

MINUTES
SENATE FINANCE COMMITTEE
April 09, 2001
9:46 AM

TAPES

SFC-01 # 71, Side A
SFC 01 # 71, Side B

CALL TO ORDER

Co-Chair Pete Kelly convened the meeting at approximately 9:46 AM.

PRESENT

Senator Dave Donley, Co-Chair
Senator Pete Kelly, Co-Chair
Senator Jerry Ward, Vice Chair
Senator Lyda Green
Senator Gary Wilken
Senator Alan Austerman
Senator Lyman Hoffman
Senator Donald Olson
Senator Loren Leman

Also Attending: SENATOR ROBIN TAYLOR; EDDIE JEANS, School Finance Manager, Department of Education and Early Development; STEVE CATHEOS, Superintendent of Schools in Valdez; CARL ROSE, Executive Director, Association of Alaska School Boards;

SUMMARY INFORMATION

SB 174-EDUCATION FUNDING

The Committee heard from the Department of Education and Early Development and representatives from school districts. The bill was held in Committee.

#SB174

SENATE BILL NO. 174

"An Act relating to education funding; and providing for an effective date."

This was the first hearing for this bill in the Senate Finance Committee.

Co-Chair Donley stated the intent of the bill is an attempt to "bring more equity into what local contributions towards the cost of education are by local governments." He shared the current "45 percent rule," which stipulates that no school district has to pay more than 45 percent of the local cost of their K-12 schools. He indicated the 45 percent cap is removed in Section 1 of the bill, leaving an equivalency of a four-mill property tax cap. As a result, he pointed out that while no local government would be required to pay more than four mills, they would be required to pay at least up to the actual cost of local expense of K-12 education. He remarked, "This frees up a significant number of dollars; something between ten and twelve million dollars, for utilization and doing what appears in Section 2."

Co-Chair Donley continued that Section 2 is the base student allocation, which he said is increased by \$36 in this section. The amount is increased from \$3,940 to \$3,976.

Co-Chair Donley then outlined Section 3, which amends the current definition of school size and "more closely conforms with what an appropriate level for that school size should be in doing the calculation within the foundation formula." He said the school population changes from 750 to 400. The school population is determined using Average Daily Membership (ADM).

Co-Chair Donley stressed that this is a "major increase" in the foundation funding formula in the amount of money that reaches the classrooms. He stated the North Slope Borough would be the district that would contribute the most additional money to the local cost of education, but would still "not be over three percent for the four mill equivalency."

Co-Chair Donley shared that Anchorage currently pays approximately six mills equivalency for local education. He therefore surmised that taxpayers in the North Slope Borough would still pay less than half the amount Anchorage taxpayers pay toward their local schools.

Senator Wilken spoke to Section 2 of the bill, noting the \$36 per student increase to the base student allocation from \$3,940 to \$3,976 is based on the cost of living increase in Anchorage. He said this recognizes the "central fact that inflation is something that we need to deal with and our school districts need to deal with on an annual basis." He calculated the \$36 increase based on approximately 209,000 adjusted students, to equal approximately \$7.5 million increase to K-12 education funding.

Senator Wilken reinforced Co-Chair Donley's earlier comment stating, "at 100 percent, the North Slope Borough would be at about a 1.8 or 2.0 mill as opposed to the rest of organized Alaska that are required to spend four mills and indeed Anchorage and Fairbanks spend about eight mills for education." Senator Wilken emphasized it this needs to be kept in perspective that the North Slope Borough would be funding at less than half of what the rest of organized Alaska funds.

Senator Austerman asked Co-Chair Donley if other areas of the state would be impacted beside the North Slope Borough.

Co-Chair Donley listed two other potential areas affected by the percentage change as Valdez and Skagway.

Senator Wilken added Unalaska would also be affected.

Senator Austerman asked if the current limit for local education contribution is four mills.

Senator Wilken responded that four mills, or 45 percent, whichever is less, is the minimum requirement for organized Alaska. He noted that most of organized Alaska contributes more the required minimum amount. He stated that the lesser amount must be reached in order to qualify for state funding.

AT EASE 9:55 AM / 9:56 AM

Senator Austerman understood that the local government actually loses state funds if the local contribution becomes higher than a certain mill rate.

