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Alaska State Legislature
REPRESENTATIVE REGGIE JOULE

SPONSOR STATEMENT FOR HB 180

A.S. 14.11.008(b) establishes the required participating share for a municipal school district for a construction or maintenance grant project based on the district's full value per average daily membership (ADM). The ADM is calculated by dividing the full and true value of the taxable real and personal property in the district by the district ADM. In 2008, HB 373 passed the legislature near the end of the session. The House passed HB 373 on March 18. The Senate passed out a committee substitute to HB 373 on April 11, the House concurred the same day. The committee substitute made changes to Section 1 of the bill effectively reducing the participating share for some local governments depending upon their full value per ADM calculation breaking it into 4 categories at 5, 10, 30 and 35%. However, the new participating share levels created an undue burden when some of the local governments moved from the 10% to 30% participating share portion since there is no stair-stepping to a 20% participating share level. HB 180 proposes to amend Section 1 by adding a provision that would stair-step the local share from 10% to 20% instead of the large increase from 10% to 30% for these districts. The comparison of the existing and proposed revision is as follows:

Full Value Per ADM	District Participating Share
\$1 - \$150,000	5 percent
150,001 - 275,000	10 percent
275,001 - <u>500,000</u> [800,000]	<u>20</u> [30] percent
<u>500,001 - 800,000</u>	<u>30 percent</u>
over 800,000	35 percent.

If the 20% participating share level is retroactive to April 1st 2008, the fiscal impact will be **\$2,664,859** and is broken down as follows:

Projects funded in FY2009 under AS 14.11.007 and .006 (Major Maintenance and School Construction List) include the following:

- Nome-Belz Jr./Sr High Buildings D and E Roof Replacement \$214,731
- Shungnak K-12 School Improvements, Phase 5 \$486,973
- Deering K-12 School Improvements, Phase 2 \$124,456
- Kobuk K-12 Renovation/Addition \$1,083,427
- Hoonah Pool and Boiler Room Roof Replacement \$132,877

Projects funded in FY2010 under AS 14.11.007 (Major Maintenance List) include the following:

- Kodiak Schools Seismic Mitigation Project \$ 462,307
- Evergreen Elementary School Playground Safety Upgrades \$110,100
- False Pass K-12 School Siding Replacement, Recovery of Funds \$13,148
- Cold Bay K-12 Heating System Upgrade \$10,827
- Sand Point K-12 School Window Replacement, Recovery of Funds \$9,706

Projects funded in FY2011 under AS 14.11.007 (Major Maintenance List) include the following:

- Nome Beltz Fire Alarm Replacement – \$12,049
- Nome Beltz Generator Switching – \$4,259

Districts that would have a 20% local share under HB180 using FY2011 population and assessment information are as follows:

Kake
Dillingham
Northwest Arctic
Klawock
Nome
Kodiak