

HB-539

COMMITTEE REPORT

1/13/76

HOUSE

FINANCE

Mr. Speaker:

Date 3-4-76

The Committee on CERA has had HB 539

under consideration. A Majority of the members of the Committee

recommends it DO PASS

recommends it DO NOT PASS

recommends it DO PASS WITH ATTACHED AMENDMENT(S)

recommends it BE REPLACED WITH CS FOR 110339 AND THAT

CS FOR _____ DO PASS

"and" recommends it BE REFERRED TO THE _____

COMMITTEE

reports it back WITHOUT RECOMMENDATION

"other"

Members signing the Majority report:

_____	_____	_____
_____	_____	_____
<u>John H. ...</u>	<u>Do Pass</u>	<u>Rudd</u>
_____	_____	_____

Members NOT concurring in the Majority report:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ Chairman

House Committee On
COMMUNITY & REGIONAL AFFAIRS

Meeting Minutes
January 13, 1976
9:00 am

Meeting was called to order by Chairman Cotten to discuss the introduction of HB 539 and 540. Present were:

Rep. Sam Cotten
Rep. Lisa Rudd
Rep. Kathryn Ostrowsky
Rep. Oral Freeman
Rep. Larry Davis
Rep. H.M. Hershberger
Rep. Glenn Hackney
Rep. Alfred Ose
Barbara Englert Thomas, Staff
Vicci Hansen, Staff

The purpose of this meeting was to introduce to the committee HB 539 and 540.

There was a short discussion due to the fact that the committee would get into detail at tomorrows meeting.

Rep. Ostrowsky said that she was planning to bring Brian Saylor from H&SS in to discuss the health facility.

Meeting was adjourned at 9:20 am.

House Committee on
COMMUNITY AND REGIONAL AFFAIRS

Meeting Minutes
January 14, 1976
9:00 am

Meeting was called to order by Chairman Cotten to discuss Revenue Sharing and HB 539, 540. Present were:

Rep. Sam Cotten
Rep. Lisa Rudd
Rep. Kathryn Ostrowsky
Rep. Mike Miller
Rep. Oral Freeman
Rep. Larry Davis
Rep. Glenn Hackney
Rep. Alfred Ose
Bill Berrier, Attorney
Brian Saylor, H&SS
Barbara Englert Thomas, Staff
Vicci Hansen, Staff

The purpose of this meeting was for the Committee to discuss Revenue Sharing. Chairman Cotten asked Rep. Miller if he would speak on the subject. The question was, "Is Revenue Sharing worthwhile" Rep. Miller explained the aim - to help local communities. At present, revenue sharing doesn't work in the bush. One of the goals was the foundation type approach; the other the categorical approach. Rep. Miller said that it was determined that that amount should be a fairly generous amount. They settled on a figure of \$25,000.00. In the whole process there was no question or objection to the \$25,000.00 figure, except one time someone mentioned that they thought that was a large amount for a small village.

Miller also explained that they also had to decide whether or not to have categories or not. He summarized the different approaches. Last year's computer read-outs showed some startling differences such as the bill last year, the "so-called" Tax Effort Bill showed that the boroughs would come out very well on that and the cities would not have improved that much at all. What they ended up with was the categorical approach, tied to a foundation that they have had in the past.

Chairman Cotten asked Rep. Miller why there was two (2) bills made up. Rep. Miller explained that the little one was only going to be used in case the big one ran into trouble towards the end of the session. The language of the little bill is the same as the big one. Rep. Miller then summarized what was contained in the bill.

Rep. Ostrowsky said that she was going to get Brian Saylor from H&SS to speak tomorrow because there wasn't enough time today. Rep. Freeman mentioned that the language on line 20 was strange to him. It was decided that the wording was incorrect. It appeared to exclude cities within a borough.

First and second class cities were discussed and distinguished. Almost all villages are second class cities and are, therefore, entitled to \$25,000.00.

Mike Miller said that the military was not included in the language. An error was noted on page 6 - 55 should be changed to 65.

There was discussion at length about eligibility of first and second class cities regarding revenue.

Miller stated that the start up fees for a little city costs almost as much for a little community as it does for a large one.

Chairman Cotten stated that they were running out of time and that they would meet tomorrow morning to discuss further the health aspects and distribution.

Meeting was adjourned at 10:00 am.

House Committee on
COMMUNITY & REGIONAL AFFAIRS

Meeting Minutes
January 15, 1976

Meeting was called to order at 9:00 am by Chairman Cotten for discussion of HB 539. Present were:

Rep. Sam Cotten	Rep. Mike Hershberger
Rep. Larry Davis	Rep. Glenn Hackney
Rep. Kathryn Ostrosky	Rep. Al Ose
Rep. Lisa Rudd	Barbara Engler: Thomas, Staff
Rep. Oral Freeman	Vicci Hansen, Staff
Rep. Mike Miller	Brian Saylor, H&SS
David Freer	Bill Berrier
Palmer McCarter, C&RA	Rep. Ramona Kelley

Discussion was continued on from Friday on HB 539.

Brian Saylor discussed any questions on division of monies for the health portion of the Revenue Sharing.

Chairman Cotten pointed out that the interim committee felt that it would be better to transfer the function from the Department of Community and Regional Affairs to Health and Social Services for the distribution of the hospital funds.

Saylor explained his analysis which was passed out before the meeting. People with a lot of hospital beds get more money than those with fewer hospital beds.

Chairman Cotten asked Saylor to explain about HSA's. (Health Service Areas). Saylor said that there are 3 health service areas in the state of Alaska. They have been carved up along regional corporation boundaries. The northern HSA is the three northern most regions; the North Slope Borough, the Arctic NanaEndoys. The southeast is just Sealaska and the southcentral is everything else (8 regions). This is by far the most populated and largest region.

Saylor brought up his idea of preventive care. If people are prevented from being ill, a certain number of people would be prevented from getting into a hospital which would cost a considerable amount more.

Rep. Freeman asked Saylor if this was carried to extreme, if it wouldn't be cheaper to close all of the hospitals. He said that we have hospitals and are going to continue to need them. System that has been used in the past is clean and dependable. He felt that the suggestion of Saylor would be perverting the whole idea of the thing as it was set up in the beginning.

Chairman Cotten reiterated that before the idea could ever

take effect, it would hinge on the passage of the inter-committee work and legislation on the HSA's being established.

Rep. Rudd suggested that possibly the basic problem was using the hospital bed as a basis for awarding of the funds. She asked if it would be possible to develop another basis for awarding funds to the regional associations and award those funds for activities not including hospitals and then have a separate program for hospitals.

Saylor answered that they haven't been able to come up with any reasonable capitation rate. (Capitation rate is a certain unit used to measure the calculation of the grant awards)

Mike Miller offered an observation that it is very difficult to analyze this without an actual bill in front of us. He wondered if maybe the wisest thing to do was to take it a step forward and incorporate current law into the shared revenue bill and move on that, and possibly even pass the bill with full knowledge that if the Health Interim Committee comes in then this bill will fail or stand on its own merits.

Meeting was adjourned at 10:00 am.

House Committee on
COMMUNITY & REGIONAL AFFAIRS

Meeting Minutes
January 20, 1976

Meeting was called to order at 9:00 am by Chairman Cotten for discussion of HB 539. Present were:

Rep. Sam Cotten	Barbara Englert Thomas, Staff
Rep. Oral Freeman	Vicci Hansen, Staff
Rep. Glenn Hackney	Palmer McCarter, Director, Community & Regional Affairs
Rep. Oral Freeman	Commissioner McAnerney
Rep. Ramona Kelley	Mayor Ginny Kline
Rep. Al Ose	Billy Berrier, Legislative Affairs
Rep. Lisa Rudd	Rep. Al Osterback
Don Berry, Municipal League	
Victor Dircksin, Administrator, Bartlett Memorial Hospital	

Palmer McCarter, Director, Community & Regional Affairs was asked to testify and answer questions about HB 539 and also to answer questions about the technical changes in the bill.

McCarter went point by point starting with page 2 of the current bill, solid waste disposal.

Under hospital section, Mr. Freeman had suggested that rather than keep referring to organized boroughs and cities, just to use the word "municipalities" since these do cover both types of governmental jurisdictions.

There was a lot of discussion on the language used in the bill i.e. "organized borough", "health power", "municipality", and "city outside an organized borough". Bill Berrier suggested that the committee may have to look at the language a little more sophisticatedly from a drafting standpoint. Rep. Cotten said that he didn't think that there was much disagreement on what the concept is, it's just that it seems to be some problem with the committee putting the language together.

Rep. Freeman said that his feelings were that if the city has the hospital that they should get the money and if the borough is operating the hospital outside the city, that they should get the money. He asked if there was a technical problem with coming up with the language that would do that.

Rep. Rudd suggested that they were possibly approaching this from the wrong direction. She said that what they were really doing was giving money to hospitals, or at least that seemed to be the intent. Whether they are inside a city or outside a city or municipality and whether they are operated by a municipality seemed to her the basic intent of the section discussed was to give money to hospitals, not to municipalities at all and not to municipally operated hospitals, but to just hospitals in general. McCarter said that that was the net effect of the legislation as it has changed over the years.

McCarter said that the money now goes to the hospital director through a pass-through situation.

There was further general discussion on changes in the bill and the meeting was adjourned at 10:00 am.

PUBLIC HEARING

House Committee on

COMMUNITY & REGIONAL AFFAIRS

Meeting Minutes
January 22, 1976

The meeting was called to order at 9:00 am by Chairman Cotten for discussion of HB 539. This was a Public Hearing and present were:

Rep. Cotten	Senator Rodey
Rep. Ostrosky	Commissioner McAnerney
Rep. Rudd	Don Berry, Municipal League
Rep. Freeman	Palmer McCarter, Dept CRA
Rep. Ose	Sharon Mitchell, Speckings AA
Rep. Herschberger	Ann Moore, Sencap
Rep. Kelley	Paul Lyons, EEO
Rep. Miller	Bill Wolfe, KINY
Ginny Kline, Mayor	Brian Farrell, Human Rights
Billy Berrier, Leg. Affairs	Barbara Englert Thomas, Staff
Steve Uren, Atty. Human Rights	Vicci Hansen, Staff
Sharon Hiner, Secy. Davis	David Rose, Anchorage Assembly

First to testify was David Rose who is Chairman of the Anchorage Assembly and President of the Alaska Municipal League. Rose stated that the Anchorage municipality is very impressed with the bill and very supportive of it. He said that over the past few years, the committee has explored many different formulas on Revenue Sharing. He felt that the bill as set forth does the job very well. He spoke to some of the specific items in the bill. Parochially, from the Anchorage standpoint, they certainly would like to see 43.17.080 remain as it is. But, he felt that as realists, they probably were going to have to move very carefully at that and determine whether there should be reductions because of military personnel. Right now, military population is counted in 3 areas. One is transportation which is a 50% share, Police is a 50% share and Parks are a 25% share and they would expect certainly that if this section (43.17.080) was amended, that those percentages would be retained from the old bill. They would like the committee to take a look at three additional categories; air and water pollution control, harbor or port and airport. Ambulance service hadn't been considered. In Anchorage, by unifying, they put themselves in the situation where they received less state shared revenues this fiscal year than they ordinarily would have received. Rose talked on other aspects of unification. If the new bill is passed as it is written, the problem would not occur in the future years. Rose recommended the bill.

Paul Lyons, President EEO services from Washington, D.C. spoke next. After looking at the Human Rights booklet and discussing it with several attorneys, it was interpreted that as the state of Alaska's laws now stand, the passage of the State Revenue Sharing Act would bring the provision spoken about in

the Human Rights booklet into effect as it stands now. EEO, Lyons, suggested that language in the state Revenue Sharing Act itself which would be very standard type of language. This type of language is the type that is used in the Federal Revenue Sharing Act.

Chairman Cotten asked if Lyons intended to transfer this to a lower division. Lyons reiterated, in short, what he had said.

Mayor of Juneau, Ginny Kline, briefly stated that she would endorse this bill.

Chairman Cotten said that he had received a telegram from the City of Seward and that they would endorse the bill as is.

Palmer McCarter from the Department of C&RA was asked to give his opinion, however, he stated that he would rather wait and discuss his opinions with the Commissioner. He did say that he felt that the language which is presently in the bill he didn't feel that there would be any problem with the actual enforcement capability that they might have with existing language.

Rep. Rudd helped explain some of the things which were still in question.

Rep. Freeman strongly felt that this was getting out of hand in the way that Community and Regional Affairs should concern themselves with problems in Community and Regional Affairs and he felt that they didn't have enough extra time that they should be getting into the area of enforcing provisions of the Human Rights Commission. He didn't feel that the C&RA shouldn't get into the problems that should be concerned with Human Rights.

Rep. Rudd and Rep. Freeman talked about this and Rep. Rudd offered to explain at a later time the reasons for determinations, etc.

Meeting was adjourned at 10:00 am.

Committee Minutes for
HOUSE COMMUNITY & REGIONAL AFFAIRS

January 26, 1976

The meeting was called to order by Chairman Cotten at 9:00 am to discuss HB 539. Present were:

Rep. Cotten	Don Berry, Municipal League
Rep. Rudd	Palmer McCarter, C&RA
Rep. Davis	Lee McAnerney, Commissioner
Rep. Ose	Sharon Mitchell, Specking's AA
Rep. Freeman	Lisa Parker
Rep. Ostrosky	Barbara Englert Thomas, Staff
Rep. Hackney	Vicci Hansen, Staff
Rep. Leo Rhode	Ginny Kline, Mayor

Palmer McCarter brought a fiscal analysis of HB 539/473 to the committee and was asked to explain it. It was assured that out of the total communities that now participated in Revenue Sharing, approximately 95 of those communities were of such a size that they probably would come out better to apply for the minimum grant as outlined in the bill which would provide the \$25,000.00. The first line was a comparison, etc.