EDDIE JEANS, School Finance Manager, Department of Education and Early Development, gave a brief summary of the foundation funding formula. He detailed the process of calculating the adjusted average daily membership for the school districts, multiplied by the base student allocation and subtracting the required local municipal school district contribution, which he noted is either from a four mill tax levy or 45 percent of that district's basic need for the preceding year. He stressed that "it's not an either or at this point, it's whichever is less." He continued that the federal impact aid is then subtracted and the remaining money is state foundation aid.

Senator Austerman restated his question, asking if a school district contributes more than four mill, what is the affect on state funding.

Mr. Jeans replied that there is a limit on the amount of local contribution that school districts can receive from municipalities. He said that if this amount is exceeded, the state aid is reduced to that district "dollar for dollar". He emphasized that the department monitors this closely.

Senator Austerman asked what is the local funding limit.

Mr. Jeans answered, "the cap is 23 percent of basic need is added to your four mill required local contribution." He noted that if the required local contribution is equal to the 45 percent of basic need provision, an additional two mills is allowed. He noted that this amount varies from district to district with some districts limited at six mills and others as high as 12 or 14 mills.

Co-Chair Kelly asked if the 23 percent of basic need is "the disparity."

Mr. Jeans affirmed and explained that the limitation is present because the State of Alaska considers federal money when determining the amount of state aid to give to school districts.

Mr. Jeans drew the members' attention to an error on page two of the fiscal note: the list of school districts and respective changes in state aid categorized by the three sections of the bill. He pointed out that contrary to the information provided, Section 2 of the bill would not result in an additional \$187,473 funding for the North Slope Borough. He stated, "The fact is, this bill takes the North Slope Borough off the funding formula." He pointed out that this district "could only lose what they are scheduled to receive," which he said is reflected as the \$9,802,554 reduction resulting from the provision in Section 1 of the bill.

Mr. Jeans stated for the record the department's opposition to the bill. He stressed that the department does not support any bill that "takes money from other school districts to support the overall funding formula." He remarked that this legislation appears to do this and has targeted four specific school districts to provide additional funding for all of the other school districts.

Co-Chair Kelly stated he understood the bill structure only requires these districts to pay at approximately the same rate that all the other districts pay, or "under the same rules" the other districts pay. He stressed that if the legislation imposed the four-mill requirement on these municipalities, he could agree with the witness, but that requiring them to pay 100 percent of their basic need only requires them to fund their own school district,

not to fund other districts.

Mr. Jeans understood Co-Chair Kelly's point but countered that SB 36, which established the foundation funding formula and was adopted in 1998, provided for redistribution and an increase in required local contribution for the four districts in question. Before passage of SB 36, he said, the required local effort was 35 percent of basic need, and after the bill's adoption, the amount increased to 45 percent.

Co-Chair Kelly asked the increased required local contribution for Skagway and other school districts as a result of SB 174 before the Committee.

Mr. Jeans listed Skagway at \$162,706, Unalaska at \$230,387, Valdez at \$1,368,230 and the North Slope Borough, which would lose all state aid, at \$9,802,554.

Co-Chair Kelly wanted to know if the amount that his district in Fairbanks must pay would decrease.

Mr. Jeans responded that the required local effort of the Fairbanks North Star Borough would not increase and that the district would receive additional state support.

Co-Chair Kelly clarified that the formula is structured, "so that my district has a little less coming to it, because the North Slope and others are paying less." He surmised that the Fairbanks school district receives fewer education funds because the North Slope Borough does not contribute \$9 million, Valdez is not contributing \$1.3 million, and Skagway and Unalaska are not contributing \$500,000.

Mr. Jeans argued that the legislature had the opportunity to deal with this under SB 36. He stated that Co-Chair Kelly's analysis is correct.

Co-Chair Kelly opined that the reality is opposite from the department's position that SB 174 would take from some districts to increase funding for other districts. He elaborated that currently, communities that could contribute, and in his opinion would contribute under a fairer formula, are not contributing. As a result, he stated, his district and others are required to contribute additional funds to cover their education costs.

Co-Chair Donley added that the two districts that would be "hardest hit" by this legislation are the same districts that have "total capability to make up for that with oil and gas property tax that

they are essentially stealing from the state by raising their property taxes so high that they capture all of it and not allow almost any of it to come back to the state government." He continued that it was not the original intent of the oil and gas property tax "that local communities would try to capture the entire amount as both Valdez and North Slope have virtually attempted to do."

