703) 695-0192 (Media)  
(703) 697-5737 (Public/Industry)**

## DEPARTMENT OF DEFENSE BUDGET FOR FY 1999

Secretary of Defense William S. Cohen today released details of President Clinton's Fiscal Year (FY) 1999 defense budget. It requests \$257.3 billion in budget authority and \$252.6 billion in outlays for the Department of Defense (DoD). The President's proposed defense spending levels for FY 1999-2003 are generally consistent with last year's Bipartisan Budget Agreement.

Release of this budget is the culmination of intense scrutiny of the U.S. defense posture carried out during Secretary Cohen's first year in office. The new budget begins full implementation of the Department's comprehensive Quadrennial Defense Review (QDR). The QDR examined the security threats and opportunities facing the U.S. and developed far-reaching recommendations for the post-Cold War era.

The budget includes \$48.7 billion for procurement of more modern weapons. Procurement is projected to reach \$61.3 billion in FY 2001, achieving the \$60 billion goal previously set by the Clinton Administration. DoD leaders consider this higher modernization spending to be essential to the future readiness and battlefield superiority of U.S. forces.

While highlighting the importance of weapons modernization, Secretary Cohen also is stressing that the long-term readiness of U.S. forces is threatened by the budgetary drain of excess infrastructure. The Department of Defense is burdened with facilities and bases that it neither needs nor can afford. To remedy this, Secretary Cohen today again urged Congress to approve two more base closure and realignment (BRAC) rounds.

For near-term force readiness, Congress's support also is needed for DoD's plans to streamline its business practices and organizational structure. Additionally, Secretary Cohen warns that readiness could suffer late in FY 1998 if Congress does not give timely approval to supplemental appropriations to cover unbudgeted operational costs. Such costs are related to the President's stated intention to extend Bosnia operations beyond June and to this year's increased intensity of operations in Southwest Asia.

**INTERNET AVAILABILITY:** This document is available on DefenseLINK, a World Wide Web Server on the Internet, at: <http://www.defenselink.mil/>

With its strong support for both immediate force readiness and cutting-edge technology, the new budget strikes a balance between current and future defense needs, as advocated in the QDR. It continues Secretary Cohen's commitment to enhancing the quality of life of the nation's military people and their families. And the budget reflects changes already underway as a result of last November's Defense Reform Initiative, through which Secretary Cohen and Deputy Secretary Hamre seek to substantially streamline and improve DoD support activities.

### Transforming the U.S. Defense Posture

The FY 1999 budget begins implementation of the QDR's plan for transforming U.S. defense strategy and military forces.

Shorthand for the new defense strategy is: Shape, Respond, Prepare. It calls for the U.S. to work to shape the international security environment in ways favorable to American interests, be willing and able to respond to the full spectrum of crises as needed, and prepare now for an uncertain future. The FY 1999 budget supports this strategy primarily by ensuring continued American military superiority, high readiness, and extensive overseas deployment of U.S. forces. It also advances the transformation of U.S. forces and the organizations and activities supporting them so that together they can best guarantee America's long-term security.

The transformation of U.S. military forces seeks to maximize their effectiveness across the full spectrum of future crises and conflict scenarios. While we will transition to forces that are different in character, the hallmarks of America's military will continue to be top quality people, high readiness, and superior doctrine and technology. The FY 1999 budget includes strong funding for all these.

Transforming U.S. forces also requires implementation of *Joint Vision 2010*, the Department's new conceptual framework for how future U.S. forces will fight and achieve "full spectrum dominance." At the heart of *Joint Vision 2010* is the ability to collect, process, and disseminate essential information to U.S. forces, while denying the enemy the ability to gain and use battle-relevant intelligence. Support of *Joint Vision 2010* in the FY 1999 budget is primarily for funding relevant new technologies.