Mr. Freeman made it clear that his interest was the comparison of the per capita for the smaller communities as compared to the larger ones. McCarter didn't have that information and the person who prepared the analysis will be out of town all week. McCarter suggested that he could get it after the person who did the preparation came back. This comparison needs to be done to make it valid. The other problem is that they have to take in and put out military population.

Chairman Cotten discussed Sec. 43.17.020 (b). It was suggested to Cotten that they establish a separate account within the Revenue Sharing program; for instance \$100,000.00 and pro-rate out to the communities that are starting their services. The big problem on that is that you are not going to be sure which communities are going to be starting new services up. No one seems to be able to come up with an estimate yet.

Chairman Cotten then discussed Sec. 43.17.020. (c) and suggested that he didn't see any reason why the actual population figures couldn't be used instead of rounding them off to the nearest hundred. This section applies to the start-up grants only.

The rationale was that it was assumed at the start that no matter whether you have 25 or 250, you would probably have to hire at least one policeman and one police car and it really isn't going to make that much difference.

Rep. Hackney asked the Dept. what figure they use for figuring. In section 43.17.080 under Population Determination, "the population shall be determined by the latest figure that the US Bureau of Census, Department of Labor estimates or other population data". Hackney wanted to know which figures the Dept. used. Palmer McCarter stated that they use all three.

According to 1976 United Home Rule Municipalities Map, there are 10 under 100 and 15 under 150.

There was much discussion on the \$25,000.00 start-up funds.

Freeman pointed out that there are quite a few municipalities in this state that practically don't lift a finger to help themselves. They have no sales tax, no property tax, and everything that they do have they get from the Federal Government or the State. On the other hand there are the communities that tax themselves trying to provide. Freeman feels that Revenue Sharing should be an aid to the municipalities with fair treatment.

Rep. Ostrosky suggested that in some small communities, fire protection would be a great help and the \$25,000.00 figure would barely get this type of operation off the ground.

Chairman Cotton suggested that if the session was short, that the C&RA could meet at 11:00 so that the committee would not have to meet at right.

Meeting adjourned at 10:00 am.

Committee Minutes For
HOUSE COMMUNITY & REGIONAL AFFAIRS

January 28, 1976

The meeting was called to order at 9:00 am by Chairman Cotten to discuss HB 539. Present were:

Rep. Cotten	Rep. Ostrosky
Rep. Freeman	Palmer McCarter, C&RA
Rep. Ose	Commissioner McAnerney
Rep. Hackney	Don Berry, Municipal League
Rep. Davis	Mayor of Kenai, Don Gilman
Rep. Kelley	Dave Gray, Administrative Bush
Rep. Hershberger	Caucus
Rep. Rudd	Mayor of Juneau, Jinny Kline
	Barbara Englert Thomas, Staff
	Vicci Hansen, Staff

1771 Don Gilman, Mayor of Kenai was asked to testify. Mr. Gilman represented the Kenai Borough and stated that the basic portions of the bill were totally acceptable. He was concerned about a couple of phrases in 43.17, the term "municipality" that is used for the start up costs in addition to the minimum grant, they are concerned that it be clear that that includes service areas for new services. Chairman Cotten asked for clarification from Gilman. Gilman interpreted the bill wrong and Chairman Cotten tried to reiterate the meaning of the bill for Gilman. Chairman Cotten explained that there are two options as a municipality. They take option # 1 and that is the minimum grant which makes you eligible for additional funds for start up services. Option # 2 is section 030 and that's where you can figure out how much money the municipality will receive.

1795

1873

There was much discussion on start up costs because Gilman didn't completely understand.

1975 Chairman Cotten interpreted 43.17.020.

The Kenai Borough would not be eligible for the \$25,000.00 because last year the Borough received well over the \$25,000.00, in any case. Gilman pointed out that the Kenai Borough has no powers other than schools, planning and solid waste and they have large chunks of their borough that have no way under their present system without the borough assuming area wide powers, to provide certain kinds of services, other than going to service areas. Their entire wealth lies in one area. That area has service areas that provides fire, hospitals, ambulance services and recreation services but there is approximately 20,000 miles outside of the city limits and there are relatively large populations that are seeking ways and means to try to provide themselves with some basic

fire powers without the borough taking on area wide powers.

There were more interpretations of the bill for Gilman.

2369 Commissioner McAnerney spoke briefly and stated that she didn't think that Gilman was familiar with the Municipal Bond Bank and possibly that might be one route where they could work out something. Gilman said that the Municipal Bond Banks said that they wouldn't touch anything under \$100,000.00.

Gilman felt that 539 is a city bill and is directed toward a city or municipality. He also said that he was in no way trying to shoot the bill down but rather was trying to lay out some concerns that he had. He stated that they have a service area that has 600 million dollars assessed evaluation, yet these monies couldn't be used.

2447 Rep. Rudd asked if possibly the bill that Rep. Rhode introduced which was passed out on Monday might be of help to Gilman.

Gilman stated that he was familiar with the bill. The Borough didn't want to be put in a Bond Bank situation.

Meeting adjourned at 10:00 am.

HOUSE COMMUNITY & REGIONAL AFFAIRS COMMITTEE

February 10, 1976

The meeting was called to order for discussion of HB 539. (CSHB 539)

815 Palmer McCarter was asked to testify. A fiscal note was supplied which came out to 7 ½ million dollars more than last years budget, as approved by the governor. There is 2 or 3 hundred dollars difference between this and last years budget.

McCarter pointed out that the principle change was in separating out as a new catagory of water polution control, there is one community, the city of Anchorage which would now qualify for both separately and that new figure is shown as an increase of \$66,696.00 above what they would receive under the existing law.

Cotten asked if Anchorage was the only municipality providing both air and water polution. McCarter stated no, but as it is now they would be the only ones that get a comparison. At the present time the North Star Borough provides one service and they are presently funded for one. The city of Fairbanks provides the other service of air polution control and they presently receive money for the other. It is already split for them, so they don't get any increase by splitting it. Those are the only two areas that provide both.

McCarter explained the cost of rounding up. (Total)

1023 Chairman Cotten pointed out that on page 3, line 20 and 21 there should be changes. (Health facility and hospital)

There was discussion on different sections of the bill. McCarter answered questions.

Presently there isn't the concept of a minimum grant, you only apply for a service under existing law. In other words, existing language is what you now have under the basic grant concept. Some second class cities don't even qualify for Revenue Sharing.

1605 Freeman asked the question of "what are health powers?" What do they have to have in order to have health powers? McCarter stated that they must have an ordinance or within their charter saying that they have a health power and it's up to them to provide it. Title 29 does provide that there is such a thing as the health and hospital power in a municipality. There is not a definition to the best of McCarter's knowledge.

1859 Community & Regional Affairs accepts applications from municipal governments. They felt that this year they were forced to accept another application. There is only the exception, volunteer fire departments and from a hospital outside an organized municipality.

1942

Cotten stated that he would like to wait and see what the Health Department in Anchorage has to say before moving the bill.

2136

McCarter pointed out that on page 3, section b beginning on line 21, the Department would like to suggest at least two concepts. In line 22, we talk about state matching aid for construction approved for payment, the C&RA has interpreted that statement to be a program offered by Health, Education and Social Services. The other suggestion would be to delete the word "or other facility sponsor" or as an alternative to say "or other facility sponsor where no municipality exists". Again he believed that the original intent in putting "or other facility sponsor" was to take care of the situations like Glennallen that do have a hospital that may need to expand that hospital facility that do provide health care in the unorganized borough but obviously there is no municipality who could sponsor it. Unfortunately, there is an instance where there is a hospital in an organized borough that has not received the endorsement of the state and does not qualify for the state health construction plan.

2217

McCarter said that there is no point in pursuing the certificate of need.

Further discussion on parts of bill.

'299

Meeting adjourned

CSHB 539

PER CAPITA FISCAL ANALYSIS OF ~~HB 539/SB 473~~

Basic Grants AS 3.17.030	#	Population	FY '77 entitlements under existing law	Per Capita	FY '77 entitlements under new law	Per Capi
Boroughs*	10	349,213	\$11,533,457	\$33	14,922,311 \$14,433,288	\$43 \$41
Cities*	41	99,483	4,236,130	43	574,227 4,886,419	\$46 \$46
Volunteer Fire Dpts.	40	8,061	72,576	9	72,576	9
New Volunteer Fire Dpts. (estimate)	10	1,400	12,653	9	12,653	9
Military	3	36,705	358,053	10	911,624 419,746	24 11
 Minimum Grants AS43.17.020						
Cities	95	22,916	1,122,260	49	3,017,596	132
New Cities (estimate)	11	2,200	112,668	51	331,375	151
TOTAL			\$17,447,797		23,350,424 \$23,665,531	
less military			<u>358,053</u>		<u>419,746</u> 911,624	
			\$17,089,744		\$22,753,907 22,930,738	

*includes military

Basic Grants AS 43.17.030 (Boroughs)	Population	FY '77 entitlements under existing law	Per Capita	FY '77 entitlements under new law	Per Capit
Bristol Bay	1,147	\$ 31,134	\$27	\$ 35,603 44,053	31 \$38
City & Borough of Juneau	19,518	682,952	35	919,915 894,515	47 46
City & Borough of Sitka	7,398	316,429	43	354,282 358,669	48
Fairbanks North Star military	53,781 6,892	1,838,083 29,721	34 4	2,025,869 1,965,809 80,500 37,442	34 37 12 5
Kenai Peninsula	16,844	328,951	20	402,245 368,188	24 22
Ketchikan Gateway	11,538	206,719	18	232,900 273,500	25 24
Kodiak Island	6,915	107,183	16	112,519 107,769	17 16
Matanuska-Susitna	12,682	131,997	10	125,402 160,294	15 13
Municipality of Anchorage military	183,348 22,920	7,446,664 280,770	41 12	10,016,150 9,290,500 736,000 326,009	55 51 14 32
North Slope	6,230	132,854	21	150,549 153,491	24 25
TOTAL	349,213	\$11,533,457		\$14,433,288 14,922,311	
AVERAGE			\$33		43 \$41

Basic Grants AS 43.17.030	Population	FY '77 entitlements under existing law	Per Capita	FY '77 entitlements under new law	Per Capita
(cities > 1,000 pop.)					
Barrow	2,307	\$ 81,768	\$35	\$ 91,425 88,609	41 38
Bethel	3,314	214,525	65	6,551 221,416	62 67
Cordova	3,609	214,591	59	226,608 229,855	62 64
Dillingham	1,025	49,411	48	52,523 69,500	51 68
Fairbanks military	32,740 6,893	998,287 47,562	30 7	1,027,646 1,145,745 55,429 96,600	31 35 81
Haines	1,366	63,173	46	22,498 67,999	50 50
Homer	1,468	62,207	42	63,291	43
Kenai	5,241	235,442	45	237,440 244,213	45 47
Ketchikan	7,953	259,514	33	276,900	35
Kodiak	4,221	156,450	37	205,120 213,672	49 51
Kotzebue	2,528	96,364	38	106,004 114,356	42 45
Nome	2,685	177,745	66	191,977 197,847	71 74
Palmer	1,651	79,840	48	25,070 96,120	51 58
Petersburg	2,266	139,665	62	150,321 152,500	66 67
Seward	2,005	87,844	44	90,256 103,541	45 51
Soldotna	1,821	94,998	52	117,653 101,035	64 55
Valdez	2,221	140,649	63	154,040 155,366	69 70
Wrangell	3,059	166,595	54	120,220 188,270	55 62
TOTAL	88,373	\$3,366,630		\$3,826,622	\$ 35
AVERAGE			\$38	\$3,368,666	

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

POUCH B - JUNEAU 99811

February 19, 1976

The Honorable Sam Cotten, Chairman
House Community & Regional
Affairs Committee
Pouch V
Juneau, Alaska 99811

Dear Representative Cotten:

Attached are proposed amendments to the Committee substitute for HB 539, "an act relating to municipal revenue sharing" as requested by the House Community & Regional Affairs Committee. The proposals would amend AS 43.17.040, Health Facilities and Hospitals, by amending sub-section (b) to require that a health facility or hospital must first receive approval for state matching aid for construction under Title 18 of Alaska Statutes. The intent of this amendment is to require that any hospital or health facility, in order to receive municipal revenue sharing funds, must first be a part of the Comprehensive Health Plan as approved by the Comprehensive Health Advisory Council of the State of Alaska [AS 18.07.090].

Additionally, sub-section (c) is amended to provide a definition for "other facility sponsor."

The Department of Community and Regional Affairs continues to support those efforts by the Department of Health and Social Services and the Attorney General's Office to require "certificate of need" language in the proposed revenue sharing bill. However, if the Committee does not wish to insert "certificate of need" requirement into CS for House Bill 539 then the Department respectfully requests that the House Committee act favorably upon the attached recommendations.

Sincerely,

Lee McAnerney
Commissioner

By 

Palmer McCarter
Director

LMcA:PMcC:rmc

Enclosure

CS FOR HOUSE BILL NO. 539

The Department of Community and Regional Affairs recommends the following changes in the CS for House Bill No. 539:

AS 43.17.040 (b) is amended to read:

(b) If construction of a hospital or health facility [FACILITY] began after January 1, 1968 and state matching aid for construction approved under AS 18 for payment to a municipality [THE LOCAL GOVERNMENT] or other facility sponsor constitutes less than 25 percent of the total project cost, the state shall pay to the municipality [LOCAL GOVERNMENT] or other facility sponsor each fiscal year a sum equal to \$2,500 a bed for the maximum number of beds provided for in the construction design of the facility. State aid provided for in this subsection shall continue until the municipality [LOCAL GOVERNMENT] or other facility sponsor has received an amount which, combined with state matching money for construction of the facility provided under AS 18, equals 25 percent of the total project cost. No funds received for construction shall be used for any other purpose. If construction of a health facility or hospital began after January 1, 1976, a bond issued by a surety company licensed to do business in the state must be furnished the department before funds may be distributed. The bond shall be in a form and amount determined by the department to be adequate to assure completion of the project.