Co-Chair Donley then stated, "A lot of that oil and gas activity not only affects those local communities but many other communities in the state; so that revenue should be shared more fairly than it currently is being shared. I think they should get the majority of that revenue but not all of it, or virtually all of it as they're currently absorbing through the oil and gas property tax."

Senator Hoffman brought attention to the data in the fiscal note showing the negative \$314,983 impact that Section 3 of the bill would have on the Lower Yukon school district.

Mr. Jeans explained this is a result of the provision in Section 3, subsection 2 that reduces the ADM that constitutes a school from 750 to 400. The subsection reads as follows.

- (2) a community with an ADM of at least 101, but not more than 400 shall be counted as
 - (A) one elementary school, which includes those students in grades kindergarten through six; and
 - (B) one secondary school, which includes students in grades seven through 12

Mr. Jeans understood this provision is intended to provide additional funding for Petersburg and Wrangell, since those districts are now funded for two schools when they actually have three facilities.

Mr. Jeans informed the Committee that Hooper Bay, in the Lower Yukon school district, was projected to exceed 400 ADM in the following year by three students. It would then become subject to the provision in subsection 3, which states, "in a community with an ADM of greater than 400, each facility that is administered as a separate school shall be counted as one school..." Because this district has one large K-12 facility, he said, the funding would be reduced from the amount allocated for two schools, under the provision in subsection 2, to the amount allocated for one.

Senator Hoffman asked if the Lower Yukon school district would therefore be penalized \$500,000 because they have one large facility rather than more than one school facility.

Mr. Jeans affirmed.

Senator Austerman shared an earlier conversation he had with the witness and the suggestion that amending the maximum ADM in subsection 2 to 425 could address the intent to fund the Petersburg and Wrangell communities for three schools and yet not penalize Hooper Bay for having one school.

Mr. Jeans elaborated that this was not a viable solution because the student enrollments in Petersburg and Wrangell are declining while Hooper Bay is experiencing increasing enrollment. He added that the projected enrollment in the Valdez school district is 467 students.

Mr. Jeans asserted that the North Slope Borough, Valdez, Unalaska and Skagway school districts are making a higher contribution on a "per pupil basis" than other communities in the state. He requested that the Committee take this into consideration.

Co-Chair Donley agreed this was correct but that the calculation is not on a "per taxpayer basis" and that taxpayers in other communities contribute a greater amount of personal revenue to supporting their schools.

Co-Chair Kelly asked if the North Slope Borough is the richest in the United States.

Mr. Jeans replied that he could not answer that.

Co-Chair Kelly estimated that it is and reaffirmed Co-Chair Donley's assertion that on a "per taxpayer basis," residents of the North Slope Borough contribute much less than taxpayers in other communities.

Senator Olson stated that the North Slope Borough has managed its finances prudently. He opined that to categorize it as the richest borough is misleading. He agreed with the witness that the borough does contribute a fair amount to local education and added that the where the funding comes from is less important than the amount contributed.

Senator Olson emphasized that his objection to the legislation is that the focus should instead be on educating students and preparing them to pass the exit exam. He asserted there is something wrong with reducing funding to the North Slope Borough schools as well as the other schools in his district. He asked how students could be expected to pass the exit exam if the schools are

not adequately funded.

Senator Olson next stated, "I get the idea that this whole bill is because somebody wants to get at somebody else and that's not what the legislature is all about." He noted that while he does not live in the North Slope Borough, he interpreted the sentiment at this meeting as "let's get them!" Because of this, he warned, the students would suffer.

Co-Chair Kelly responded, "There is no desire to make students suffer or to get anyone. The problem is, I think as many members of this Committee see it, it is the North Slope Borough that has been getting us for a long time. We've been paying our fair share and more and they have not been paying their fair share and less. That's the point of this bill is that there is a flaw in the formula. The reason there is a flaw in the formula is the incredible political power of the richest borough in the United States that has influence on our statutes. They influence our statutes to keep it so they don't pay their fair share and the rest of us pay our fair share and more."

Senator Olson surmised that the sentiment voiced by Co-Chair Kelly is not the same as that of the predecessors who wrote the foundation formula. He expressed, "The sentiment has changed and because of that you're in this conflict. All I'm doing now is trying to represent the people that are up there, who from what I see don't have a fair chance of education. That is the responsibility of the state and particularly this bill inhibits those students from being able to get the education they need so they can pass this exit exam. Because of that sir, I think that this is a bad bill." He added that students living in Hooper Bay would suffer as a result "of this dissention on how school districts are being funded."