The QDR recommended end strengths and force levels that are only slightly below those already planned as a result of the Department's earlier post-Cold War adjustments. It called for additional cuts of about 60,000 active military personnel; 55,000 in Selected Reserves; and 80,000 DoD civilians. End strength trends and goals are shown below:

#### Department of Defense Personnel End Strengths (End of Fiscal Year in thousands)

	Cold War <u>FY 1987</u>	Current <u>FY 1998</u>	Budget <u>FY 1999</u>	QDR <u>Goals</u>
Active Military	2,174	1,419	1,396	1,360
Selected Reserves	1,151	886	877	835
DoD Civilians	1,127	770	747	640

**SB**

**261**

CO-SPONSOR

# Alaska State Legislature

Mailing Address:  
P.O. Box 55094  
North Pole, Alaska 99705  
Ph: (907) 488-0862  
Fax: (907) 488-4271

While in Juneau  
State Capitol  
Juneau, Alaska  
99801-1182  
Ph: (907) 465-4976  
Fax: (907) 465-3883

JAN 22 RECD

MIKE MILLER  
President of the Senate

Senate District Q

TO: All Senators  
FROM: Senator Mike Miller  
RE: Special Olympics Legislation  
Co-Sponsor Opportunity  
DATE: January 22, 1998

As you know, Anchorage was awarded the bid to host the World Special Olympics Winter games in 2001. The bid award was contingent on the State agreeing to be the financial guarantor of the Games.

Working in conjunction with Senator Stevens, the Governor and private industry, Speaker Phillips and I agreed to jointly introduce legislation that would "morally obligate" the State to pay any residual costs of the Games if private industry does not raise the money.

The total budget for the games is four million dollars. To date, the organizing committee has raised over one million. With three years left to raise the funds, I am quite confident that the legislature will not be required to appropriate funds to cover costs.

The attached legislation establishes AIDEA as the controlling agency to oversee the organizing committees fundraising activities and to report to the legislature on January 2 of each year the total funds raised to date. In the event that the money is not raised, the legislature would be 'morally obligated' to cover any costs, up to four million dollars.

Alaska is fortunate to have been awarded the bid. Special Olympics is a unique organization that benefits athletes in all areas of our State. The opportunity for them to participate in a worldwide competition with people of their same abilities is a once in a lifetime experience.

If you are interested in cosponsoring this legislation, please let Mary Gore in my office know by Friday afternoon, January 23. A press conference will be held on Monday, January 26, here in Juneau, Governors conference room at 10:30 with members of the organizing committee who will be here from Anchorage.

## Sectional Analysis of Special Olympics Legislation

### Section 1

Expresses the findings for the temporary law that holding the games in Anchorage will benefit the state in many ways: There will be national recognition of Alaska as a location for large-scale sporting events; the state will receive economic benefits from the athletes, coaches, and spectators who attend the games; the state will showcase its world-class competition venues to a global television audience; and the state will be enriched through welcoming athletes experiencing certain developmental disabilities from around the world who will demonstrate their skills, courage and joy during the games.

### Section 2

Creates the 2001 Special Olympics World Winter Games reserve fund to be administered by the Alaska Industrial Development and Export Authority (AIDEA).

### Section 3

Authorize AIDEA to accept gifts, grants, trusts, bequests and donations for the games and to use the reserve fund as necessary to facilitate the games. Requires AIDEA to review the local sponsor organization's finance plan for the games and to determine whether there is sufficient money from sources other than state appropriations to cover the valid obligations of the local sponsor organization for those games.

### Section 4

Requires that, if the local sponsor organization desires state financial assistance, it must prepare a finance plan for the games and submit the plan to AIDEA for approval. This section also requires in addition to containing information regarding costs and sources of money, the finance plan must contain a method of financing the games that minimizes the cost to the state.

Section 4 (e) also requires the chair person of AIDEA to provide annually to the Governor and the legislature a report stating whether the local sponsor organization has met its requirements regarding the finance plan and stating the sum, if any required, to cover the valid obligations of the local sponsor organization as determined under Section 3 of the bill. The legislature may appropriate a sum of up to a cumulative total of \$4,000,000 for deposit into the reserve fund. This subsection would not create a debt or liability of the state but instead is in the nature of a moral obligation to capitalize the reserve fund.

### Section 5

Definition of terms in the bill.

### Section 6

Effective date.



# Alaska State Legislature

Mailing Address:

P.O. Box 55094

North Pole, Alaska 99705

Ph: (907) 488-0862

Fax: (907) 488-4271

Write in Juneau

State Capitol

Juneau, Alaska

99801-1182

Ph: (907) 465-4976

Fax: (907) 465-3883

MIKE MILLER  
President of the Senate

Senate District Q

## SB 261 Sponsor Statement

In the fall of 1997, Anchorage was awarded the bid to host the World Special Olympics Winter games in 2001. The bid award was contingent on the State agreeing to be the financial guarantor of the Games.

Working in conjunction with Senator Stevens, the Governor and private industry, Speaker Phillips and I agreed to jointly introduce legislation (HB357) that would "morally obligate" the State to pay any residual costs of the Games if private industry does not raise the money.

