

# Sponsor Statement

## CSSSHB 76 (FIN)

### **New Facilities and Appropriation for API**

**An Act providing for and relating to the issuance of certificates of participation to finance construction of a new facility to be known as the Alaska Psychiatric Institute; giving notice of and approving the entry into and the issuance of certificates of participation in a lease-purchase agreement for construction of a new facility to be known as the Alaska Psychiatric Institute; giving notice of the intent and approval to retain investment income from pertinent appropriations to be applied to the cost of construction of a new facility to be known as the Alaska Psychiatric Institute; relating to construction of a facility to be known as the Alaska Psychiatric Institute; and providing for an effective date.**

SCS CSSSHB 76 (FIN) provides that the replacement of the Alaska Psychiatric Institute ("API") go forward with a mixture of funds already appropriated (\$22,200,000 of which \$19,200,000 remains), proceeds from certificates of participation (\$16,000,000) to be issued by the state bond committee, money from the Alaska Mental Health Trust Authority (\$3,000,000), and estimated interest income (\$3,544,000) for a total of \$41,744,000. In addition, the Alaska Mental Health Trust Authority has granted land for the project and funds for the demolition of the old API would come, potentially, from federal road funds to build a road through the old API location.

API was built in 1962 and contains 136,084 square feet. Originally constructed to house a maximum of 225 beds, API currently has a stated bed capacity of 74 beds. As a public facility, it cannot refuse civilly committed individuals or persons court-ordered for observations and evaluation. API is the mental hospital of last resort for the entire state and is too big and inefficient to operate in its present configuration. It also does not meet current building or safety codes and has, like many old buildings of that era, asbestos problems. There is universal support for the replacement of this aging facility that often exceeds its capacity on any given day. For January of 2001, the total admissions were 150 and the average daily capacity was at 66 persons. Discussions about the need to replace the aging facility have been going on for many years.

The bill requires that, as a part of any replacement of API, the current 10-bed forensic psychiatric unit would be maintained.

The legislation sets forth the various cooperative efforts that have occurred and will continue to occur as a result of a Shared Vision, set forth in the Memorandum of Understanding ("MOU") signed in April of 2001 by the Alaska Mental Health Trust Authority, the Department of Health and Social Services, the University of Alaska, and Providence Alaska Medical Center. This MOU sets forth the framework for land exchanges and other commitments that will facilitate the replacement of API.

With the cooperation of the local state government, local hospital facilities, and the local university campus, the development of the facility envisioned is set forth in the MOU. The scarce land of Anchorage's U-MED district can be allocated to its highest and best use -- to enhance educational opportunities and the delivery of health services to the people of Anchorage and the entire state -- under this Shared Vision plan.

Your support of this legislative proposal would be appreciated.

**ED4:05/08/01**