

H B

1900

COMMITTEE REPORT

HOUSE

FURTHER: FINANCE

2/19/81

(S)

Date: March 11 1981

Mr. Speaker:

The Committee on COMMUNITY & REGIONAL AFFAIRS has had HB 190

"An Act relating to state aid to Native village governments; and providing for an effective date."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass do not pass
- do pass with attached amendments(s)
- replace with CS for _____ same title
- and recommends _____ new title
- AND attaches a "Letter of Intent" New Fiscal Note
- reports it back without recommendation
- referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

John Miller

CHAIRMAN

Introduced: 2/19/81
Referred: Community & Regional
Affairs and Finance

1 IN THE HOUSE

BY ADAMS, VASKA AND GRUSSENDORF

2 HOUSE BILL NO. 190

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to state aid to Native village govern-
7 ments; and providing for an effective date."

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9 * Section 1. AS 29.89.050 is amended to read:

10 Sec. 29.89.050. STATE AID TO NATIVE VILLAGE GOVERNMENTS. The
11 state shall pay \$50,000 [\$25,000] to a Native village government for a
12 village which is not incorporated as a city under this title. In this
13 section, "Native village government" means

14 (1) a local governing body organized by authority of the Act
15 of Congress of June 18, 19³⁴ (25 U.S.C. sec 476); or

16 (2) a traditional village council or, if there is no tradi-
17 tional village council, the paramount chief or other governing body of
18 a Native village which meets the requirements of the Alaska Native
19 Claims Settlement Act (43 U.S.C. secs. 1601 - 1628).

20 * Sec. 2. This Act takes effect July 1, 1981.

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(c) Money received by a municipality under (a)(3) of this section shall be used for expenses of health services or operation and maintenance of health facilities as the municipality determines.

(d) Before money may be distributed under this section, the commissioner of health and social services shall certify to the commissioner of community and regional affairs that any accumulation of assets by nonprofit corporations or other recipients under this section is dedicated irrevocably to a public purpose. (§ 3 ch 155 SLA 1980)

Cross reference. — As to state aid for hospital construction, see AS 29.90.

Editor's note. — As to reports by Department of Health and Social Services and Department of Community and

Regional Affairs and commissioner of health and social services, see § 14, ch. 155, SLA 1980, effective July 1, 1980, in the 1980 Temporary and Special Acts and Resolves.

Sec. 29.89.040. State aid to volunteer fire departments in the unorganized borough. (a) The department shall pay to a volunteer fire department registered with the state fire marshal and serving an area not in an organized borough or city a sum for protection purposes equal to \$10 per capita for the population served by the department, as determined by the state fire marshal.

(b) A grant shall be made under (a) of this section to facilitate the organization of a volunteer fire department in an area not in an organized borough or city, upon application of the proposed fire protection group to the state fire marshal and upon approval of applications according to standards of organization and service prescribed by regulations adopted by the state fire marshal. (§ 3 ch 155 SLA 1980)

Sec. 29.89.050. State aid to Native village governments. The state shall pay \$25,000 to a Native village government for a village which is not incorporated as a city under this title. In this section, "Native village government" means

(1) a local governing body organized by authority of the Act of Congress of June 18, 1934 (25 U.S.C. § 476); or

(2) a traditional village council or, if there is no traditional village council, the paramount chief or other governing body of a Native village which meets the requirements of the Alaska Native Claims Settlement Act (43 U.S.C. §§ 1601 — 1628). (§ 3 ch 155 SLA 1980)

Sec. 29.89.060. Population determination. For purposes of this chapter, population shall be determined by the latest figures of the United States Bureau of the Census or other reliable population data, including but not limited to public school enrollment figures, public utility connection, registered voters or certified employment payrolls. (§ 3 ch 155 SLA 1980)

Alaska
MUNICIPAL
League

TELEPHONES
(907) 586-1325
586-6526

204 N FRANKLIN ST
JUNEAU ALASKA 99801

March 11, 1981

to: House Community & Regional Affairs Committee
from: Ginny Chitwood, AML Executive Director *gc*
re: SB 125 - Supplemental Appropriation

If the committee adopts the language suggested by Berrier for distribution of additional funds to native village governments, each would receive about \$13,000 in supplemental funds, raising the FY 81 entitlement for each to about \$34,000. In order to correct the inequity between the native village governments and the small incorporated communities that would be created by that language, please consider the following additional amendments:

Change amount in Section 1 of SB 125 from \$18,400,000 to \$18,650,000.

add a new section:

Sec. 29.95.020. Qualification for minimum payment. (a) is amended to read:

inc in HB/90
A municipality qualifying for an entitlement under AS 29.88 or AS 29.89 shall receive a minimum payment of \$34,000 [\$25,000] plus an area cost-of-living differential for each fiscal year if