Co-Chair Kelly clarified that the debate was about Section 1 and not Section 3, which applies to Hooper Bay. He stressed, "I don't think you would find on this Committee, it would certainly be arguable, that Hooper Bay may have to be taken care of. But when you start lumping what's happening with Hooper Bay into what's happening with the North Slope, you're no longer arguing apples to apples." He conceded that Section 3 could require reconsideration.

Co-Chair Donley commented that Senator Olson is an excellent advocate for his community and his constituents. However, Co-Chair Donley stated he wanted it understood that Section 3 "is not the final product." He noted that although the bill had been heard in other committees the issue of Hooper Bay was only just revealed. He predicted that the Senate Finance Committee "would be very

sensitive" to addressing this problem. He said that with exception of this "unintended impact," there were no students who would receive any less education funding under this legislation.

Co-Chair Donley expressed, "In fact, I would love to trade some of my schools in the Anchorage area for the schools that the North Slope Borough has built over the years." He asserted these schools are "excellent educational facilities."

Senator Olson argued that when he looks at education he looks at results. He stressed that when students are not passing exit exams "there is something wrong with what's going on." He opined that some students living in his legislative district were "hurting" more than students in other districts.

Senator Wilken countered that the issue is not about exit exams or "getting anybody." He stated, "This is about everybody living under the same set of rules when it comes to funding education." He reiterated that the four-mill property tax is required of the residents of his legislative district before any state funds are contributed to local education. He continued that if the residents of the North Slope Borough had the same requirement for taxpayer contribution, they would still be contributing half of what the residents of the Fairbanks North Star Borough must contribute. He emphasized that this legislation does not ask the North Slope Borough residents to contribute any more than other Alaskans.

Co-Chair Donley then responded to Mr. Jeans' comment that the legislature had the opportunity to require a higher local commitment under SB 36. Co-Chair Donley countered that the legislature did not have that opportunity since the governor had threatened to veto the bill if the Senate version of the legislation, which contained the higher provision, passed.

Co-Chair Kelly agreed and said it was unfortunate that the governor took such a stand over five to ten percent of the state's population at the expense of the remaining population.

STEVE CATHEOS, Superintendent of Schools in Valdez, testified that he understood the desire for equity. However, he did not agree that tying the local contribution to the mill rate was the correct approach. He reminded the Committee of earlier discussion regarding the need to equalize per pupil contributions, and that on this basis the community of Valdez contributes more per pupil than all but one other district in the state. He asserted this measure of local support should be recognized and respected.

Mr. Catheos commented that if the argument in this bill were

accepted, vehicle registration and hunting and fishing licenses should indexed to a resident's personal income as well, with the wealthier citizens paying a higher amount than the majority.

Mr. Catheos cited that the municipality in Valdez contributes nearly \$6,000 per pupil for education and that no other community along the Rail belt contributes close to that amount. He noted that under this legislation Valdez would loose between \$1.3 million and \$1.4 million of state support in the following year.

Mr. Catheos spoke of the requirements on the municipality to maintain an extensive infrastructure to support the Alyeska Pipeline. He stated that much of the tax revenue garnered in Valdez is needed to maintain the services necessary to support the oil industry. Therefore, he stated that four mills in Anchorage is not the same as four mills in Valdez in terms of burden because much of Valdez tax revenue must be spend as a result of the industry, which generates revenue for the entire state.

Mr. Catheos pointed out that the mill rate in Valdez is 20 mills, and he suggested that the rest of the state should reach that amount before reducing state education funding for Valdez. He explained that the residents of Valdez made a conscious choice to support local students at this rate, and that this bill would increase that burden and remove funding for other services.

Mr. Catheos noted students in Valdez and Unalaska performed highest in the state on the exit exam. He opined that "it sends a poor message" to take away funding after performance has been proven. While he understood the issue is not about exit exams, he surmised that funding should be increased to the other districts in order to raise those students' performance rather than cutting funding from the districts that have been successful.

Mr. Catheos voiced concerns with legal ramifications of removing the 45 percent local contribution requirement. He recommended this be researched.