CS FOR HOUSE BILL NO. 539

-2-

AS 43.17.040(c) is amended by adding a new paragraph to read:

(3) "other facility sponsor" means any public or non-profit corporation located outside a municipality which owns or operates or both a hospital or health facility.

State of Alaska
department
of Community
& Regional
Affairs

Pouch B
Juneau, Alaska 99811

ANNUAL REPORT

FISCAL YEAR 1975

STATE AID TO LOCAL GOVERNMENTS

MUNICIPAL SERVICES REVENUE SHARING PROGRAM

(AS 43.18.010 - 050)

FINAL

Expenditures for the State Aid to Local Governments Municipal Services Revenue Sharing Program during the period July 1, 1974 to June 30, 1975 are as follows:

ENTITLEMENTS BY CLASSIFICATION OF MUNICIPAL SERVICES

	<u>APPROVED ENTITLEMENTS</u>
Police Protection	\$ 2,534,202
Fire Protection	1,371,430
Air and/or Water	
Pollution Control	545,098
Land Use Planning	545,288
Parks and Recreation	1,386,341
Transportation Facilities	1,477,998
Road Maintenance	1,463,970
Health Facilities	1,754,000
Hospital Construction	
Matching Funds	<u>674,212</u>
Total Entitlement	11,752,539
Cost-of-Living Differential	694,652
Prepayments to ineligible municipalities	<u>11,435</u>
Total Disbursed to Participants	\$12,458,626

ENTITLEMENTS BY CLASSIFICATION OF RECIPIENT*

	<u>NUMBER PARTICIPATING</u>	<u>APPROVED ENTITLEMENTS</u>
Boroughs	8	\$ 5,248,078
Unified Governments	2	850,870
Home Rule Cities	12	3,823,219
First Class Cities	21	694,937
Second Class Cities	36	1,093,120
Unorganized Borough		
Fire Protection Groups	39	<u>42,315</u>
Total Entitlement		11,752,539
Cost-of-Living Differential		694,652
Prepayments to ineligible municipalities		<u>11,435</u>
Total Disbursed to Participants		\$12,458,626

*See attached schedule for detailed entitlements.

State Aid to Local Governments (AS 43.18)
 FY 1975 WORKSHEET

	POLICE	FIRE	AIR/WATER POLLUTION	LAND USE PLANNING	PARKS & RECREATION	TRANS- PORTATION	ROADS	HEALTH FACILITIES	HEALTH CONSTRUCTION AID		C.O.S. FACTOR	TOTAL ENTITLEMENT
Total for Fire Protection Groups		42315										42315 8680 50995
Total for Cities	1978906	775430	117418	35662	623645	550635	1096680	433000	(11435)*	5522711	500263	6122974
Total for Boroughs & Unified Governments	555396	553685	427680	509626	762696	927363	367290	1321000	674212	6098948	185709	6284657
Total FY 75 Revenue Sharing Entitlements	2534202	1371430	545098	545288	1386341	1477998	1463970	1754000	674212 (11435)	11763974	694652	12458626
Total Appropriated to Revenue Sharing Account												12929300
Less Total Entitlement												12458626
Expected Balance Remaining												470674

*11435 Prepayments to ineligible municipalities -
 To be deducted FY 76 Program

State Aid to Local Governments (AS 43.18)
 FY 1975 WORKSHEET

MUNICIPALITIES	POPULATION	POLICE \$12/cap	FIRE \$5/cap	AIR/WATER POLLUTION \$2/cap	LAND USE PLANNING \$2/cap	PARKS & RECREATION \$5/cap	TRANS-- PORTATION \$5/cap	ROADS \$1500/mile	HEALTH FACILITIES			C. O. S. ENTITLEMENT FACTOR	TOTAL ENTITLEMENT		
									\$1000/bed \$2500/bed	\$20000/hosp. \$50000/hosp.	\$4000/fac.				
BOROUGHES & UNIFIED GOVERNMENTS															
Juneau, City and Borough of	17356	96864	84795	31894	34712	86780	86780	69075		67000*			583445	107.7%	628370
Service Area #1	6643									545*					
Service Area #2	1429									25000*					
Service Area #3	397														
Service Area #4	1235														
Service Area #5	6640														
Service Area #6	619														
Service Area #7	393														
Sitka, City and Borough of	6700	80400	33500		13400	33500	33500	19125			50000	4000	267425	111.7%	298714
Service Area #1															
Service Area #2															
Bristol Bay Borough	1147	13764	5735										19499	132.6%	25856
Fairbanks North Star Borough	42479			84958	84958	212395		29025		116000*		36000	559455	107.4%	633075
Military Annex	7833					9791				12328*		CITY 4000			
Greater Anchorage Area Borough	162499			278320	278320	372230	695800	250065		235000*		28000	3860887	100.0%	3860887
Chugiak	3731		18655							286000*					
Eagle River	4334		21670												
Muldoon	20507		102535												
Rabbit Creek	5890		29450												
Sand Lake	11642		58210												
Spennard	30364	364368	151820												
Service Area #30	74446														
Military	23339														
Lake Otis Clinic							58348			317500*					
										2096*					
										312500*					
Kenai Peninsula Borough	16254			32508	32508					64000*	150000		325759	110.5%	359964
N. Kenai Service Area	2700		13500							2907*		CITY 4000			
										173*					
Ketchikan Gateway Borough	10587				21174			52935		95000*		8000	177109	100.0%	177109
Ketchikan Island Borough	6627				13254						50000	21000	103209	115.7%	119413
Fire Service Area	1391		6955								4000				
												CITY 8000			
Matanuska-Susitna Borough	9600				19200	48000					50000		144060	100.9%	145357
Butte	1505		7525												
Palmer	1457		7285												
Sutton	463		2315												
Wasilla	1947		9735												
North Slope Borough	6050				12100							16000	28100	127.8%	35912
Totals		555396	553685	427680	509626	712670	977163	367290	1562212	300000	133000	6098948	185709		6284657

State Aid to Local Governments (AS 43.18)
 FY 1975 WORKSHEET

MUNICIPALITIES CITIES	POPULATION	POLICE \$12/cap	FIRE \$5/cap	AIR/WATER POLLUTION \$2/cap	LAND USE PLANNING \$2/cap	PARKS & RECREATION \$5/cap	TRANS- PORTATION \$5/cap	ROADS \$1500/mile	HEALTH FACILITIES			ENTITLEMENT	C. O. S. FACTOR	TOTAL ENTITLEMENT		
									\$1000/bed	\$20000/hosp	\$4000/fac					
Akhlok	102		510									510	115.7%	590		
Akiachak	330	3960	1650									4000	9610	139.2%	13377	
Akiak	186	2232										4000	6232	139.2%	8675	
Akolmut	608	7296	3040				3040					8000	21376	139.2%	29755	
Alakanuk	495	5940	2475	990		2475		4500				4000	20380	125.3%	25536	
Aleknagik	208	2496										2496		132.6%	3310	
Aleut Community of St. Paul Is. Fire Area	456 488	5472	2440			2280		16650				26842		112.4%	30170	
Ambler	217	2604	1085	434				7055				4000	15218	127.8%	19448	
Anaktuvuk Pass	135					675						675		127.8%	863	
Anchorage Military Annex	61037 17892	732444 107352	305185			305185 22365	305185 44730	247605				2070051		100.0%	2070051	
Anderson	463	5556	2315			2315		7500				4000	21666	129.5%	28083	
Angoon	400	4800	2000			2000	2000	6795				17595		111.7%	19654	
Aniak	273	3276	1365			1365		3750				9756		129.5%	12634	
Anvik	83					415		3000				3415		129.5%	4422	
Barrow	2307	27684	11535			11535						50754		127.8%	64864	
Bethel	2921	35052	14605	5842	5842	14605	14605	8205				45000	143756	139.2%	200108	
Brevig Mission	NO FINANCIAL STATEMENT SUBMITTED															
Buckland	125	1500	625			625						4000	6750	127.8%	8626	
Chefornak	182	2184	910									3094		139.2%	4307	
Chevak	447	5364	2235			2235						9834		125.3%	12322	
Clark's Point	62		310			310		2250				4000	6870	132.6%	9110	
Cordova Fire Area	2114 2314	25368	11570	4228	4228	10570	10570	11700				50000	4000	132234	113.9%	150615
Totals		980580	363855	11494	10070	378955	380130	319050				50000	85000	2579134	137386	2716520

State Aid to Local Governments (AS 43.18)
 FY 1975 WORKSHEET

MUNICIPALITIES CITIES	POPULATION	POLICE \$12/cap	FIRE \$5/cap	AIR/WATER POLLUTION \$2/cap	LAND USE PLANNING \$2/cap	PARKS & RECREATION \$5/cap	TRANS- PORTATION \$5/cap	ROADS \$1500/cap	HEALTH FACILITIES			C. O. S. ENTITLEMENT FACTOR	TOTAL ENTITLEMENT		
									\$1000/bed	\$20000/hosp.	\$4000/fac.				
Craig	467	5604	2335	934		2335	2335	5700				19243	100.0%	19243	
Deering	78	936	390									1326	127.8%	1695	
Delta Junction Fire Area	703 1426		7140		1406	3515		7500			4000	23561	107.4%	25305	
Dillingham	1025	12300	5125		2050	5125	5125	4485				34210	132.6%	45362	
Diomedea	90	1488	620									2108	117.2%	2471	
Eagle	105					525		3405				3930	107.4%	4221	
Eek	195	2340	975			975					4000	8290	139.2%	11540	
Ekwok	NO APPLICATION SUBMITTED														
Elim	174	2088	870									4000	6958	117.2%	8155
Ermonak	502	6024	2510	1004		2510		3615				15663	125.3%	19626	
Fairbanks Military Annex	25142 7833	301704 46998	125710	50284				118200				642896	107.4%	690470	
Fort Yukon	637	7644	3185			3185		18630				32644	134.1%	43776	
Fortuna Ledge	APPLICATION SUBMITTED AFTER DEADLINE														
Galena	442	5304	2210					4305				4000	15819	129.5%	20486
Gambell	412	4944	2060			2060		10500				19564	117.2%	22929	
Girdwood	210		1050			1050		6450				8550	100.0%	8550	
Glen Alps	45							11475				11475	100.0%	11475	
Golovin	118	1416	590			590		2670			4000	9266	117.2%	10860	
Goodnews Bay	240	2976	1240	496		1240						5952	139.2%	8285	
Grayling	167	2004	835			835		3000				6674	129.5%	8643	
Haines Fire Area	1366 1861	16392	9305	2732	2732	6830	6830	10245				55066	104.1%	57324	
Totals		420162	166150	55450	6188	30775	14290	210180			20000	923195	97221	1029416	

State Aid to Local Governments (AS 43.18)
 FY 1975 WORKSHEET

MUNICIPALITIES <u>CITIES</u>	POPULATION	POLICE \$12/cap	FIRE \$5/cap	AIR/WATER POLLUTION \$2/cap	LAND USE PLANNING \$2/cap	PARKS & RECREATION \$5/cap	TRANS- PORTATION \$5/cap	HEALTH FACILITIES				C. O. S. FACTOR	TOTAL ENTITLEMENT	
								ROADS \$1500/mi.	\$1000/bed	\$20000/hosp	\$4000/fac.			
Holy Cross	212	2544	1060	424		1060		6000			4000	15086	129.5%	19539
Homer	1243	14915	6215	2486		6215	6215	11625				47672	110.5%	52678
Hoonah	770	9240	3850	1540		3850	3850					22330	104.1%	23246
Hooper Bay	556	6672	2780			2780						12232	125.3%	15327
Houston	170		850					28500				29350	100.9%	29614
Hughes	98		490			490						980	129.5%	1269
Huslia	207		1035	414		1035		23355			4000	29839	129.5%	38642
Hydaburg	NO FINANCIAL STATEMENT SUBMITTED				(DEDUCT FY 76)				prepayment		6795*			
Kachemak	151											-0-	110.5%	
Kake	551	6612	2755	1102				1530				11929	100.6%	12071
Kaktovik	141	1692	705			705						3102	134.1%	4160
Kaltag	NO APPLICATION SUBMITTED													
Xenai	4028	48336	20140	8056		20140	20140	49965				166777	110.5%	184289
Ketchikan	7468	89616	37340			37340	37340	22650				224286	100.0%	224286
Kiana	300	3600	1500	600				3780			4000	13480	127.8%	17227
King Cove	338	4056	1690	676				7050			4000	17477	112.4%	19639
Kivalina	200	2400	1000			1000					4000	8400	127.8%	10735
Klawock	290	3480	1450	580				2535				8045	100.0%	8045
Kobuk	61		305								4000	4305	127.8%	5502
Kodlak	3923	47076	19615	7846		19615	19615	20355				134122	115.7%	155179
Kotlii	284	3408				1420					4000	8828	125.3%	11061
Kotzebue	2125	25500	10625	4250	4250	10625		14325			4000	73575	127.8%	94029
Koyuk	122	1464	610					885			4000	6950	117.2%	8156
Totals	6795*	270612	114015	27974	4250	106275	87160	192555			36000	845636	95853	941489