(1) the municipality has conducted a regular election under AS 29.28.010 - 29.28.050 during the fiscal year preceding the year for which payment of an entitlement is authorized by AS 29.88 or AS 29.89 and has reported the results of the election to the commissioner of the Department of Community and Regional Affairs;

(2) regular council meetings are held in the municipality in accordance with the requirements of AS 29.23.210 during the fiscal year preceding the year for which payment of an entitlement is authorized by AS 29.88 or AS 29.89 and a record of the proceedings is maintained;

(3) a municipal budget has been adopted for the fiscal year during which payment of an entitlement is authorized by AS 29.88 or AS 29.89 and an audit or financial statement for the preceding fiscal year has been prepared and furnished to the Department of Community and Regional Affairs in accordance with AS 29.23.560(a); and

(4) local ordinances adopted by the governing body of the municipality have been codified in accordance with AS 29.48.180.

Communities that would benefit from this amendment are:
Hydaburg, Klawock, Akhiok, Akiak, Akutan, Aleknagik, Allakaket, Anaktuvuk Pass, Anderson, Anvik, Brevig Mission, Chefornak, Chevak, Clark's Point, Deering, Diomedea, Eagle, Eek, Ekwook, Elim, Fortuna Ledge, Gambell, Golovim, Goodnews Bay, Grayling, Holy Cross, Hooper Bay, Hughes, Kachemak, Kaktovik, Kaltag, Kasaan, Kiana, Kivalina, Kobuk, Kotlik, Koyuk, Koyukuk, Kupreanof, Kwethluk, Larsen Bay, Manokotak, Mekoryuk, Napakiak, Napaskiak, Newhalen, New Stuyahok, Newtok, Nightmute, Nikolai, Nondalton, Noorvik, Nuiqsut, Old Harbor, Ouzinkie, Pilot Station, Platinum, Point Hope, Port Alexander, Port Lions, Quinhagak, Ruby, Russian Mission, Saint Michael, Savoonga, Saxman, Scammon Bay, Selawik, Shageluk, Sheldon Point, Shishmaref, Shungnak, Stebbins, Tenakee Springs, Togiak, Toksook Bay, Tununak, Upper Kalskag, Wainwright, Wales, and White Mountain.

cc: Senator Dankworth
Dept. of C&RA



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STATE REVENUE SHARING WITH MUNICIPALITIES

Title 29, Chapter 88. Municipal Tax Resource Equalization:

This chapter provides for revenue sharing to municipalities based on the formula - population times millage rate equivalent. Millage rate equivalent is determined by multiplying the sum of the locally generated revenue of the municipality by one-tenth of one percent of the full and true value of assessed property in the municipality. (The former revenue sharing program provided for per capita grants based on services provided, such as police, fire, planning, etc.)

Title 29, Chapter 89. State Aid For Miscellaneous Municipal Purposes:

Road Maintenance. Provides \$2,500 a mile for each mile of road, street or highway maintained by the local government and \$1,500 a mile for ice roads. (same provision as former program except amounts per mile increased.)

Health Facilities and Hospitals. For municipally operated and non-profit hospitals, provides \$1,000 per bed or \$75,000 a hospital with 10 beds or more, or \$25,000 a hospital with less than 10 beds. This money goes to the hospitals; there is no discretion on the part of the municipality on how the money should be spent. For a municipally operated health facility, provides \$1,000 per bed or \$4,000 per health facility, with the restriction that the money must be used for expenses of health facilities or operation and maintenance of health facilities. (same as former program)

Volunteer Fire Departments in Unorganized Borough. Provides \$10 per capita for population served by a volunteer fire department in the unorganized borough. (Former program contained a per capita amount for all fire departments. Since expenses for fire departments in organized municipalities are included in the Chapter 88 formula, this section applies only to departments in the unorganized borough.)

Native Village Governments. Provides \$25,000 to each native village government. (new provision)

Title 29, Chapter 90. State Aid for Hospital Construction:

"If construction of a hospital began after January 1, 1968,

and state matching aid for construction approved for payment to the municipality or other hospital sponsor constitutes less than 25 percent of the total project cost, the department shall pay to the municipality or other hospital sponsor each fiscal year \$2,500 a bed for the maximum number of beds provided for in the construction design of the facility or five percent of the total project cost, whichever is greater. State aid provided for in this section shall continue until the municipality or other hospital sponsor has received an amount which, combined with state matching money for construction of the hospital, equals 25 percent of the total project cost. Money received for construction may not be used for any other purpose." (emphasis added) (Same provision in former program; most of the money goes to a private hospital in Anchorage and a private hospital in Fairbanks.)

Title 29, Chapter 95. Administration of Municipal Financial Assistance Programs: Provides for a \$25,000 minimum entitlement and for cost of living differentials.