Mr. Catheos next stated that state funding for schools is only one part of government support for communities. He remarked that other systems are inequitably distributed, such as the state ferry system. He did not think it reasonable to divide marine highway funds equally across the state because communities have different needs. He stated, "Each community has an individual personality and set of needs that must be addressed by the state." He charged that if the intent is true equality in state funding then marine highway funds should be transferred to his community and state office buildings and other facilities should be equally located across the

state. He emphasized the economic value of these facilities noting that restaurants, taxi service and other businesses surround, and are supported by, each office building in Anchorage. He said rural communities would similarly benefit from state office buildings.

Mr. Catheos spoke of the economic boom periods of gold, fish, timber, military activity, tourism, etc. in Alaska's history stressing that the oil boom affecting Valdez is in decline. He did not think that Valdez should be penalized for "careful fiscal planning" that would prevent the community from becoming a burden on the state when the oil revenues are gone.

Mr. Catheos reminded that during the timber boom in Southeastern Alaska during the 1960s, revenues were not shared with the rest of the state.

Mr. Catheos opined that the philosophy in this bill is similar to the federal government telling the State of Alaska, "We're no longer going to give any federal funds until you spend off your permanent fund because you're too rich and everybody has to pay their fair share. So we're only going to fund other states. When you are broke, then we will resume federal funding for the State of Alaska."

Mr. Catheos concluded by commenting that increasing funding for education is not "throwing money at schools" because there has been a "serious decline" in spendable dollars due to inflation. He gave the two to three-fold increase in the cost of textbooks in the past ten years as an example.

Co-Chair Kelly responded to the witness's comment regarding the economic boom in the oil industry. Co-Chair Kelly stated that his community of Fairbanks as well as the rest of the state would also be affected by the decline in this industry.

Senator Leman addressed the correlation between spending and performance on the exit exam. He warned that the witness should be careful in making this correlation because the results do not confirm that the competency exam scores relate well to spending. He admitted that local effort might play a part in performance on the exams, although his research has found that districts where the state has spent the most money have the poorest competency exam results.

Senator Hoffman asked the effect of the proposed funding reduction on the Valdez schools.

Mr. Catheos replied that if the funding was not replaced locally,

all sports programs could be eliminated and the district would lose one-fourth of all teachers.

Senator Olson asked how the witness predicted the district would make up for the lost revenue since the community is already taxed at the maximum amount.

Mr. Catheos responded that it appears that it would be very difficult. He listed the infrastructure required of the small community because of the pipeline, such as the professional fire department. He was unable to predict the amount of reductions to education.

Co-Chair Kelly suggested that the assembly would have to decide whether the taxpayers would pay more or to reduce spending on other services.

Co-Chair Donley added that the assembly also has the option to prioritize education within their existing budget.

Mr. Catheos thanked Senator Leman for his comment, saying he did not wish to "oversimplify" school performance.

Co-Chair Donley stated that the witness is a good advocate for his school district. However he argued against the federal government analogy, saying, "States are not taking the federal income tax away from the federal government." He opined that if the states were doing this and thus preventing the federal government from receiving that income tax, it would be appropriate for the federal government to return the burden to the states.

AT EASE 10:33 AM / 10:40 AM

SENATOR ROBIN TAYLOR appreciated the Committee reaching a compromise between SB 1 and SB 94, because he found there to be a need for additional funding in the foundation formula statewide. He stated that he wished a larger amount, but he understood the constraints. He calculated between \$90 and \$100 in general fund grants per student.

Senator Taylor argued against the comments from members at the table that "you're cutting this and cutting that" saying this is "totally fallacious." He stated that this bill is not a decrease, but rather a \$36 increase for all students, including those in Barrow and Valdez. He had thought borough assemblies and not the school districts would testify against the legislation, since the assemblies are charged to "play on the same level playing field."

Senator Taylor continued that the Valdez school district would receive more funding if this bill passes. He suggested the superintendent from Valdez would have instead asked how many new teachers to hire. He stated that the Valdez assembly would have to instead prioritize between education and the professional fire department, as his community must do.

Senator Taylor expressed that there are two sets of rules in the state: one for the "very rich" and one for the "very poor". He explained that the very poor are required to pay a minimum four-mill property tax and he detailed the process whereby the community could contribute additional educational funding. He listed property owners in Fairbanks as paying 6.84 mills and those in Wrangell as paying 8.74 mills. He stated that the "very poor" rule applies to about 90 percent of the school districts in the state. He asked why there should be two rules, "Is a child on the North Slope Borough worth less?" He surmised this is true given how the borough prioritizes property taxes for education funding. He then asked, "Is a child in Wrangell worth less?" He stated this is true because Wrangell receives less state funding for education.