State Aid to Local Governments (AS 43.18)
 FY 1975 WORKSHEET

MUNICIPALITIES CITIES	POPULATION	POLICE \$12/cap	FIRE \$5/cap	AIR/WATER	LAND USE	PARKS &	TRANS-	ROADS \$1,500/mi.	HEALTH FACILITIES			C. O. S. FACTOR	TOTAL ENTITLEMENT	
				POLLUTION \$2/cap	PLANNING \$2/cap	RECREATION \$5/cap	PORTATION \$5/cap		\$1,000/bed	\$20,000/hos.	\$50,000/hos.			
Koyukuk	124											-0-	129.5%	-0-
Larsen Bay	NO FINANCIAL STATEMENT SUBMITTED													
Long Island	68											-0-	100.9%	-0-
Lower Kalskag	195	2340	975	390								3705	129.5%	4798
Manokotak	230	2760	1150	460							4000	8370	132.6%	11099
Mekoryuk	254	3048	1270	508		1270		1500			4000	11596	139.2%	16142
Mountain Village	491	5892	2455	982				5250			4000	18579	125.3%	23279
Napaklak	279	3348	1395		558	1395		3720			4000	14416	139.2%	20067
Napasklak	200	2400	1000									3400	139.2%	4733
Nenana	469	5628	2345			2345	2345	11775				24438	129.5%	31647
Nenahalen	NO APPLICATION SUBMITTED													
New Stuyahok	230	2760		460							4000	7220	132.6%	9574
Nightmute	123	1476	615			615						2706	139.2%	3767
Nikolai	82					410	410	2250				3070	129.5%	3976
Nome	2408	29856	12440	4276	4976	12440		13350		50000		128038	117.2%	150061
Nondalton	216	2592				1080		1500				5172	132.6%	6858
Noorvik	527	6324	2635	1054		2635		2550				15198	127.8%	19423
North Pole	265	3180	1325					6630				11135	107.4%	11959
Nulato	311	3732	1555	622		1555						7464	129.5%	9666
Old Harbor	327	3924	1635	654				5775				11988	115.7%	13870
Ouzinkie	173		865	346		865		1050				3126	115.7%	3617
Palmer	1409	16908	7045	2818			7045	18525				52341	100.9%	52812
Pelican Fire Area	169 200		1000			845	845	1650				4340	104.1%	4518

State Aid to Local Governments (AS 43.14)
 FY 1975 WORKSHEET

MUNICIPALITIES CITIES	POPULATION	POLICE \$12/cap	FIRE \$5/cap	AIR/WATER POLLUTION \$2/cap	LAND USE PLANNING \$2/cap	PARKS & RECREATION \$5/cap	TRANS- PORTATION \$5/cap	ROADS \$1500/cap	HEALTH FACILITIES			C. O. S. FACTOR	TOTAL ENTITLEMENT	
									\$1000/bed \$2500/bed	\$20000/hos. \$50000/hos.	\$4000/fac. ENTITLEMENT			
Petersburg	2126	25512				10630	10630	8160		50000	116862	100.6%	117563	
Fire Area	2386		11930											
Pilot Station	301	3612	1505			1505		1500			8122	125.3%	10177	
Point Hope	404	4848	2020			2020					8888	127.8%	11359	
Port Heiden	66							31500			31500	132.6%	41769	
Port Lions	227	2724	1135			1135		1635			6629	115.7%	7670	
Ruby	148		740			740					1480	129.5%	1917	
Russian Mission	132	1584	660	264				1320		4000	7828	125.3%	9808	
Saint Mary's	384	4608	1920	768	768	1920	1920	8145		4000	24049	125.3%	30133	
Saint Michael	222	2664	1110			1110				4000	8884	117.2%	10412	
Sand Point	474		2370			2370		9000		4000	17740	112.4%	19940	
Savoonga	380	4560	1900			1900					8360	117.2%	9798	
Saxman	272		1360	544		1360		1500			4764	100.0%	4764	
Scamron Bay	221	2652	1105							4000	7757	125.3%	9720	
Seiawik	450	5496	2290			2290					10076	127.8%	12877	
Seldovia	612	7344	3060				3060	9150			22614	110.5%	24988	
Seward	1823	21876	9115			9115	9115	22575			71796	100.0%	71796	
Shageluk	172	2064	860			860		5355			9139	129.5%	11835	
Shaktoolik	160	1920	800			800		5250		4000	12770	117.2%	14966	
Shielden Point	NO APPLICATION SUBMITTED													
Shishmaref	309	3708	1545		618	1545		2760		4000	14176	117.2%	16614	
Shungnak	165	1980	825			825				4000	7630	127.8%	9751	
Skagway Fire Area	695 710	8340	3550		1390	3475	3475	14250		4000	18480	104.1%	40058	
Totals		105492	49800	1576	2776	43600	28200	122100		50000	36000	419544	48371	487915

State Aid to Local Governments (AS 43.18)

FY 1975 WORKSHEET

MUNICIPALITIES	POPULATION	POLICE \$12/cap	FIRE \$5/cap	AIR/WATER	LAND USE	PARKS &	TRANS-	ROADS \$1500/mile	HEALTH FACILITIES			C. O. S. ENTITLEMENT FACTOR	TOTAL ENTITLEMENT	
				POLLUTION \$2/cap	PLANNING \$2/cap	RECREATION \$5/cap	PORTATION \$5/cap		\$1000/bed \$2500/bed	\$20000/hos. \$50000/hos.	\$4000/fac.			
<u>CITIES</u>														
Soldotna	1202	14424	6010	2404		6010	6010	26565				61423	110.5%	67872
Stebbins	272	3624	1360			1360		1500			4000	11844	117.2%	13881
Tanana	406	4872				2030		16575				23477	129.5%	30403
Teller	213	2556						4035			4000	10591	117.2%	12413
Tenakee Springs	101	1212	505		202	505		1500				3924	111.7%	4383
Togiak	383	4596				1915						6511	132.6%	8633
Toksook Bay	304	3648	1520								4000	9168	139.2%	12762
Tuluksak	NO FINANCIAL STATEMENT SUBMITTED								(DEDUCT FY 76)			4640	PREPAYMENT	4640
Unalaska	510	6120	2550		1020	2550		57630			4000	73870	112.4%	83030
Valdez	2271	27252	11355	4542	4542	11355	11355	8280				78681	113.9%	89618
Wainwright	357	4284				1785						6069	127.8%	7756
Wales	111	1332	555					705			4000	6592	117.2%	7726
Wasilla	563							30000				30000	100.9%	30270
White Mountain	87	1044	435					3000			4000	8479	117.2%	9937
Whittier	186	2232	930		372	930	930	15750			4000	25144	113.9%	28639
Wrangell Fire Area	2029 2787	24348	13935			10145	10145	9465		50000	4000	122038	100.6%	122770
Yakutat Fire Area	354 550	4248	2750	708	708		1770	2265			4000	16449	121.8%	20035
Totals	4640*	105792	41905	7654	6844	38585	30210	177270		50000	36000	493900	55868	554768
All Cities totaled	11435*	1978806	775430	117410	35662	623645	550635	1096600		200000	233000	5622711	500263	6122974

State Aid to Local Governments (AS 43.18)
 FY 1975 WORKSHEET

MUNICIPALITIES	POPULATION	FIRE \$/cap	EXTINGUISHERS		ENTITLEMENT	C. O. S. FACTOR	TOTAL ENTITLEMENT
			CONTRACT NO.	VALUE			
<u>FIRE PROTECTION GROUPS</u>							
Akutan	67	335			335	112.4%	377
Allakaket	175	875			875	129.5%	1133
Arctic Village	138	690			690	134.1%	925
Atka	88	440			440	112.4%	495
Atmautluak	121	605			605	139.2%	842
Beaver	NO APPLICATION SUBMITTED						
Belkofski	53	265			265	112.4%	298
Birch Creek	40	200			200	107.4%	215
Chalkyitsik	110	550			550	107.4%	591
Ch'gnik	NO APPLICATION SUBMITTED						
Chauthbaluk	NO APPLICATION SUBMITTED						
Circle	54	270			270	107.4%	290
Cold Bay	280	1400			1400	112.4%	1574
Copper Center	433	2165			2165	113.9%	2466
Crooked Creek	109	540			540	129.5%	699
Glennallen	873	4365			4365	113.9%	4972
Gulkana	53	265			265	113.9%	302
Healy (Tri-Valley)	454	2270			2270	129.5%	2940
Kipnuk	330	1650			1650	139.2%	2297
Klukwan	119	595			595	104.1%	619
Kongiganak	200	1000			1000	139.2%	1392
Levelock	95	475			475	132.6%	630
Totals		18955			18955	4102	23057

State Aid to Local Governments (AS 43.10)

MUNICIPALITY FIRE PROTECTION GROUPS	POPULATION	FIRE \$/cap	AFN EXTINGUISHERS CONTRACT		ENTITLEMENT	C. O. S. FACTOR	TOTAL ENTITLEMENT
			NO.	VALUE			
McGrath	279	1395			1395	129.5%	1805
Mentasta Lake	68	340			340	113.9%	387
Metlakatla	1051	5255			5255	100.0%	5255
Minto	185	925			925	129.5%	1199
Nelson Lagoon	NO APPLICATION SUBMITTED						
Newtok	124	620			620	139.2%	863
Noatak	250	1250			1250	127.8%	1597
Perryville	101	505			505	112.4%	568
Pitka's Point	84	420			420	125.3%	526
Platinum	56	280			280	139.2%	390
Quinhagak	340	1700			1700	139.2%	2366
Rampart	53	265			265	129.5%	343
Red Devil	81	405			405	129.5%	524
St. George Island	144	720			720	112.4%	809
Sleetmute	109	545			545	129.5%	706
Stevens Village	72	360			360	107.4%	387
Tok	550	2750			2750	107.4%	2953
Tununak	279	1390			1390	139.2%	1935
Tuntutuliak	223	1115			1115	139.2%	1552
Unalakleet	434	2170			2170	117.2%	2543
Upper Kalskag	190	950			950	129.5%	1230
Totals		23360			23360	4570	27938
Totals for Fire Protection Groups		42315			42315	8680	50995

STATE OF ALASKA

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

DIVISION OF LOCAL GOVERNMENT ASSISTANCE

JAY S. HAMMOND, Governor

POUCH B - JUNEAU 99811

January 20, 1976

The Honorable Pat Rodey, Chairman
Senate Community and Regional Affairs Committee

and

The Honorable Sam Cotten, Chairman
House Community and Regional Affairs

RE: SB 473/ HB 539
Municipal Revenue Sharing

Dear Senator Rodey and Representative Cotten:

Attached for consideration by your respective committees is a brief analysis of the fiscal changes anticipated to occur if Senate Bill 473 and House Bill 539 relating to the Municipal Revenue Sharing program are approved in their present form by the Alaska Legislature. Specifically, the analysis indicates the additional amounts required during FY 1977 to fund the proposed minimum \$25,000 grant category, the proposed new transportation and solid waste categories, the adjustment for military population eligibility, and the proposed rounding up to the nearest 500 population feature under the basic grant program.

There is no way by which to determine the amount required to fund the "start-up" services as provided for in Sec. 43.17.020 (b) that might occur during any given fiscal year. Therefore, it is suggested that the committees might wish to consider establishing another account to fund these "start-up" services on the same basis as the "special municipal services account" provided for in Sec. 43.17.010 of the proposed bills.

Work sheets used in the preparation of the attached analysis are available for review by any member of your committees.

Sincerely,



Palmer McCarter
Director

PMcC:jg

Attachment

cc: Commissioner McAnerney, Department of Community and Regional Affairs
Billy Berrier, Legislative Affairs Agency
Representative Mike Miller, Chairman, Interim Legislative Committee on
Revenue Sharing
Don Berry, Alaska Municipal League

Notes Relating to the Fiscal Analysis of HB 539 / SB 473

The fiscal analysis of HB 539 / SB 473 as shown on the summary sheet, portray the fiscal year 1977 entitlements under existing law, as well as listing the incremental changes brought about by the proposed legislation.

The analysis includes the following assumptions:

1. Population adjustments have been made to reflect the fiscal year 1977 entitlements under the existing law.
2. The new transportation section means those municipalities eligible under more than one part of the transportation category, which is split into three separate units under the proposed legislation.
3. A new category, solid waste, has been added. Those municipalities currently operating solid waste disposal systems are eligible, and have been recognized.
4. The proposed legislation is silent as to amounts of revenue sharing funds a municipality may receive, if any military population exists. For purposes of this analysis, only those former categories which military populations were previously eligible (police, parks and recreation, and transportation) were increased to civilian levels. If the status quo is to be maintained, reduce the program cost by \$549,805.
5. Rounding up to the nearest 500, for this analysis, means rounding the population upwards to the nearest increment of 500.
6. The new volunteer fire departments consist of an average of 140 people, and receive an average cost of living allowance of 20½%.
7. The new cities consist of an average of 200 people and would receive an average amount of \$8,500 plus a cost of living allowance of 20½%.
8. All eligible volunteer fire departments and municipalities would properly apply for funds.
9. No funds were budgeted for assumption of additional new services under the minimum grants section (Sec. 43.17.020) or for any new services under the basic grants section, (Sec. 43.17.030)

Fiscal Analysis of HB 539 / SB 473

Cost of Basic Grants - AS 43.17.030

FY '77 entitlements under existing law	sub-total	+ new transportation	+ new solid waste	+ new military	+ rounding up to 500	=total
boroughs	\$11,533,457 (10)*	\$2,124,727 (4)	\$205,787 (5)	\$502,243 (3)	\$67,074 (10)	\$14,433,288
cities	4,236,130 (41)*	45,376 (1)	135,717 (15)	47,562 (1)	421,634 (41)	4,886,419
vol. fire depts.	72,576 (40)					72,576
" " (new)	12,653 (10-est)					12,653
<hr/>						
Total	\$15,854,816	\$2,170,103	\$341,504	\$549,805	\$488,708	\$19,404,936

Cost of Minimum Grants - AS 43.17.020

FY '77 entitlements under existing law		additional cost of minimum grants	
cities	\$1,122,260 (95)		\$1,895,336 (95)
new " "	112,668 (11-est)		218,707 (11-est)
<hr/>			
Total	\$1,234,928		\$2,114,043

Total of FY '77 entitlements under existing law	\$17,089,744	Total	\$22,753,907
Additional Cost of Basic Grants and Minimum Grants (HB539/SB473)	+ 5,664,163		
Total	\$22,753,907		

*Numbers in () indicate the number of municipalities or volunteer fire departments eligible in the category

STATE OF ALASKA

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

DIVISION OF LOCAL GOVERNMENT ASSISTANCE

JAY S. HAMMOND, Governor

POUCH 8 - JUNEAU 99811

January 20, 1976

The Honorable Pat Rodey, Chairman
Senate Community and Regional Affairs Committee
and
The Honorable Sam Cotten, Chairman
House Community and Regional Affairs Committee

Dear Senator Rodey and Representative Cotten:

SB 473 & HB 539
Municipal Revenue Sharing

As Director of the Local Government Assistance Division, in the Department of Community and Regional Affairs, I take this opportunity to offer some written commentary on House Bill 539 and Senate Bill 473 which propose to amend the present state aid to local governments, AS43.18.010-050. The comments below constitute some of the major concerns of the Division, while you will note minor points and suggested revisions on the sheet attached to this correspondence. Comments on specific provisions of the proposed legislation are preceded by the respective chapter and section number citations; suggested word changes in the language of the proposed bills is expressed in the usual legislative amendment format.