Temporary and Special Acts, Chapter 155.

Hold Harmless. Provides that for the 1st five years no municipality may receive less than 125% of what it was entitled to receive under the former program; further provides for proration of payments if appropriation is not sufficient to cover hold harmless provision. (The 33½ million appropriated last year for FY 81 revenue sharing was not sufficient to cover hold harmless provision. The supplemental amount in SB 125 almost covers deficit.)

	<u>FY 81</u>	<u>with SB 125</u>
Chapter 88 - Tax Resource Equalization	\$13,242,132	\$32,248,645
Chapters 88 & 89 - Misc. and Hospital	13,750,176	18,333,280
Chapter 95 - Minimum Entitlement Add On	1,502,161	1,889,491
Chapter 155 - Hold Harmless Add On	<u>5,005,529</u>	<u>208,582</u>
Totals	\$33,500,000	\$52,680,000

ALASKA

STATE LEGISLATURE

MEMORANDUM

3/13/81

TO: Ben

FROM: Linda

RE: HB 190 'An Act relating to state aid to Native Village Governments;
and providing for an effective date.'

The following list is an accurate account of all Native Village Governments to date including population figures of those areas from the 'preliminary' 1980 Census.

	<u>name</u>	<u>population</u>
1.	Arctic Village (CDP)	104
2.	Atka (CDP)	93
3.	Beaver (CDP)	66
4.	Birch Creek (CDP)	32
5.	Cantwell (CDP)	95
6.	Chalkyitsik (CDP)	95
7.	Chignik (CDP)	179
8.	Chignik-Lagoon (CDP)	48
9.	Chignik Lake	138
10.	Chistochina	55
11.	Chitina	34
12.	Circle	80
13.	Cooper Center	213
14.	Crooked Creek	108
15.	Dot Lake	66
16.	Eagle Village	54
17.	Egegik	75
18.	Evansville	93
19.	False Pass	65
20.	Gakona	85
21.	Gulkana	111
22.	Healy Lake	33
23.	Iguigig	33
24.	Iliamna	94
25.	Ivanof Bay	41
26.	Kipnuk	367
27.	Klukwan	138
28.	Koghanok	83
29.	Koliganek	116
30.	Kongiganak	229
31.	Kwigillingok	241
32.	Levelok	80
33.	Lime Village	48
34.	Mentasta Lake	59
35.	Metlakatla	989
36.	Minto	152
37.	Nelson Lagoon	59
38.	Noatak	273
39.	Northway Village	113
40.	Pedro Bay	42

HB 190 - Fed. Law Citation -

476 - Sect says trustee
has authority to organize. -

Sect that follows says fed.
authority to incorporate.

477 - can issue papers of
incorporation.

- Uacka - Motion

HB 190 -

operated under

1934 - created but didn't extend
to Ark ~~1936~~ extended

~~1936~~
Citation

25 U.S.C. 476 (As amended
by sect. 473, 1936)

Amend - HB 190

- 1) included section to incorporate 2nd Class Cities.
- 2) Proper inclusion of U.S.C. cited ~~to~~ on line 15 pg. 1 - HB 190

(c) Money received by a municipality under (a)(3) of this section shall be used for expenses of health services or operation and maintenance of health facilities as the municipality determines.

(d) Before money may be distributed under this section, the commissioner of health and social services shall certify to the commissioner of community and regional affairs that any accumulation of assets by nonprofit corporations or other recipients under this section is dedicated irrevocably to a public purpose. (§ 3 ch 155 SLA 1980)

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Introduced: 2/19/81
Referred: Community & Regional
Affairs and Finance

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19 Claims Settlement Act (43 U.S.C. secs. 1601 - 1628).

20 * Sec. 2. This Act takes effect July 1, 1981.

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22 *- Add another Sec. to include 2nd Class*
23 *cities. -*
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Manley Hot Springs

1st & 2nd class cities -

108 - 2nd class cities }
56 - Villages }

No accountability -

8 people can qualify



Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Rep. Ben Grussendorf
Chairman
465-3870

Pouch V
State Capitol
Juneau, Alaska 99811

Summary - HB 190, By Adams, Vaska & Grussendorf

"An Act relating to state aid to Native Village Governments;
and providing for an effective date."

This bill raises the amount of state aid paid to a Native Village Government for a village which is not incorporated as a city to \$50,000 (presently \$25,000). The aid is funded through the revenue sharing formula.

A "Native Village Government" is defined as:

1. a local governing body organized by authority of the Act of Congress of June 18, 1934 (25 U.S.C. sec 476); or
2. a traditional village council or, if there is no traditional village council, the paramount chief or other governing body of a Native village which meets the requirements of the Alaska Native Claims Settlement Act (43 U.S.C. secs. 1601-1628).