The total budget for the games is eight million dollars, four million dollars cash and four million dollars in-kind. In seven months, the organizing committee has raised over one million cash and two million in-kind. With three years left to generate funds, the organizing committee is committed to raising more than what is required host the Games and the legislature will not be required to appropriate funds to cover costs.

The legislation establishes AIDEA as the controlling agency to oversee the organizing committees fundraising activities and to report to the legislature on January 2 of each year the total funds raised to date. In the event that the money is not raised, the legislature would be 'morally obligated' to cover any costs, up to four million dollars.

Alaska is fortunate to have been awarded the bid. Special Olympics is a unique organization that benefits athletes in all areas of our State. The opportunity for them to participate in a worldwide competition with people of their same abilities is a once in a lifetime experience.



## Special Olympics World Winter Games Alaska 2001, Inc.

*"Enlightening the World with the Spirit of Brave Hearts"*

TO: Senator Lyda Green

FROM: J.A. Palmer  
Legislative Chair  
2001 Special Olympics World Winter Games

DATE: April 20, 1998

SUBJECT: **SB 261 - Special Olympics 2001**

As Chair of the Legislative Committee of Special Olympics World Winter Games and on behalf of the entire board of directors, I would like to thank you for your vote of support for SB 261.

These winter games will be the largest event ever held in our great state. Along with the great economic impact the games will have on Alaska, most importantly, the emotional impact will be beyond measure.

We all truly appreciate your vote of confidence by securing this letter of guarantee necessary to officially be awarded the Games. Games of this magnitude cannot be done without the support and dedication you have shown. We look forward to working with you over the next several years.

Thank you again.

**S B**

**265**

# Alaska State Legislature

## Committee Membership

Senate Finance  
Senate Resources  
Senate Rules  
Legislative Budget & Audit



*Senator John Torgerson*

## District Address:

145 Main St. Loop; Ste. 226  
Kenai, AK 99611  
(907) 283-2690  
fax 283-9267

## Session Address:

State Capitol: Room 514  
Juneau, AK 99801-1182  
(907) 465-2828  
fax 465-4779

## **SB 265: Designating the Moose as the Land Mammal Sponsor Statement**

I was privileged to be contacted last fall by community members who were interested in designating a state land mammal. They had researched the matter and found that while a marine mammal had been designated, we had not officially designated a land mammal. Their intention was to involve the students of Kalifornsky Beach Elementary School with the project from its origin to its completion.

The students conducted research on the various mammals in Alaska, including discussion with a wildlife biologist. They have studied the impact each mammal has had on Alaska's culture and history. They met with members of Soldotna High School's government class, who acted as legislative committee members so the elementary students could practice their presentations.

In December, the students held a primary election, complete with campaign posters done as an art class project. The primary election resulted in a short list of four finalists - the moose, wolf, brown bear, and wolverine. On January 23, 1998, the general election was held and the winner was the moose.

The students will follow this bill, tracking it through the legislative process in both the Senate and the House. They will be involved in public opinion messages and letters of support for the bill. They will ask for the support of the local governments on the Kenai Peninsula.

I am confident of their ability to promote their selection of the moose as Alaska's land mammal, and encourage your support for this measure.

DEPARTMENT OF FISH AND GAME

OFFICE OF THE COMMISSIONER

P.O. BOX 25526  
JUNEAU, ALASKA 99802-5526  
PHONE: (907) 465-4100  
FACSIMILE: (907) 465-2332

September 3, 1997

The Honorable John Torgerson  
Alaska State Legislature  
145 Main St., Loop; Ste. 226  
Kenai, AK 99611

RECEIVED

SEP 09 1997

Dear Senator Torgerson:

I am responding to your August 22 letter regarding the interest Kalifornsky Beach Elementary School students have in naming a state mammal. I agree this is a worthy and educational opportunity for the students.

Alaska currently does not have a state mammal, although the bowhead whale was adopted by the legislature as the state marine mammal in 1983. To my knowledge, there has not been a request to name a state land mammal. As Commissioner of the Alaska Department of Fish and Game, I would support naming any native mammal as Alaska's state mammal.