As you are aware, the comments of the Division are submitted to the committees from an administrative point of view. Many of the suggestions about the proposed bills relate to language which is identical to that of present statute which the Division feels is in need of revision. The Local Government Assistance Division has the responsibility of administering the current program, and the opportunity to submit these comments to the Committees is appreciated.

43.17.020 (b) (9) Solid Waste, \$10.

Comment: It is understood by the Division that the category of solid waste appears to have been overlooked as a start-up service under this section. This conclusion follows after a review of the basic formula under 43.17.030 which includes the solid waste category and after meeting with Representative Mike Miller and Billy

January 20, 1976

Berrier. The suggested \$10. per capita value equates to other services included in the proposed basic grant categories.

HEALTH FACILITIES AND HOSPITALS 43.17.040(a) (1)

Comment: It is recommended that this section be amended to read: "\$1,000. per hospital bed to [organized boroughs] municipalities having health powers for each hospital bed actually used for patient care..."

By amending this section, boroughs and cities within or outside an organized borough will be able to submit applications irrespective of a borough which may not exercise the power. Paragraph (2) of section 43.17.040 (a) (line 27, page 3) should also be amended to read "a municipality [an organized borough] having health powers ..."

43.17.040(a) (4) requires that all funds received under this section shall be used "as the local government or hospital outside a municipality determines;" After a review of current law, it appears that section 43.17.040(a) (4) should be deleted since 43.17.040(c) (2) (e) is more specific.

43.17.040 (a) (5) states in part that "any accumulation of assets by nonprofit corporations or other recipients under this subsection are dedicated irrevocably to a public purpose." It is our view that the phrase "public purpose" should be further defined as a public health purpose.

House Bill 539 and Senate Bill 473 provide the same definition for "health facility as is noted in AS 43.18.010(6) (i) (2). In our experience, the term "owned or operated or both," and the term "operated or wholly supported" must be clarified in order for recipients to receive funding in an amount beyond that provided by ANHS or otherwise by the State or Federal government. An opinion of the Attorney General dated January 16, 1975 concluded: "If the Federal Government provides some substantial part of the operative cost, the facility is not operated by the municipality and therefore not eligible."

Principal concerns here center around the extent of ownership or the percentage of funds expended which constitute "operation." Similarly, "operated or wholly supported" must reflect what degree of operational funds constitute operation, and the amount of funding which makes a facility "wholly supported" by the State or Federal government. Unless clarification of these terms is made, preferably by legislation, the administration of funds in this category will be subject to further delay and controversy in the awarding of entitlements, which should be consistent with the intent of the revenue sharing program.

January 20, 1976

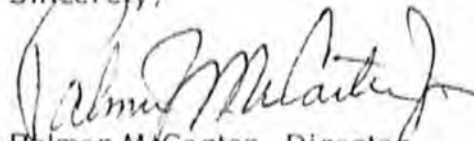
Population determinations made under 43.17.080 must be viewed in contrast to current law under 43.18.010 (K) which allows for military reservations to receive entitlements in the categories of police protection (50%), transportation (50%), parks and recreation (25%). A further question of whether or not military populations are to be rounded upward to the nearest 500, independent of the municipal population, also needs to be examined.

Section 43.17.040 (5) (d) proposes to transfer administration of the health and hospital sections from the Department of Community and Regional Affairs to the Department of Health and Social Services. Representative Mike Miller of the Interim Legislative Committee which proposed the new revenue sharing bills has indicated that there is now general consensus that the administration of health and hospital revenue sharing should remain with DC&RA pending other major changes by the Legislature on the question of health care delivery services in Alaska. If agreed to by the Committees, this sub-paragraph should be deleted.

As an amendment to Senate Bill 473 and House Bill 539, the Division would like to recommend that the deadline for submission of application for State shared revenue be established hereafter as October 15 of the fiscal year (or another date as the Legislature deems appropriate). Previously, deadlines for prepayments and application deadlines have been established by regulation and in virtually every year of the program to date, are changed due to strong political influence. Once mandated by the Legislature, deadline dates would be understood by municipalities.

On behalf of the Division of Local Government Assistance and the Department of Community and Regional Affairs, I thank the Committees for the opportunity to offer these comments. Should the Committees desire additional information of the suggestions offered, please do not hesitate to contact me.

Sincerely,



Palmer McCarter, Director
Local Government Assistance Division

PMcC: CS: ijd

Enclosure

cc: Lee McAnerney, Commissioner
Representative Mike Miller, Chairman,
Interim Committee on Shared Revenue with Municipalities
Billy Berrier, Legislative Affairs Agency
Don Berry, Alaska Municipal League

Minor Points

43.17.030(a) (page 2, line 24) delete "instead of"

43.17.040 (5)(c)(2) (page 5, line 10)

Because of the fact that in numerous cases de-toxification centers have been listed on applications for state aid in this category, the Division requests the Committee to examine their inclusion under this section.

43.17.060 (a) (page 6, line 10)

This line should be amended to read: "payments to a municipality, hospital, or volunteer fire department [city or an organized borough] under this chapter shall"

43.17.060(b) (page 6, line 22)

It is understood that "1965" should replace "1955."

43.17.070 (page 6, line 29)

This line should be amended to read: "procedures and filing dates for submitting budgets and financial reports and for"

43.17.090(2) (a) (page 7, line 21)

This line should be amended to read: "the service area, through borough contract with a city or with[in] the..."

1/22/76

Sam —

Re. Dave Rose's request for changing the ESS date

I called Billy Berrier & explained — about Anch. losing \$300,000+ because after unification they could collect for only one of the transportation categories. I asked him if, as Rose suggested, changing the effective date to June 30, 1975 would solve the problem. He said no, that by changing the general law for this fiscal year there would have to be a total recalculation of grants to all cities and that all the allotments would have to be readjusted.

He said a special bill could be introduced stating something like: ~~that~~ "An unanticipated effect of unification has ~~been~~ resulted in a revenue shortfall in the new Munic of Anch. . . . " and appropriate \$300,000 (or whatever the exact figure is) to the munic. since the purpose was not to short them."

Politically that probably wouldn't be that hard to sell, since the \$300 were appropriated last year & that money will lapse back to the General Fund. I checked with Erik Simpson at the Dept (C&A) & they expect that money to move to lapse.

Billy said you might want to have Norm LaVeque (spelling?) or the mayor or someone write a letter saying how direly this is affecting their programs, etc.

call C&RA & see if this has ever happened before. Perhaps at Sweeney or Sitter

PART 2.
MUNICIPAL SERVICES REVENUE
SHARING PROGRAM.

Chapter
30. State Aid to Local Governments

CHAPTER 30.
STATE AID TO LOCAL
GOVERNMENTS.

- Section
- 10. Scope of regulations
 - 20. Eligibility
 - 30. Date for determination
 - 40. Application
 - 50. Appeal
 - 60. Population data
 - 70. Audit or statement of income and expenditures
 - 80. Failure to comply with requirements
 - 90. Prepayments
 - 100. Boundary adjustments
 - 110. Incorporation or dissolution of units of local government
 - 120. Overpayment and adjustment
 - 130. Violation of statute governing employment preference
 - 140. Unified municipalities
 - 150. Definition of terms in AS 43.18.010
 - 160. Definitions

19 AAC 30.010. SCOPE OF REGULATIONS. The regulations in this chapter are prescribed for implementing, interpreting, and making specific the act providing state aid to local governments, AS 43.18.010 - 43.18.050. (Eff. 7/8/73, Reg. 47)

Authority: AS 44.47.160
AS 44.47.050(14)

19 AAC 30.020. ELIGIBILITY. Eligibility for receipt of state aid to local governments provided by AS 43.18.010 - 43.18.050 shall be predicated upon the possession and exercise of a power set out in those statutory provisions by a unit of local government or volunteer fire department located in the unorganized borough. (Eff. 7/8/73, Reg. 47)

Authority: AS 44.47.160
AS 44.47.050(14)

→ 19 AAC 30.030. DATE FOR DETERMINATION. For the first entitlement

period, determination of eligibility for receipt of state aid to local governments provided by AS 43.18.010 - 43.18.050 is July 1, 1973. In subsequent entitlement periods, the annual date for determination of eligibility is July 1. (Eff. 7/8/73, Reg. 47)

Authority: AS 44.47.160
AS 44.47.050(14)

19 AAC 30.040. APPLICATION. (a) Application for state aid to local governments under AS 43.18.010 - 43.18.050 shall be made on forms prescribed by the commissioner.

(b) Not later than July 10 of the entitlement period the department will forward application forms to each unit of local government and volunteer fire department located in the unorganized borough that received state aid to local governments in the previous entitlement period and to every other unit of local government incorporated before July 1 of the entitlement period.

(c) As a condition to participation in the program of state aid to local governments, applications for state aid to local governments under AS 43.18.010 - 43.18.050 shall be returned to the department postmarked not later than October 15 of the entitlement period. Based on information contained in the application submitted, the commissioner will prepare a determination of entitlements not later than the following November 30 and will mail notice of the amount of entitlement to each unit of local government and volunteer fire department located in the unorganized borough. (Eff. 7/8/73, Reg. 47; am 8/7/74, Reg. 51)

Authority: AS 43.18.040
AS 44.47.050(14)
AS 44.47.160

19 AAC 30.050. APPEAL. (a) Within 20 days of the date of mailing of notice of entitlement by the department, a unit of local government or volunteer fire department located in the unorganized borough may appeal a determination of final entitlement to the commissioner. The appeal shall be in writing and shall identify the particular category or categories for which application for state aid to local governments has been submitted, the determination of entitlement to which the unit of local government takes exception, and the

he will notify the unit of local government or volunteer fire department located in the unorganized borough that if it fails to take action in response to the request within 30 days of the date of receipt of notification, further payments will be withheld for the entitlement period until the request for further information is fully complied with. (Eff. 7/8/73, Reg. 47)

Authority: AS 44.47.160
AS 44.47.050(14)

19 AAC 30.090. PREPAYMENTS. (a) The commissioner may provide for prepayment to a unit of local government or volunteer fire department located in the unorganized borough of state aid to local governments a sum not to exceed 50 percent of the entitlement received in the previous entitlement period.

(b) Prepayments shall be allowed only to a unit of local government or volunteer fire department located in the unorganized borough submitting an application for state aid to local governments to the department before September 1 of the entitlement period.

(c) Repealed. (Eff. 8/7/74, Reg. 51)

(d) Prepayments shall be deducted from the entitlement prior to transmittal of the balance of the entitlement due to a unit of local government or volunteer fire department located in the unorganized borough determined to be eligible for receipt of state aid to local governments. (Eff. 7/8/73, Reg. 47; am. 8/7/74, Reg. 51)

Authority: AS 43.18.040
AS 44.47.050(14)
AS 44.47.160

19 AAC 30.100. BOUNDARY ADJUSTMENTS. A unit of local government effecting a boundary change under AS 44.19.260 or through the local action process provided by 19 AAC 15 during the preceding entitlement period shall return with its application the following information:

(1) one copy of an ordinance or resolution effecting the boundary change;

(2) a map clearly showing areas annexed to or detached from the unit of local government submitting the application; and,

(3) an estimate of the population residing within the area annexed or detached and a detailed statement indicating the method used in determining the estimate. (Eff. 7/8/73, Reg. 47)

Authority: AS 44.47.160
AS 44.47.050(14)

19 AAC 30.110. INCORPORATION OR DISSOLUTION OF UNITS OF LOCAL GOVERNMENT. (a) A unit of local government which is incorporated pursuant to AS 29.18.010 - 29.18.120 during the entitlement period is not eligible to receive state aid to local governments for the entitlement period during which it was incorporated.

(b) The department will pay to a unit of local government established by unification pursuant to AS 29.68.390 an entitlement prorated over the number of days in the entitlement period following the date of unification.

(c) The department will pay to a unit of local government established by consolidation pursuant to AS 29.68.090 an entitlement prorated over the number of days in the entitlement period following the date of consolidation.

(d) The department will pay to a unit of local government into which a city or borough is merged pursuant to AS 29.68.090 an entitlement prorated over the number of days in the entitlement period following the date of merger.