The Act provides for an effective date of July 1, 1981.

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE (CORRECTED 3/12/81) JG

I. REQUEST

Bill/Resolution No. H B 190
Title An Act relating to state aid to Native Village Governments
Requested by Representative Adams Date March 12, 1981

II. FISCAL DETAIL

Agency Affected Department of Community and Regional Affairs
Program Category Affected Community Development
BRU, Program, or Subprogram(s) Affected Community Assistance Grants
(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 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES		19.3	20.8	22.5	24.3	
200 TRAVEL		9.0	9.9	10.9	12.0	
300 CONTRACTUAL		8.1	8.9	9.8	10.8	
400 COMMODITIES		.3	.3	.4	.4	
500 EQUIPMENT		.9	0	0	0	
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.		2029.6	2029.6	2029.6	2029.6	
TOTAL		2067.2	2069.5	2073.2	2077.1	

FUNDING (Thousands of Dollars)

	2067.2	2069.5	2073.2	2077.1
GENERAL FUND				
FEDERAL FUNDS				
OTHER (Specify Fund Source)				

POSITIONS

	1	1	1	1
FULL TIME				
PART TIME				
TEMPORARY				

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

The new State Revenue Sharing Program enacted last year presented new and complex administration problems. The addition of Native Village Governments under AS 29.89.050 expanded the number of clients served under this program by over 30%. It also created the need for an additional application format and, in general, created a separate class of applicants that required special attention.

With the enactment of HB 192 last year, several other major changes occurred:

1) The program has become substantially more complex. This has made the program both more difficult to administer and to explain to municipalities, Native village governments and Volunteer fire departments.

--CONTINUED ON NEXT PAGE--

IV. DATE March 13, 1981 PREPARED BY Doug Griffin
AGENCY Department of Community & Regional Affairs
PHONE 465-4736
Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)

- 2) An increased level of funding has, in part, spawned legislation to reduce property taxes. If this type of legislation is enacted, State Revenue Sharing will fund an increased portion of the municipalities budget and become an even more politically sensitive issue.
- 3) The requirement for a minimum entitlement (regular elections and council meetings, budgets and codified ordinances) have increased the need to deliver technical assistance to all communities requesting it.

These changes in the State Revenue Sharing Program require, therefore, for the Administrative Assistant I to provide more technical assistance over the telephone, in written correspondence, in workshops and through personal technical assistance visits. This additional responsibility merits an upgrade of the position to a Local Government Specialist I. This fiscal note also proposes the hiring of a Clerical Aide to handle the routine clerical and data management duties the Administrative Assistant now handles.

BREAKDOWN
FY 82

100 PERSONAL SERVICES

- 1 Upgrade Administrative Assistant I range 12 step C to Local Government Specialist I range 13 step B

Local Govt. Spec. I	\$1,928 X 12 = \$23,136 X 15.37% + \$2,004 + \$154=	\$	28,850
Admin. Asst. I	\$1,870 X 12 = \$22,440 X 15.37% + \$2,004 + \$154=	\$-	<u>28,047</u>
		\$	<u>803</u>

- 1 Clerical Aide - range 5 step A

	\$1,181 X 12 = \$14,172 X 15.37% + \$2,004 + \$154=	\$	<u>18,508</u>
--	---	----	---------------

	\$	<u>19,311</u>
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200 TRAVEL

15 Trips @ 500 each plus \$100 per diem each

	= \$	<u>9,000</u>
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300 CONTRACTUAL

Long Distance Telephone	\$	780
Basic Phone	120	
Centrex	403	
Postage	1,800	
Printing and Advertising	1,440	
Repairs and Maintenance	660	
Copier	180	
Office Space 150 sq. ft. @ 1.50 mo. X 12	<u>2,700</u>	

	= \$	<u>8,083</u>
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400 COMMODITIES

TOTAL COMMODITIES

= \$ 300

500 EQUIPMENT

1 Desk	\$ 477
1 Chair	141
1 Calculator	<u>249</u>

TOTAL EQUIPMENT

= \$ 867

700 GRANTS, CLAIMS, ETC.

HB 190 Funding	70 villages X 50,000	3,500,000
FY 82 Funding	Less	<u>1,470,404</u>
Additional Funding Needed for TOTAL GRANTS		<u>2,029,596</u>

Assumptions:

1) FY 82 funding under the present Native Village Government provisions comes from February 4, 1981 printout. The Governor's funding level of \$51.9 million is assumed

2) 11 additional INVG's will apply bringing the total to 70.

3) No inflation factor was applied to grants.

4) Eight percent inflation factor applied to personal services with ten percent inflation for travel, contractual services and commodities.

5) Funding for Native village governments can be targeted per Section 3 language in SB 125.