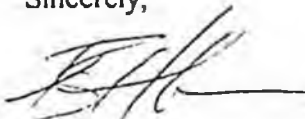
The department has literature that would be useful to the students in choosing a candidate for state mammal. The "Alaska Wildlife Notebook Series" includes a description and life history of most mammals native to Alaska. The entire series of more than thirty mammals, plus birds, fish, shellfish, and amphibians costs \$12.50 by mail. The students can find selected pages of the "Alaska Wildlife Notebook Series" on the Division of Wildlife Conservation web page at:

<http://www.state.ak.us/adfg/wildlife/wildmain.htm>.

Free brochures about many of Alaska's game mammals and a free booklet about endangered species in Alaska are also available. The students can receive any of this material and request more specific information by contacting Doreen Parker McNeill, Alaska Department of Fish and Game, Division of Wildlife Conservation, P.O. Box 25526, Juneau, AK 99802.

The exercise in proposing a state mammal is an excellent way to educate Alaska's youth about their wildlife resources, and I wish them every success in their endeavor.

Sincerely,



Frank Rue  
Commissioner

# Kids rally behind moose

The Associated Press

**KENAI**—Moose mania has hit the Kalifornsky Beach Elementary School in Soldotna, where students are pushing to have the big, hairy creatures named as the state's official land mammal.

The project was the brainchild of parent volunteer Shannon West. She noticed that the state had an official marine mammal, the bowhead whale, adopted in 1983. But it had no official land mammal.

If the state didn't have one, she wanted to know, could the

children suggest one? She discussed the matter last year with first-grade teacher Terri Carter, who encouraged her to pursue the matter.

They contacted Sen. John Torgerson, R-Kasilof, and he offered to help with the project. This fall, he visited the school and discussed the nomination with students. He intends to introduce a resolution this session to designate the moose as official land mammal.

Since the project got started, See MOOSE, Page A-7

Fairbanks Daily News-Miner, Monday, January 26, 1998

## MOOSE

Continued from Page A-1  
students have studied Alaska's wildlife biology to determine which animal should be honored, culminating with a vote Friday. The moose won handily with 230 votes, outdistancing the wolf (97 votes), brown bear (57) and wolverine (28).

During the second semester the students will follow the resolution through the legislative process to learn how government works. Students also will have an opportunity to testify, via teleconference, to legislative committees in Juneau.

"I wish every school could do something like this," Torgerson said. "Those kids will have learned so much by the time they are done."

The nomination may be controversial, as different regions of the state are expected to promote their own favorite animals. The students will have to do a good job presenting their case, he said.

The students have been marshaling facts all year.

To pick a nominee, they studied Alaska's native mammals in detail, considering their distribution throughout the state, use by humans and significance to history, culture and religion.

Biologist Ted Spraker from the Kenai National Wildlife Refuge visited the school to talk about the animals and answer student questions. Dan Halverson's government class from



Associated Press

**MAMMAL VOTES**—Students at Kalifornsky Beach Elementary School in Soldotna vote Friday to nominate the moose as the state's official land mammal. The school's mascot, the caribou at right, was eliminated in earlier "primary" voting.

Soldotna High School visited and acted the role of legislative committee members so the elementary students could practice their presentations.

In December, the students held a primary election. As an art project, they made campaign posters and plastered the school hallways.

The primary narrowed the field to the four finalists.

The wolf faction staged a veri-

table media blitz before the primary, Wolf said. Some adults were worried that the children would choose the controversial canine and face a bumpy ride in the legislature, she said.

Now that the final tally is in, the school will shift gears from biology to government.

Students will issue public opinion messages and letters to support the senator's resolution and round up support by seeking

additional resolutions from the Soldotna City Council and Kenai Peninsula Borough Assembly. With community support and Torgerson's sponsorship, the bill to make the moose Alaska's official state mammal may pass this session.

The school hopes to end the project with a grand finale if all goes well — an invitation to Gov. Knowles to visit the school and sign the resolution.

# Peninsula Pen

Newsletter of the Kenai Peninsula Borough School District

November/December, 1997



## K-Beach Elementary Leads The Search



You may know that the state bird is the Ptarmigan. You might have even heard that the state fish is the King Salmon, or that the state motto is *North to Alaska*. It's pretty unlikely that you would know that the state fossil is the Woolly Mammoth or that the state insect is the Dragonfly. Alaska has official representation in all of these categories and more; everything except a state land mammal. That is soon to change. Kalifornsky Beach Elementary School is in the process of selecting a land mammal to represent Alaska.