(e) A unit of local government which is to be dissolved pursuant to AS 29.68.500 during the entitlement period will receive an entitlement payment prorated over the number of days in the entitlement period during which it has been in existence if that unit of local government has authority to expend revenues. (Eff. 7/8/73, Reg. 47)

Authority: AS 44.47.160
AS 44.47.050(14)

19 AAC 30.120. OVERPAYMENT AND ADJUSTMENT. (a) After mailing of prepayments, if the commissioner determines that the prepayment mailed to a unit of a local government or volunteer fire department located in the unorganized borough exceeds the entitlement payable to a unit of local

Introduced by: Chairman of the Assembly
at Request of Mayor

Prepared by:

Introduced: January 20, 1976

ANCHORAGE, ALASKA
AR 6-76

A RESOLUTION OF THE ANCHORAGE ASSEMBLY URGING THE ALASKA STATE LEGISLATURE TO ENACT LEGISLATION HAVING REFERENCE TO SHARED REVENUES FOR MASS TRANSPORTATION.

WHEREAS, mass transportation is a matter of great importance to the Anchorage community; and

WHEREAS, adequate financing for mass transportation in Anchorage is dependent upon state assistance; and

WHEREAS, the former City of Anchorage and former Greater Anchorage Area Borough received separate allotments of state shared revenue for mass transportation; and

WHEREAS, the Department of Community and Regional Affairs has determined that the unified Municipality of Anchorage is entitled to approximately \$308,000.00 less in shared revenue for mass transportation for fiscal year 1975-76 than the former governments would have received, and

WHEREAS, the threatened loss of revenue severely impedes development of mass transportation in Anchorage; and

WHEREAS, it is contrary to sound public policy to penalize cities and boroughs for unifying in accordance with state law,

NOW, THEREFORE, BE IT RESOLVED that the Anchorage Assembly urges and respectfully requests the Alaska State Legislature to enact an amendment to AS 43.18 in substantially the following form:

A BILL

FOR AN ACT ENTITLED: An Act relating to State aid to unified local governments and providing for an effective date.

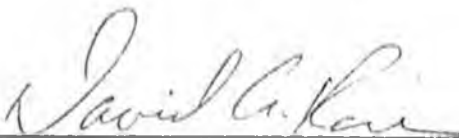
Section 1. AS 43.18 is amended by adding a new section to read:

Sec. 43.18.040 Unified Municipalities.

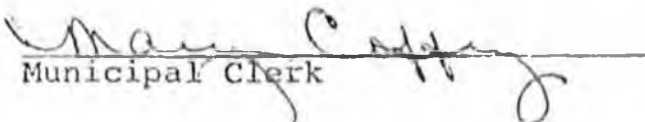
In the event that a borough and the cities within the borough unify in accordance with AS 29.68, the unified municipality shall receive for the fiscal year in which unification occurred, and each year thereafter, at least the amount of state shared revenue for all purposes that the former governments would have received if unification had not occurred.

Section 2. This Act becomes effective immediately upon passage and approval.

PASSED AND APPROVED by the Anchorage Assembly this 20th day of January, 1976.


Chairman

ATTEST:


Municipal Clerk

Public Hearing 1/22/76 - Proposed by Paul Lyon Sen
Rep. Ruddle

SUGGESTED ADDITION TO HB 539

*Sec. 5(a) No person in the State of Alaska shall, on the grounds of race, color, religion, sex or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program receiving State revenue sharing funds.

(b) The Department of Community and Regional Affairs shall be responsible for assuring compliance with the provisions of this Act and shall promulgate regulations pursuant to that end.

*Sec. 6. This Act takes effect July 1, 1976.

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6440
TONEAU, ALASKA 99801

1976 JAN 22 AM 2 14

#

02202 TDA SEWARD ALASKA 10 (1-21) 1140P AST

PMS REPRESENTATIVE MIKE MILLER

JUN 07213

CITY OF SEWARD SUPPORTS TO OSED HIS RELATIONSHIP

MUNICIPAL REVENUE TRAINING. SEWARD CIRCULAT

OUR SUPPORT TO YOUR "BILLOW" LEGISLATION

CITY OF SEWARD JAN 22 1976 CITY

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—

When did the HRA
come into existence.

CRAT to Propagate Regs

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1/2

TELEGRAM

ALASKA ALASKA COMMUNICATIONS, INC.

PHONE: 586-6878 FEB 9 PM 3 34
JUNEAU, ALASKA 99801

#

02014 ANCHORAGE AK 140 02-09 1108A AST

PMS REPRESENTATIVE SAM SUTTON

JUNEAU AK

REF: HB 539 AND SB 473 " AN ACT RELATING TO MUNICIPAL
REVENUE SHARING: AND PROVIDING FOR AN EFFECTIVE DATE "

SUGGEST: AMENDING SEC. 43.17.040 (4) BY ADDING TO (LINE 11,
PAGE 4) BEFORE THE WORD "OR" THE WORDS "WHICH HAS ADOPTED
HEALTH POWERS" AND DELETING SEC. 43.17.040 (5) (E).

EFFECT WILL BE: (1) TO PERMIT HOSPITALS AND OTHER HEALTH
FACILITIES AND AREAS OUTSIDE BOROUGHES WHICH HAVE ADOPTED
HEALTH POWERS TO RECEIVE FUNDS DIRECTLY, BUT WILL ENABLE THE
OTHER MUNICIPALITIES TO EXERCISE DISCRETION AS TO HEALTH
PRIORITIES FOR WHICH STATE REVENUE SHARING FUNDS ARE NEEDED.
(2) TO PRESERVE THE ABILITY OF LOCAL GOVERNMENTS TO DECIDE ITS
OWN NEEDS.

(3) TO ENCOURAGE LOCAL GOVERNMENT TO ACCEPT AND EXERCISE
RESPONSIBILITY FOR APPROPRIATE USE OF RESOURCES.

(4) TO CARRY OUT THE INTENT OF REVENUE SHARING TO RELIEVING
THE BURDEN IN LOCAL TAX.

MAYOR GEORGE SULLIVAN

ANCHORAGE MUNICIPALITY

<u>MUNICIPALITY</u>	\$1,000/bed * \$2,500/bed **	\$20,000 hosp. \$50,000 hosp.	\$4,000 fac.	Total	COLA	Hospital Entitlement
Juneau, City & Borough	\$67,000* hosp. 19,000* facil			\$86,000	100%	\$86,000
Sitka, City & Borough		\$50,000		\$50,000	103%	51,875
<i>Fairbanks North Star Borough</i>	<i>116,000* hosp.</i>		<i>4,500</i>	<i>150,000</i>	<i>115%</i>	<i>179,450</i>
Kenai Peninsula Borough	64,000*	150,000	4,000	218,000	107%	234,350
Ketchikan Gateway Borough	95,000* hosp 19,000* facil		8,000	99,000 122,000	100%	99,000 122,500
Kodiak Island Borough	21,000*	50,000	4,000	75,000	107%	80,625
Matanuska-Susitna Borough		50,000		50,000	103%	51,875
<i>North Star Borough</i>	<i>Fed 10</i>		8,000	8,000	130%	10,400
Akolmiut			8,000	8,000	130%	10,400
Anderson			4,000	4,000	133%	5,350
Bethel	28,000*			28,000	130%	36,400
Cordova		50,000	4,000	54,000	115%	62,100
Delta Junction			4,000	4,000	115%	4,600
Eagle			4,000	4,000	115%	4,600
Fairbanks			4,000	4,000	115%	4,600
Kiana			4,000	4,000	133%	5,350
King Cove			4,000	4,000	126%	5,050
Nome		50,000		50,000	126%	63,125
Pelican			4,000	4,000	107%	4,300

<u>MUNICIPALITY</u>	<u>\$1,000/bed *</u> <u>\$2,500/bed **</u>	<u>\$20,000 hosp.</u> <u>\$50,000 hosp.</u>	<u>\$4,000 fac.</u>	<u>Total</u>	<u>COLA</u>	<u>Hospital Entitlement</u>
Petersburg	4,116**	50,000	4,000	58,116	103%	\$ 60,295
Port Lions			4,000	4,000	107½%	4,300
Sand Point			4,000	4,000	126%	5,050
Skagway			4,000	4,000	107%	4,300
<i>Value</i> Wrangell		<i>50,000</i> 50,000	4,000	<i>54,000</i> 54,000	<i>115%</i> 103%	<i>51,500</i> 56,025
Yakutat			4,000	4,000	107%	4,300
Anchorage, Municipality (The City of Anchorage and Greather Anchorage Area Borough, the City of Glen Alps, and Girdwood were unified on September 15, 1975.)	234,000* 116,000* 935,000**			<u>1,235,000</u>	100%	<u>1,285,000</u>
				2,159,116		2,228,870

MEMORANDUM

State of Alaska

DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS

TO: Anna Wenzel
Chief
Health Facilities
Certification and Licensing

FROM: Erik Simpson
Local Government Specialist

DATE: January 7, 1976

FILE NO:

TELEPHONE NO:

SUBJECT: Revenue Sharing Applications
Hospital and Health Facilities

Attached for your review and recommendations are the following applications under the category of hospitals and health facilities:

These towns did not receive the 1976 because they are primarily rural by state or municipal charters

<i>City of Anvik</i>	City of Larsen Bay
City of Aklachak	City of Manokotak
City of Akolmut	City of Mekoryuk
City of Akhlok	City of Mountain Village
City of Alakanuk	City of New Stuyhok
City of Ambler	City of Old Harbor
City of Anvik	City of Port Lions
City of Brevig Mission	City of Quinhagak
City of Chefnak	City of Saint Mary's
City of Deering	City of Saint Michael
City of Eek	City of Sand Point
City of Elim	City of Savoonga
City of Emmonak	City of Shaktoolik
City of Fortuna Ledge	City of Sheldon Point
City of Galena	City of Shishmaref
City of Golovin	City of Shungnak
City of Holy Cross	City of Stebbins
City of Huslia	City of Teller
City of Hydaberg	City of Toksook Bay
City of Kiana	City of Tuluksak
City of Kivalina	City of Tununak
City of Kobuk	City of Unalaska
City of Kotlik	City of Wales
City of Kwethluk	City of White Mountain

If any additional information is required from any of the applicants, please forward all pertinent correspondence copies to this Department.

Please approve or disapprove the applications and return to us by Friday, January 9.

Thank you.

ES:jg

MEMORANDUM

State of Alaska

Erik Simpson
Acting Director
Division of Local Government
Assistance
Department of Community &
Regional Affairs

DATE: November 5, 1975

FILE NO:

TELEPHONE NO:

FROM: Richard A. Bradley
Assistant Attorney General
Department of Law

SUBJECT: Revenue sharing concepts

- hospital & health facilities

You have called my attention to a letter to Commissioner McAnerney from an auditor in the Division of Legislative Audit concerned with your division's practices.

His recommendation is that "the Department of Community and Regional Affairs should examine State Revenue Sharing to those health clinics which are currently being leased and fully operated by the Alaska Native Health Service."

He notes that an opinion of this office dated January 16, 1975 concluded that the standard for municipal or non-profit ownership under AS 43.18.010(h)(3) is not met if the municipality or non-profit corporation, although the legal owner, is receiving full rent for the facility from some other party.

The auditor noted that his review indicated that several clinics apparently receiving revenue sharing are "under a full service lease and are being operated by the Alaska Native Health Service."

He indicates that the Department should review its procedures so that in such cases revenue sharing would not be granted.

In general we concur.

Under the most recent amendment to the revenue sharing laws, "health facility" is defined to include certain described facilities that are

"owned or operated or both by a local government or by a non-profit corporation or other non-profit corporation or other non-profit sponsor; the term excludes facilities operated or wholly supported by the State or the federal government."

The auditor's comment regarding a "full service lease" is very much to the point. If the municipality or the non-profit corporation or sponsor which owns the facility has an arrangement

with ANHS by which all services which are provided are provided by ANHS, then we would agree that the facility is "operated or wholly supported by the State or the federal government.

If additional services not provided by ANHS or otherwise by the State or federal government are provided by the municipality or other sponsor, to a measurable and significant extent, then the municipality remains eligible for revenue sharing.

Moreover, while we believe that the determination as to whether the municipality or other sponsor is contributing services beyond those of ANHS to a measurable and significant extent, remains with your Division and the Department, the extent of the revenue sharing funds available: \$1,000 per bed or \$4,000 per facility [AS 43.18.010(h)(3)], constitutes a reasonable basis for determining whether revenue sharing funds have been earned.

RAB:msd

MEMORANDUM

TO: Erik Simpson
Local Governmental Specialist

DATE : November 25, 1975

FROM: *LL*
Lowell W. Swartz, Coordinator
Health Facilities Development

SUBJECT: Lake Otis Hospital

We have received the summary of expenditures submitted by Lake Otis Clinic Inc. for construction of the Lake Otis Hospital and have listed the expenditures that we consider to be legal construction costs.

<u>CONSTRUCTION</u>	CHECK NO.	AMOUNT OF CHECK	TOTAL EXPENDITURES
Vendor:			
Alaska Asphalt Paving, Inc.	106	\$100,784.49	
	112	166,743.11	
Chanen Construction	107	6,933.83	
	118	42,852.71	
	120	67,096.90	
	128	48,280.81	
	130	16,544.94	
	136	22,383.25	
	137	11,837.00	
General Health Services, Inc.	111	80,891.33	
TOTAL CONSTRUCTION			\$564,348.37

ARCHITECTURAL EXPENSES

Vendor:			
Charles Luckman & Assoc.	102	128,003.50	
	108	866.72	
	125	76,501.33	
	135	1,021.19	
TOTAL ARCHITECTURAL			206,392.74

ACCOUNTING AND FEASIBILITY STUDY

Vendor:		
General Health Services, Inc.	101	24,421.50
Coopers, Lybrand and Co.	116 &	20,349.13

Erik Simpson
Page 2
November 25, 1975

	CHECK NO.	AMOUNT OF CHECK	TOTAL EXPENDITURES
<u>ENGINEERING EXPENSES</u>			
Vendor:			
Kelly, Pittelko	105	\$3,611.58	
	114	4,223.61	
	123	2,175.00	
	134	5,250.00	
F.M. Lindsey	109	706.90	
	113	860.00	
	117	87.50	
	126	2,000.00	
Alaska Geological	110	2,356.70	
	127	5,140.00	
TOTAL ENGINEERING		—————	\$26,411.29
<u>TRAVEL EXPENSE</u>			
Vendor:			
General Health Services, Inc.	101	1,205.72	
TOTAL TRAVEL		—————	1,205.72
<u>CONSTRUCTION</u>			
Vendor:			
Chanen Construction	140	10,826.63	
TOTAL CONSTRUCTION		—————	10,826.63
TOTAL CONSTRUCTION COSTS			\$ 853,955.38

LWS:kp

LAKE OTIS CLINIC, INC.

