

HB

838

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. HB 838
 Title An Act relating to debt service for school construction.
 Requested by House HESS Date 4/11/80

II. FISCAL DETAIL

Agency Affected Education
 Program Category Affected Elementary and Secondary Education
 BRU, Program, or Subprogram(s) Affected Financial Support Programs
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.		61,646.3	-0-	-0-	-0-	-0-
TOTAL						

FUNDING (Thousands of Dollars)

GENERAL FUND		61,646.3	-0-	-0-	-0-	-0-
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME	n/a					
PART TIME						
TEMPORARY						

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

Section 1 No cost
 Section 2 No cost
 Section 3 61,646.3 (est.)

It should be noted that payments made under this bill would have to be made upon estimates pending receipt of municipal audits.

IV. DATE April 11, 1980 PREPARED BY *William D. Thomson* William D. Thomson
 AGENCY Education
 PHONE 465-2800
 Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

Alaska MUNICIPAL League

TELEPHONES
(907) 586-1325
586-6526

204 N FRANKLIN ST
JUNEAU, ALASKA 99801

April 10, 1980

To: House HESS

From: Ginny Chitwood

Re: HB 838

The Alaska Municipal League supports legislation such as HB 838 under which the state will provide funding for all approved school capital projects at the time of approval instead of two years later. Depending on administrative requirements, there may be a modification to allow the Department of Education time to review district audits prior to making payments.

Passing a law to eliminate the reimbursement delay, however, will not help municipalities unless the Legislature is willing to fund it. As a first step, we would like to see current law funded at its present level. In FY '79, the appropriation was \$5.6 million less than the entitlement; in FY '80, \$6.7 million less; and proposed FY '81, \$5.2 million less than estimated entitlement. (See reverse side for community by community breakdown in FY '79. The breakout for FY '80 is very similar.)

In summary, we urge the Legislature to assist municipal school districts with their capital construction projects. Please fund the program at its authorized level and, if at all possible, shorten or eliminate the two-year reimbursement delay.

1-29-79

State of Alaska
 Department of Education
 Chapt. 249, SIA 1970
 STATE AID FOR RETIREMENT OF SCHOOL CONSTR. DEBT
 FY 1978-79

	100% of Debt Service 1976-77	Credit for Cash Payment Prior to FY72	50% of Cash Payment Prior to FY72	Cash Payment 1976-77	80% of 1976-77 Cash Payment	Debt Service @ 100% Plus Cash Payment	Cigarette Tax 1976-77	Total Entitlement	Actual Payment Prorated @ 79.9238%
Anchorage	11,969,389	19,338	9,669	1,942,254	1,553,803	13,532,861	1,090,725	12,442,136	9,944,227
Bristol Bay	149,585	16,723	8,361	--	--	157,946	13,180	144,766	115,702
Cordova	122,825	--	--	16,020	12,816	135,641	24,469	111,172	88,853
Fairbanks	3,959,632	321,065	160,532	573,180	458,544	4,578,708	295,209	4,283,499	3,421,535
Galena	--	--	--	76,812	61,449	61,449	9,560	51,889	41,471
Haines	95,948	--	--	--	--	95,948	21,902	74,046	59,180
Juneau	985,298	--	--	435,214	348,171	1,333,469	142,967	1,190,502	951,494
Kake	--	--	--	45,072	36,057	36,057	10,751	25,306	20,225
Kenai	2,300,759	483,758	241,879	1,624,771	1,299,817	3,842,455	169,044	3,673,411	2,935,928
Ketchikan	650,498	--	--	--	--	650,498	92,628	557,870	445,870
Kodiak	419,413	17,036	8,518	1,097	877	428,808	73,508	355,300	283,969
Mat-Su	2,085,979	1,842	921	189,120	151,296	2,238,196	108,207	2,129,989	1,702,369
Nenana	21,540	3,022	1,511	11,329	9,063	32,114	10,038	22,076	17,643
North Slope	1,828,748	--	--	--	--	1,828,748	42,576	1,786,172	1,427,575
Petersburg	343,855	44,629	22,314	--	--	366,169	25,602	340,567	272,194
Sitka	410,390	971	485	94,214	75,371	486,246	61,516	424,730	339,460
Skagway	26,784	--	--	--	--	26,784	11,192	15,192	12,142
St. Mary's	--	--	--	128,448	102,758	102,758	6,968	95,790	76,559
Unalaska	--	--	--	12,248	9,798	9,798	8,418	1,380	1,102
Valdez	135,188	4,563	2,281	27,832	22,265	159,734	30,856	128,878	103,004
Wrangell	24,651	--	--	15,000	12,000	36,651	23,140	13,511	10,798
Totals	25,530,482	912,947	456,471	5,192,611	37,254,085	30,141,038	2,272,856	27,868,182	22,273,300

78.154%
 proration
 FY 80 JP 30,812,110 \$ 24,081,000
 proposal FY 81 JP 30,252,000 \$ 25,210,000

Testimony - April 11, 1980

In support of H.B. 838

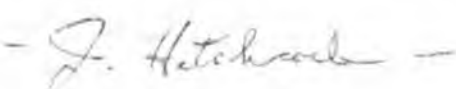
Chairman Buckholdt, and members of the HESS Committee:

My name is Jim Hitchcock, and I'm a Mat-Su Borough Assemblyman, here representing that body. I am a property owner and owner of Caribou Cab Company, a log house building firm. I've lived in Alaska since 1939, and homesteaded in the Mat-Su Valley with my parents in 1943.

I'm before you to speak in favor of H.B. 838, which relates to debt service for school construction. Municipalities desire that the state fund the 80% share of school construction during the same year in which the debt is incurred and bring to date the present two year lag.

The two year delay has increased costs to taxpayers by carrying this debt forward, and causes an erratic mill rate.

There is good reason for the state to relieve taxpayers of this extra burden, therefore I request your support of H.B. 838.


James Hitchcock
Borough Assemblyman
Mantanuska-Susitna Borough Assemblyman
Box 867
Palmer, Alaska 99645

April 11, 1980

Chairman Buckholdt, and members of the HESS Committee;

My name is Dorothy Jones from Talkeetna, Alaska. I am a member of the Matanuska-Susitna Borough Assembly. I have been an Alaskan for 47 years and a businesswoman for 25 of those years. As a private citizen and as a Borough Assembly member, I urge your favorable consideration of H.B. 838. This would in effect alleviate a considerable tax burden now placed upon the taxpayer since we now must put up front end money for construction and then wait two years for reimbursement.

Thank you.

Note: The money for the Matanuska-Susitna Borough is expecting for reimbursement for this year and the prior year for expenses incurred amounts to \$982,309.00. However, we are having to carry these reimbursible expenses (2 years) (\$2,376,314) an extra year because they are not returned on a timely basis. Following our fiscal year end each June 30, the Assembly mandates an independent audit. When the audit has been completed and published we forward it to the State of Alaska and we feel we should be able to have the money sent to the Borough shortly after the State has received the audit and reviewed it.

Dorothy Jones

Dorothy Jones

Matanuska-Susitna Borough Assembly