Senator Taylor expressed he would "love to have what Valdez has got" in that residents in that community would only have to pay four mills and their children would receive more education funding.

Senator Taylor reminded the Committee that when SB 36 passed, the legislature "stood up to the governor" by raising the local contribution from a minimum of 35 percent to 45 percent. He admitted that an increase to 100 percent could be too much of an adjustment for Valdez and the North Slope Borough to make in one year. He stated, "It's less than a one mill problem for the North Slope," while Wrangell increased the mill levy by 20 percent just to make the local contribution to schools. He asked, "Could the North Slope Borough under this draconian formula, finally be forced to go up one mill? Not to go up one mill remember, just to reprioritize it."

Senator Taylor reiterated that this bill does not reduce funding for education. Instead, he claimed, it "gives a raise" to the superintendents of schools to use for education.

Senator Taylor addressed the change to the ADM to address the school size funding issue in Wrangell and Petersburg. He stated that under this provision the community of Hooper Bay would "grow

into the category of a medium size school" and would lose \$500,000. He expressed, "Give you any idea how well paid we are at the bottom end? How fair the bottom end may be? How come that middle is a big drop?" He said this has been the situation in Wrangell and Petersburg for the past four years since SB 36 was adopted. He stated this category must be changed and recommended changing the ADM to 425 if that would prevent the funding reduction for the community of Hooper Bay.

Senator Taylor cautioned, "Don't allow this argument to continue that somehow this Committee is considering a bill that would reduce education." He asserted that the truth is this bill "levels the playing field for all taxpayers in the state." He expressed, "You ought to proud go forward and do that. I would applaud you for doing it."

Senator Taylor added that "this is not an inconsistent argument for me, I've been making this argument for sixteen years. I'd like to see that adjustment be made."

Senator Olson asked if the witness was in favor of changing the foundation funding formula.

Senator Taylor affirmed he is and that he hoped it would be done soon. He referenced SB 94, which he sponsored, saying that many of the changes it proposes are beneficial to rural communities, while some were not. He stressed, "I thought overall it was a fairer blending" than the current formula as well as the legislation before the Committee.

CARL ROSE, Executive Director, Association of Alaska School Boards testified that the association opposes SB 174 for a number of reasons. He stated that it is a "myopic approach" and is a reactionary bill that does not proactively address the future. He noted earlier discussions about "everyone living under the same rule." He remarked that Alaska is diverse and policy accommodations are made constantly because of this. He noted that he does not view current school funding as, "so adversely different."

Mr. Rose spoke as a Skagway resident, saying his community became economically depressed with the loss of the railroad system and he described the steps taken to rebuild the economy. He referred to testimony taken on SB 36 when residents of Skagway contributed 53 percent of the cost of local education, "and felt they were paying an inordinate amount by comparison to everyone else."

Mr. Rose noted that students in Skagway also performed well on the exit exams.

Mr. Rose stated that SB 36 cost between \$23 and \$25 million to implement. However, he remarked that those funds were discontinued due to a decrease in enrollment, an increase in property values and an increase in Impact Aid. He concluded the net result is communities are required "to do more and be more accountable in education, but we're not receiving the adequate funding to do it."

Mr. Rose expressed there is a mentality to negotiate withdrawals from the Constitutional Budget Reserve fund each session in order to balance the budget. As a result of this mentality, he said, "we start to remove opportunity." He stressed the need to prepare students to pass the exit exam and asserted that schools are not currently funded at a level that permits this.

Mr. Rose shared that he served on the funding task force and he spoke of the efforts to "attach our costs to our needs." He suggested the Committee review the task force's findings. He stressed that this legislation would, "reappropriate money around the state" but would not, "look at what it takes for us to be able to do a better job." He suggested that an investment is needed in the K-12 education system. He warned that continue to depend on the CBR to provide this funding is, "putting ourselves at risk."

Mr. Rose concluded by telling the Committee, "You will be hearing from city councils and borough assemblies."

Co-Chair Kelly ordered the bill HELD in Committee.

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ADJOURNMENT

Co-Chair Pete Kelly adjourned the meeting at 10:56 AM