HOSPITAL CONSTRUCTION

SUMMARY OF EXPENDITURES AS OF OCTOBER 31, 1975 -Page One

	CHECK NO.	AMOUNT OF CHECK	TOTAL EXPENDITURES
<u>CONSTRUCTION</u>			
Vendor:			
Alaska Asphalt Paving, Inc.	106	\$100,784.49	
	112	166,743.11	
Chanen Construction	107	6,933.83	
	118	42,852.71	
	120	67,096.90	
	123	48,280.81	
	130	16,544.94	
	135	22,383.25	
	137	11,837.00	
General Health Services, Inc.	111	80,891.33	
TOTAL CONSTRUCTION			\$564,348.37

ARCHITECTURAL EXPENSES

Vendor:

Charles Luckman &
Assoc.

102	128,003.50
108	866.72
125	76,501.33
135	1,021.19

TOTAL ARCHITECTURAL

206,392.74

LAKE OTIS CLINIC, INC.

HOSPITAL CONSTRUCTION

SUMMARY OF EXPENDITURES AS OF OCTOBER 31, 1975 - Page Two

	CHECK NO.	AMOUNT OF CHECK	TOTAL EXPENDITURES
<u>LEGAL EXPENSES</u>			
Vendor:			
General Health Services, Inc.	101	\$ 14,384.15	
McGrath, Wolforth & Flint	103	1,821.30	
	122	234.00	
Hughes, Thorsness, Lowe, Gantz	101	15,097.40	
	119	2,793.69	
	121	4,523.85	
	133	9,798.96	
Fulop, Ralston, McKittrick	138	70.00	
Dillon, Read & Co.	131	1,031.29	
TOTAL LEGAL			\$ 49,747.64
<u>ACCOUNTING AND FEASIBILITY STUDY</u>			
Vendor:			
General Health Services, Inc.	101	24,421.50	
Coopers, Lybrand, and Co.	116 & 124	20,349.13	
TOTAL ACCOUNTING AND FEASIBILITY STUDY			44,770.63

HOSPITAL CONSTRUCTION

SUMMARY OF EXPENDITURES AS OF OCTOBER 31, 1975 - Page Three

	CHECK NO.	AMOUNT OF CHECK	TOTAL EXPENDITURES
<u>ENGINEERING EXPENSES</u>			
Vendor:			
Kelly , Pittelko	105	\$ 3,611.58	
	114	4,223.61	
	123	2,175.00	
	134	5,250.00	
F.M. Lindsey	109	706.90	
	113	860.00	
	117	87.50	
	126	2,000.00	
Alaska Geological	110	2,356.70	
	127	5,140.00	
TOTAL ENGINEERING			\$ 26,411.29
<u>TRAVEL EXPENSE</u>			
Vendor:			
General Health Services, Inc.	101	1,205.72	
TOTAL TRAVEL			1,205.72
<u>OTHER FINANCING COST PAID BY A RELATED COMPANY</u>			5,000.00
<u>INTEREST EXPENSES</u>			
Vendor: Peoples Bank & Trust			44,009.35
TOTAL CONSTRUCTION IN PROGRESS AS OF DECEMBER 31, 1974			951,785.74

LAKE OTIS CLINIC, INC.

HOSPITAL CONSTRUCTION

SUMMARY OF EXPENDITURES AS OF OCTOBER 31, 1975 - Page Four

	CHECK NO.	AMOUNT OF CHECK	TOTAL EXPENDITURES
EXPENDITURES AFTER JANUARY 1, 1975			
<u>LEGAL EXPENSES</u>			
Vendor:			
Hughes, Thorsness, Lowe, Gantz	142	\$ 13,405.87	
	143	2,817.05	
TOTAL LEGAL			\$ 16,223.92
<u>CONSTRUCTION</u>			
Vendor:			
Chanen Construction	140	10,826.63	
TOTAL CONSTRUCTION			10,826.63
ESTIMATED INTEREST AND FINANCING FEES			221,163.71
TOTAL CONSTRUCTION IN PROGRESS			\$1,200,000.00

Michael J. Beiser
 President

LAKE OTIS CLINIC, INC.
POST OFFICE BOX 4-1539
ANCHORAGE, ALASKA 99509
907 - 277-6219

December 29, 1975

Department of Community & Regional Affairs
Division of Local Government Assistance
State of Alaska
Pouch B
Juneau, Alaska 99811

RECEIVED
JAN 2 -

DEPT. OF COMMUNITY
AND REGIONAL AFFAIRS

Attention: Palmer McCarter, Director

Re: Hospital Revenue Sharing

Dear Mr. McCarter:

Your letter of November 24 was received along with the opinion from the Attorney General's office.

We have reviewed your letter, as well as the opinion, and while we do not concur in the opinion of the Attorney General, nonetheless our real concern at this time is in continuing the development of our project.

We were not advised of this unexpected interpretation on the part of the Department until my telephone conversation with you a couple of days before the date of your letter. We had expected to receive revenue sharing funds this year, and this surprising decision may cause us some delay.

However, we are hopeful of getting our project underway again soon, and therefore would appreciate your holding the application pending new developments. We had calculated the use of revenue sharing funds into our projections for this year, but once the project is underway again a couple of million dollars will be expended very rapidly and the receipt of revenue sharing funds will be very important to us.

This past year has been an exceedingly difficult time for our organization. The mortgage interest rate acceleration, coming as it did in the fall of 1973 just a few days before we signed our long term mortgage contract, has forced the corporation to reorganize, find new sources of capital for interim needs, and to explore all possible sources of long term capital funding of the project as well.

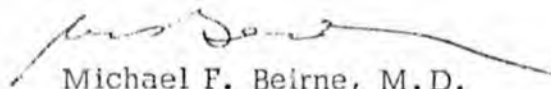
LAKE OTIS CLINIC, INC.
POST OFFICE BOX 4-1539
ANCHORAGE, ALASKA 99509
907 - 277-6219

Mr. Palmer McCarter
December 29, 1975
Page Two

At a recent meeting of supporting consultants on this project, held at the Anchorage bank offices, our certified public accountant observed, with the concurrence of the senior bank present, that this interest rate movement in 1973 to the highest levels in over 100 years caught our project at its precise moment of greatest vulnerability (the few days between the time the interim money would have borrowed and the time the permanent mortgage funding agreements were signed) , and had it not been for this new historical development the Lake Otis Hospital would be now completed and offering badly needed services to the people of our State. As you know the population growth here in the Anchorage area is exceeding even the highest predictions, and the existing hospitals including their projected additions will be totally insufficient to provide services in the Anchorage area comparable to any like community in other states.

I'll look forward to meeting you in mid-January when I will be coming to Juneau, and continuing the good relations with the Division and the Department that we have experienced in the past.

Sincerely,


Michael F. Beirne, M.D.
President

mfb:bp

cc: L.O.H. Rev. Sharing File

November 24, 1975

Dr. M. F. Beirne
Lake Otis Clinic, Inc.
P. O. Box 4-1539
Anchorage, Alaska 99509

Dear Dr. Beirne:

Re: State Aid to Local Governments
Notice of Entitlement

Pursuant to 19 AAC.30.040(c) of the Alaska Administrative Code, you are notified that entitlement for Lake Otis Clinic under the State Aid to Local Government Municipal Service Revenue Sharing Program as authorized by Alaska Statute 43.18.010 (j) for hospital facilities construction for the entitlement period July 1, 1975 through June 30, 1976 is disapproved for payment in the amount of \$312,500.

The previous entitlement of \$312,500 received by Lake Otis Clinic, Inc. earlier this year exceeds twenty-five per cent (25%) of the total project costs to date in accordance with AS.43.18.010(j).

At your request, we are enclosing a copy of the Attorney General's opinion dated November 24, 1975 regarding this matter.

Sincerely,

Palmer McCarter
Director

PMcC: ES:jg
Enclosure

MEMORANDUM

State of Alaska

TO: Palmer McCarter
Director
Local Government Assistance
Department of Community &
Regional Affairs

DATE: November 24, 1975

FILE NO.

TELEPHONE NO.

FROM: Richard A. Bradley **B**
Assistant Attorney General
Department of Law

SUBJECT: Interpretation of
AS 43.18.010(j)

AS 43.18.010(j) authorizes a program of state aid to a "facility" [a term defined in §010(i)(2)] if it was begun after January 1, 1968 and if its state matching aid for construction constitutes less than 25 per cent of the total project cost.

You have asked us whether a partially constructed facility which has received state aid equal to some 25 per cent of the amount spent on its construction to date may continue to receive aid under §010(j) if the total project cost, when the facility is completed, will justify the state aid.

In our view, the answer has to be no.

Language in section 010(j) provides:

State aid provided for in this subsection shall continue until the . . . facility sponsor has received an amount which, combined with state matching money for construction of the facility, equals 25 per cent of the total project cost.

We view this provision as a mandate indicating legislative intent that state funding on the facility be limited to 25 per cent of the total project cost. While an estimate of the total project costs may be available indicating a larger amount is intended to be spent, which, if spent, would justify this aid, nevertheless, there is no guarantee available to your department which will obligate the facility sponsor to expend those funds and thereby "earn" the aid.

Moreover, Health and Social Services regulations adopted under AS 18.20.010 -- 18.20.130 do not require the facility to have its construction plans on record and approved, and thereby in some way to bind the facility sponsor to an identifiable project. We understand that the applicant in

Palmer McCarter
Local Government Assistance

November 24, 1975

- 2 -

question has not furnished plans to state officers which would form the basis for a determination by responsible state officers that the facility will cost any particular amount. An unsubstantiated conclusion by an agent of the facility sponsor as to an assumed ultimate project cost is not adequate to justify the expenditure of state funds under this section.

If we can assist further, please advise.

RAB:md

Sam's proposed amendment 1/28/76

Sec. 43.17.020. MINIMUM GRANTS TO MUNICIPALITIES. (a) A municipality may, in lieu of obtaining revenue sharing money as provided in this chapter, obtain instead a minimum grant of \$25,000.00. (b) In addition to the minimum grant, a municipality with a population of 150 or more, which assumes a new service listed below and has elected to receive the minimum grant provided for in (a) of this section shall receive a grant as set out in (1) - (3) of this subsection for the 1st year, it provides the new service and for the next four years receive respectively 80%, 60%, 40% and 20% of that amount. The services and the amount per capita group are:

- (1) Police Protection - (\$50)
- (2) Fire Protection - (\$50)
- ~~(3) Air or water pollution - (\$50)~~

1/0

(c) For purposes of computation the grant under this section, the population figure for a municipality having between 150 and 200 people shall be 200; thereafter the population figure shall be rounded up to the next 100.

Sec. 43.17.030. BASIC GRANTS TO MUNICIPALITIES. (a) When a municipality elects not to receive the grant as provided for under section 20 of this chapter, the amount of revenue sharing for which it is eligible shall be calculated as the result of $B \times P$ where

TELEGRAM

ALASKA COMMUNICATIONS, INC.

PHONE: 586-6440

JUNEAU, ALASKA 99801

1976 JAN 21 PM 5 05

TO: JUNEAU, ALASKA 99801

FROM: JUNEAU, ALASKA

3666

URGENT

RE: JUNEAU, ALASKA

URGENT 12-11-75 11:00 AM JUNEAU, ALASKA

TO: JUNEAU, ALASKA 99801

FROM: JUNEAU, ALASKA 99801

URGENT 12-11-75 11:00 AM

RE: JUNEAU, ALASKA 99801

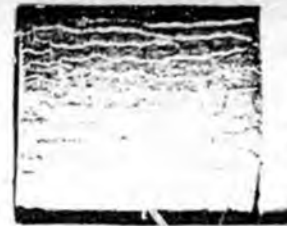
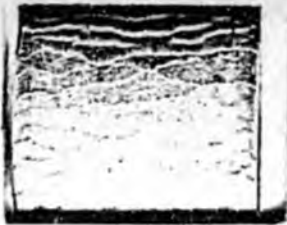
URGENT 12-11-75 11:00 AM

TO: JUNEAU, ALASKA 99801

FROM: JUNEAU, ALASKA

URGENT 12-11-75 11:00 AM

RE: JUNEAU, ALASKA 99801



TELEGRAM

ALASKA COMMUNICATIONS, INC.

PHONE: 533-6440

JUNEAU, ALASKA 99801

1976 JAN 22 PM 12 59

00717 TDA SELDOVIA AK 12 01-22 1025A MT

PHS REPRESENTATIVE MIKE MILLER

JUNEAU AK

0731

THE SELDOVIA NATIVE ASSOCIATION INC WHOLE HEARTEDLY SUPPORTS

THE IDEAS PUT FORTH IN HRS 72 AND URGES ITS PASSAGE

FRED ELVSAAS PRESIDENT

SELDOVIA NATIVE ASSOCIATION

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.