K-Beach Elementary parent, Shannon Kay West, discovered the missing component last year. Teacher, Terri Carter, encouraged West to investigate the topic and thus project began. The result has been an exciting, motivating and meaningful learning opportunity for the students at K-Beach Elementary School. A rare chance to question, research, form and defend an opinion on a real life issue, and possibly have the result become state law.

Senator John Torgerson made a special visit to K-Beach to meet with interested teachers and class representatives to work out a strategy for necessary steps in the process. Essentially the process involved: 1. Selecting an indigenous land mammal native to the state of Alaska. 2. Senator Torgerson would then submit the selected land mammal to the Legislature in the form of a bill. 3. Staff and students would follow the process and testify before the legislative committee via teleconference as the bill is considered for law. 4. The bill finally would be Governor Knowles signing the bill into law in a celebration at K-Beach Elementary School.

Classes began by researching the many possible land mammal candidates. Top considerations included: distribution throughout the state, food resource, historical and cultural significance, recreational value, and religious significance.

Recognizing that the first and most important teachers that students have are their parents, K-Beach staff most definitely wanted to involve families in the school project. Family surveys, encouraging conversation on the most unique, most culturally important, and the family's favorite land mammal, were completed and returned to school to be tallied and displayed in the school's entryway.

Students held classroom elections in late November. Dan Haverson's Soldotna High government classes volunteered to role play committee members so that students could practice justifying their decision. It was a wonderful example of cross-age interaction and prepared the elementary students for what it might be like when they testify by teleconference this spring. Students in grades 1-6 were involved in presenting and answering the tough questions of *why* or *why not* each mammal should be the school's selection.

Primary elections were held on December 4 to select the three final choices; the brown bear, the wolf and the moose. There will be debates and campaigning before the general election on January 9. The final choice will then be passed on to Senator Torgerson. Students will follow the process, issuing public opinion messages and letters in support of their legislation. The students also plan to draft resolutions with the city council and the borough assembly.

"Ultimately students will learn the really big lessons. They will become much more aware of this place we call home and the wildlife that we share it with. They will get a first hand look at the structure of government and the role of the individual in it. Most importantly they will see the significance of their choice and personal contribution. In the process they will be one step closer to becoming informed, future citizens." stated Terri Carter.

While the rest of the world goes on neither knowing nor caring that the state gem is jade, and that the state mineral is gold. Hundreds of children and their community will, hopefully, very soon be aware of the state land mammal and the learning and collaboration that helped determined it.

# K-Beach students boost moose

## Moose promoted as state's official mammal

By SHANA LOSHERUGH  
Peninsula Clarion

Moose are big, hairy and all over the place, but are they worthy to represent Alaska as the state's official land mammal?

Students at Kalifornsky Beach Elementary School in Soldotna think so. Now they need to convince the state Legislature. The youngsters have a once-in-a-lifetime opportunity to pick the official critter, to join the roster with other state symbols such as the official mineral (gold) and official fish (king salmon).

Students in kindergarten through sixth grade worked throughout the first semester to pick which animal to nominate, culminating with a vote Friday. The moose won handily with 230 votes, outdistancing the wolf (97 votes), brown bear (57) and wolverine (28), the other three finalists. Now, the students will track their nomination through the Legislature towards official designation.

During the first semester, they studied Alaska's wildlife biology for the project; during the second semester they will learn how government works. Students also will have an opportunity to testify, via teleconference, to legislative com-

mittees in Juneau.

The project was the brainchild of parent volunteer Shannon West. She noticed that the state had an official marine mammal, the bowhead whale, adopted in 1983. But it had no official land mammal.

If the state didn't have one, she wanted to know, could the children suggest one?

She discussed the matter last year with first-grade teacher Terri Carter, who encouraged her to pursue the matter.

They contacted Sen. John Torgerson, R-Kasilof, and he offered to help with the project. This fall, he visited the school and discussed the nomination with students. He intends to introduce a resolution this session to make the K-Beach nomination the official state symbol.

"I wish every school could do something like this," Torgerson said. "Those kids will have learned so much by the time they are done."

The nomination may be controversial, as different regions of the state will promote their own favorite animals. The students will have to do a good job presenting their case, he said.

The students have been marshaling facts all year.

To pick a nominee, they studied Alaska's native mammals in detail,

Beach will shift gears from biology to government.

Students will issue public opinion messages and letters to support the senator's resolution and round up support by seeking additional resolutions from the Soldotna City Council and Kenai Peninsula Borough Assembly. With commu-

nity support and Torgerson's sponsorship, the bill to make the moose Alaska's official state mammal may pass this session.

