

STATEMENT OF POSITION

The League of Women Voters of Alaska believes that prudent capital spending by the State of Alaska requires realistic budget preparation, clear project definition, use of standardized criteria for determination of need, and public involvement. In order to promote the judicious management of the capital budget process and capital projects, the League supports the following:

- Establishment and implementation of consistently applied statutory criteria for defining and prioritizing all proposed capital projects;
- Recognition and documentation of the effect of capital expenditures on the operating budgets and bonding capabilities of state and local governments;
- Public understanding of and involvement in the capital budget preparation process;
- Financial participation by local governments in the funding of requested capital projects;
- Utilization of a single procedure for the proposal and evaluation of potential capital improvement projects; and
- Accountability for the expenditures of capital funds in accordance with public and legislative intent.

Any spending limit should be in statutory, not constitutional, form and be based on the future availability of funding for the operation and maintenance of state-financed capital improvement projects.

AMPLIFICATION

Implicit in this position statement is the need for a clearly stated definition of the type of expenditure that qualifies for funding from the state's capital budget.

The definition of "capital improvement project" should not include a fixed dollar threshold.

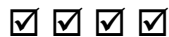
All proposed capital improvement projects should:

- Be submitted through appropriate executive branch agencies;
- Be subjected to uniform criteria for evaluating the economics and program feasibility of that project;
- Be included in a single appropriation bill, logically formatted, to clearly show the total capital budget commitment for that legislative session; and
- Have publicly accessible and understandable documentation showing the total projected life-cycle costs, scope, need and local support for the project and how the project fits into the projected goals of the requesting agency or political subdivision.

(Continued)

The statutory criteria established for judging the merit of a proposed capital improvement project should apply at all levels of government and include:

- That the project be for public, not private, purposes;
- That the project have a high degree of public support as manifested through the public hearing process, and as verified by the commitment of the local governmental body to pay for a percentage (*e.g.* 10 percent) of the initial project costs (design, construction, and equipment) and to operate and maintain the project;
- That the project be economically feasible, and so documented;
- That the project be consistent with the stated goals over time (*e.g.* five years) of the requesting agency or entity;
- That the project be the best solution to a state need;
- That no (or inadequate) other money is available to fund the project;
- That life, health, safety, and educational needs take priority over other less basic needs; and
- That project funding not adversely affect the state or local government's future bonding capabilities.



Adopted 1985; Reaffirmed each year since at LWVAK Convention