PHONE: 586-6440

JUNEAU, ALASKA 99801

1976 JAN 22 AM 2 15

2 15 754 25400 ALASKA 17 11 11 11

TO: JUNEAU

FROM: JUNEAU

CITY: JUNEAU

STATE: ALASKA

RECEIVED

1976 JAN 22

1

FORMULA #1

Assume B = \$1.00

Assume average property tax = 11.93 mils

Assume average sales tax = 2.85 or 8.55 mils

Assume average PCI = \$4,872

T.P. = $(11.93 \times \$ \text{municipal}) + (2.85\% \times \$ \text{_____})$

T.E. = $\begin{matrix} \text{mils} & \% \\ (\text{local} \times \$ \text{_____}) & + (\text{local} \times \$ \text{_____}) \end{matrix}$

Assume Service areas to be treated as discreet municipal units for purposes of formula distribution.

Assume Use of 1974 tax data from "Alaska Taxable 1974".

Assume Per capita income is uniform throughout service areas in a given municipality.

Assume Sales tax base is distributed among service areas in proportion to the population.

Assume S.A. #30 in Anchorage is coterminous with City.

Fiscal Analysis of CSHB 539

Cost of Basic Grants - AS 43.17.030

FY '77 entitlements under existing law	sub-total	+ new transportation	+ new solid waste	+ new air/water pollution (civilian)	+ new air/water pollution (military)	+ new ambulance	+ rounding up to 100	= total
boroughs	\$11,533,457(10)*	\$2,124,727(4)	\$205,787(5)	\$366,696(1)	\$53,766(2)	\$625,784(7)	\$12,094(10)	\$14,922,311
cities	4,236,130(41)	45,376(1)	135,717(15)		7,927(1)	70,147(12)	78,930(41)	4,574,227
vol. fire dpts.	72,576(40)							72,576
" " "(new)	12,653(10-est)							12,653
TOTAL	\$15,854,816	\$2,170,103	\$341,504	\$366,696	\$61,693	\$695,931	\$91,024	\$19,581,767

Cost of Minimum Grants - AS 43.17.020

FY '77 entitlements under existing law	sub-total	+ additional cost of minimum grants	= total
cities	\$ 1,122,260(95)	\$1,895,336(95)	\$ 3,017,596
new " "	112,668(11-est)	218,707(11-est)	331,375
TOTAL	\$ 1,234,928	\$2,114,043	\$ 3,348,971

Total FY '77 entitlements under existing law	\$17,089,744
Additional Cost of Basic Grants and Minimum Grants (HB 539/ SB 473)	<u>5,840,994</u>
TOTAL	\$22,930,738

*Numbers in parentheses indicate the number of municipalities or volunteer fire departments eligible in the category

THE LEGISLATURE OF THE STATE OF ALASKA
FISCAL NOTE

Second Session - Ninth Legislature

I. REQUEST

Bill No. CS HB 539

Title: municipal revenue sharing

Requested by: House CRA

Date: _____

Return Date Requested: _____

Agency: Community & Regional Affairs Program: Development

II. FISCAL DETAIL

Budget Request Unit(s) Affected: Municipal Services Revenue Sharing

A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 76	FY 77	FY 78	FY 79	FY 80	FY 81
100 PERSONAL SERVICES		19.7				
200 TRAVEL		1.1				
300 CONTRACTUAL		3.0				
400 COMMODITIES		-0-				
500 EQUIPMENT		.9				
600 LAND & STRUCTURES		-0-				
700 GRANTS, CLAIMS, ETC.		7,520.1				
TOTAL		7,544.8				

B. FUNDING: (Thousands of dollars)

GENERAL FUND		7,544.8				
FEDERAL FUNDS		-0-				
OTHER		-0-				

C. POSITIONS:

PERMANENT/TEMPORARY	/	1 / 0	/	/	/	/
MAN MONTHS (P./T.)	/	12 / 0	/	/	/	/

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

Based on the following assumptions, the total cost of the grant portion of CS HB 539 is estimated to be \$22,930,738.

1. All eligible volunteer fire departments and municipalities will properly apply for funds.
2. No funds were budgeted for assumption of additional services under the basic grants section (Sec. 43.17.030).
3. Volunteer fire departments shall receive a cost of living allowance in the same manner as municipalities.
4. Basis for change in program costs are the marginal increases in cost over FY '77 budget submission.

IV. ATTACHMENTS

V. DATE: 2-10-76

PREPARED BY: _____

Bruce Aronson

Bruce Aronson
Local Government Specialist

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)

The bill provides minimum levels of State support (\$25,000) to smaller municipalities. The transportation category has been separated into three categories (small boat harbor or port, airport, and mass transit). The air/water pollution control category has been separated into two categories (air and water pollution), with military populations eligible. Ambulance services and solid waste disposal are new categories. All populations are rounded upwards to the next highest even hundred (except military populations, which are to be the actual number).

An administrative assistant position is required to help review and process applications. Also, the local government specialist would be freed to accomplish performance audits (as required by the bill). The local government specialist position is up-graded from a range 19F to 21C to reflect the added supervisory and auditing responsibilities of the program.

Personal Services

Salary	
Administrative Assistant (12-B)	\$14,940
Upgraded Local Government Specialist	1,044
Benefits @ 23%	<u>3,676</u>
Total Personal Services	\$19,660

Travel

Additional travel required to conduct performance audits (5 cities)	<u>\$ 1,100</u>
Total Travel	\$ 1,100

Contractual

Mag-card typewriter	<u>\$ 3,000</u>
Total Contractual	\$ 3,000

Equipment

Desk & chair	\$ 445
Calculator	<u>\$ 440</u>
Total Equipment	\$ 885
Total Administrative	\$24,645

Virginia E. Kline


MAYOR OF JUNEAU

R.R. 5 Box 5916. JUNEAU, ALASKA 99803

1/22/76

House Community & Regional Affairs Committee:

The City & Borough of Juneau has reviewed the municipal revenue sharing act proposed by the Legislative Council Interim Committee (HB539) and endorses its provisions.


Virginia Kline, Mayor

THE LEGISLATURE OF THE STATE OF ALASKA
FISCAL NOTE

Second Session - Ninth Legislature

I. REQUEST

Bill No. HB 589
 Title: An Act relating to the election of municipal officials.
 Requested by: Governor - Rules Committee Date: _____
 Return Date Requested: 1-19-76
 Agency: Division of Elections Program: Elections

II. FISCAL DETAIL

Budget Request Unit(s) Affected: _____

A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 76	FY 77	FY 78	FY 79	FY 80	FY 81
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL		-6.2	-6.3	-6.4	-6.5	-6.6
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL						

B. FUNDING: (Thousands of dollars)

GENERAL FUND		-6.2	-6.3	-6.4	-6.5	-6.6
FEDERAL FUNDS						
OTHER						

C. POSITIONS:

PERMANENT/TEMPORARY	/	/	/	/	/	/
MAN MONTHS (P./T.)	/	/	/	/	/	/

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

IV. ATTACHMENTS

V. DATE: 1-19-76 PREPARED BY: Patty Ann Polley, Director
 Division of Elections

Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

CITY OF ANDERSON

General Delivery
CLEAR, ALASKA 99704

November 11, 1975

Billy G. Berrier
Legal Service Division
Legislative Affairs Agency
Pouch V
Juneau, Alaska 99811

Dear Mr. Berrier:

In response to your memorandum of October 21, 1975 concerning proposals for changes in the existing state revenue sharing program, I was unable to attend the public hearing on October 30. However, I have a few comments on the various proposals.

The Alaska Municipal League formula clearly is advantageous to the larger municipalities, mainly the boroughs, to the detriment of the smaller cities. It also would seem to force smaller cities into adopting a property tax, whether the tax base existed or not. This might have adverse effects on communities who need to develop their tax bases.

The per capita method seems to be the predominant revenue sharing method nationwide, and would be much easier administratively. Coupled with a cost of living factor, it would probably be fairly equitable.

Concerning the minimum grant, it would seem that some minimum amount should be allowed, as any municipality will incur a certain amount of administrative costs. Perhaps this could be conditioned on the provision of certain services, or in the alternative, a minimum grant for the provision of each category of services. Regarding the (b) section of the minimum grant, that seems to penalize communities that have extended themselves to provide services. It also might prevent the expansion of services for a period of time in anticipation of getting the much higher grant when the statute became effective. Some communities might postpone provision of the services, as a result, rather than providing them as soon as possible. However, if the amount of the grant for the first year was lower, but still kept above the current,

that might provide the proper incentive for expansion of municipal services.

Regarding the other three formulas, my comments are generally similar. The provision that in on circumstance shall $\frac{TE}{TP}$ or $\frac{SPCI}{LPCI}$ exceed two is a good idea, but by the same reasoning, it should have a lower limit. For instance, in no case should either variable equal less than one-half. Also the clause, which, in effect gives each municipality a population of 1,000 for revenue sharing purposes appears to be a good idea. The costs of police service for a town of 600 should not be double of that of a town of 300. Basic initial costs are virtually the same, and the incremental costs does not increase arithmatically as the revenue sharing funding does.

Hopefully these comments will give you some ideal of how our municipality feels about the various proposals. If you hav any further material or information on these proposals, please forward those.

Very truly yours,

CITY OF ANDERSON

Frank G. Mielke
City Administrator

c.c. Hon. Samuel R. Cotten
Chairman, House Committee

Hon. Leslie E. Swanson

STATE OF ALASKA
THE LEGISLATURE

LEGISLATIVE AFFAIRS AGENCY

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99801

(907) 465-3800

MEMORANDUM

November 4, 1975

SUBJECT: Next meeting of committee

TO: All Members - Interim Committee on Revenue
Sharing with Municipalities

FROM: Billy G. Berrier, Staff Attorney *BGB*

The next meeting of the Interim Committee on Revenue sharing with Municipalities will be held in Anchorage at the Legislative Information office on December 1, 1975 at 10:00 a.m. The purpose of this meeting is to adopt a committee bill for prefiling.

BGB:cb

STATE OF ALASKA
THE LEGISLATURE

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POUCH Y - STATE CAPITOL
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MEMORANDUM

November 5, 1975

SUBJECT: Revision of Alternate Formula 2

TO: All Members - Interim Committee on Revenue Sharing
with Municipalities

FROM: Billy G. Berrier, Staff Attorney *BGB*

At the request of Rep. Mike Miller, I have prepared for committee consideration an alternative formula that would essentially embody the existing distribution system with the technical corrections previously agreed to by the committee and, in response to suggestions made at the hearing with the Alaska Municipal League on October 30, the present category of transportation broken down into three categories.

The changes this will make in the distribution percentages now in effect relate only to two items:

(1) The base optional grant is retained. This would redistribute a reasonably small amount, probably around 5% of the total, from larger municipalities to smaller cities.

(2) Breaking the transportation category down will result in some redistribution to municipalities providing mass transit or airports.

BGB:cb

Enclosure

cc: Mr. Rich Wilson
Mr. Sam Coxen
Mr. P. J. Hill

ALTERNATE FORMULA 2

* as a result of B X P where

(1) B is the base revenue sharing amount of \$2.40 times the service units for each service performed by the municipality established as follows:

(A) Police Protection	12 units
(B) Fire Protection	7.5 units
(C) Air or Water Pollution Control	2 units
(D) Land Use Planning	2 units
(E) Parks and Recreation	5 units
(F) Small Boat Harbor or Port	5 units
(G) Mass Transit	5 units
(H) Airports	5 units

* Alternative section 43.17.030(a)(1)

* Sec. 43.17.100. ADDITIONAL LIMIT ON EXPENDITURE OF FUND: In addition to the limitations on expenditure of funds contained in sec. 90 of this chapter: (a) If a borough exercises the powers in sec. 30(a)(1) of this chapter in the borough area outside cities only, or in a service area only, the grants authorized under this section shall be based on the population of the borough area outside cities or the service area respectively.

(b) If the services in sec. 30(a)(1) of this chapter are provided by a service area, the borough shall give to the service area an amount equal to the funds provided by the state for the service provided by the service area.

(c) If a city within an organized borough provides police protection services, the borough may not qualify for aid under (a)(1) of this section unless

(1) police protection services are provided in the borough area outside cities, or if limited to a service area, in the service

1 area, through borough contract with a city or in the state or

2 (2) the borough assumes and exercises power to provide police
3 protection services on an areawide basis in the manner provided by law.

4 Sec. 43.17.110. ROAD MAINTENANCE. During each fiscal year the
5 state shall pay to a city or organized borough of any class which has
6 power to provide for road maintenance and exercises the power a sum
7 equal to \$1,500 a mile for each mile of road, street or highway main-
8 tained by the local government, excluding the official state highway
9 system, roads, streets, or highways not dedicated to public use, any
10 roads, streets or highways maintained under the local service road pro-
11 gram (AS 19.30.111 - 19.30.251), and alleyways, in accordance with regu-
12 lations adopted by the Department of Highways. No payments may be made
13 for maintenance of roads not used by automotive equipment. Frozen
14 waterways and connections from inhabited areas to the waterways which
15 may be safely used for public transportation by automotive equipment
16 and are so used during a portion of a year are eligible for payments of
17 \$900 per mile if the waterways and connections are maintained during
18 the period of use by a municipality or combination of municipalities.
19 The Department of Community and Regional Affairs, after consultation
20 with the Department of Highways, shall determine which waterways and
21 connections qualify and, where the waterways or connections lie outside
22 the corporate limits of a municipality, which municipality is eligible
23 for the shared revenue unless the municipalities involved have agreed
24 in writing to a particular distribution.

25 Sec. 43.17.120. REGULATIONS. The department shall adopt regula-
26 tions necessary to carry out the purposes of this chapter. The regula-
27 tions shall include minimum standards of service required to qualify
28 a municipality for service unit credit for each service and provisions
29 for a performance audit adequate to demonstrate to the department that

1 each service for which credit was allowed was actually performed by the
2 municipality at least at the prescribed minimum level.

3 * Administrative provisions needed if the service unit alternative is used.
4 Sec. 43.17.110 would be renumbered and Sec. 43.17.080 would be replaced
5 by Sec. 43.17.120, above.
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