The school hopes to end the project with a grand finale if all goes well — an invitation to Gov. Knowles to visit the school and sign the measure into law.

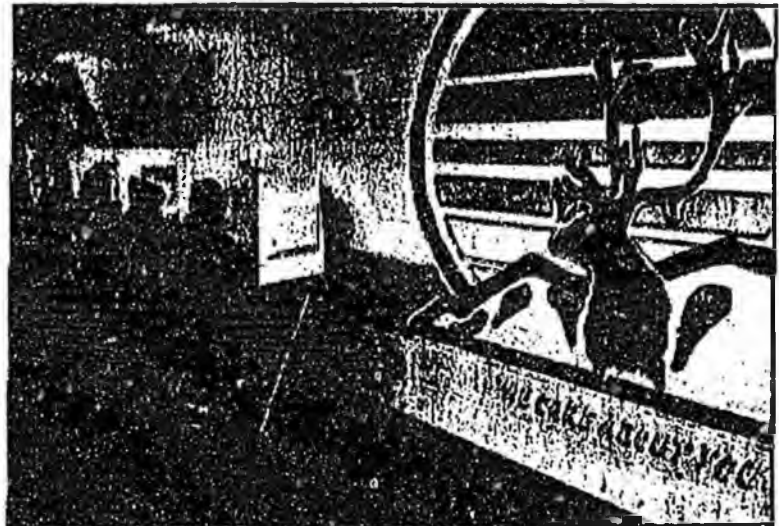


Photo by M. Scott Moon

Students from Irma Peterson's second grade class at Kalifornsky Beach Elementary vote for their candidate for the state's mammal. The school's mascot, the caribou, did not make the primary.

considering their distribution throughout the state, use by humans and significance to history, culture and religion.

The school involved families in the process, too. Teachers encouraged students to discuss the nomination and mammals at home. Students surveyed their parents, tallied the results and displayed them in the school foyer.

Biologist Ted Spraker from the Kenai National Wildlife Refuge visited the school to talk about the animals and answer student questions. Dan Halverson's govern-

ment class from Soldotna High School visited and acted the role of legislative committee members so the elementary students could practice their presentations.

In December, the students held a primary election. As an art project, they made campaign posters and plastered the school hallways.

The primary narrowed the field to the four finalists.

The wolf faction, West noted, staged a veritable media blitz before the primary. The adults involved had worried that the chil-

See MOOSE, back page

Sunday Jan 25.

## ...Moose

Continued from page A-1

dren would chose the controversial canine and face a bumpy ride in the legislature, she said.

Now that the final tally is in, K-

To Whom it may concern.

The following is a brief synopsis of the steps the students, teachers and parents have taken in their project to determine the official state mammal:

KALIFORNSKY BEACH ELEMENTARY SCHOOL  
STATE MAMMAL PROJECT

- LATE SPRING:  
'87 First grade teacher Terri Carter and parent Shannon West discussed the possibility of proposing a mammal for the official state mammal as a class/school project.
- AUGUST: Shannon West contacted Senator Torgerson seeking sponsorship of a bill to name the official state mammal. He was excited about the project and decided to contact Fish and Game Commissioner Frank Rue to verify that the state did not have a state mammal.
- SEPTEMBER: Commissioner Rue responded supporting the mammal project. (See copy of letter attached.)
- OCTOBER 7: Senator Torgerson visited K-Beach Elementary and spoke to student representatives regarding the selection and legislative process.
- OCT./NOV.: Research
- NOVEMBER 26: Individual Classroom Vote
- DECEMBER 2: Classes testify before mock Natural Resource Committee consisting of a So-Hi government class.
- DECEMBER 3: Family Survey results tallied and posted.
- DECEMBER 4: Primary Election: Wolf - 102, Moose - 30, Brown Bear - 43, Wolverine - 43.
- DEC./JAN.: Research, discussion, debates
- JAN. 5 - 9: Ted Spraker of ADF&G gives each class a presentation on the final 4 mammals.
- JANUARY 23: General Election: Moose - 230, Wolf - 97, Brown Bear - 57, Wolverine - 28. Senator Torgerson contacted with the student's choice. Bill to be given number thursday Jan. 29.
- LATE JANUARY: Borough Assembly and City Council contacted. Resolutions requested in support of SB 265.
- FUTURE: Track Legislation. Students prepare to testify before local and state governmental bodies.

