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COMMITTEE REPORT

HOUSE

FURTHER: TRANSPORTATION
FINANCE

(7)
2/17/83

Date: 2/17/83

Mr. Speaker:

The Committee on TRANSPORTATION has had HB 41

Relating to state aid to municipalities for roads; and providing for an effective date.

under consideration and reports it back as follows:

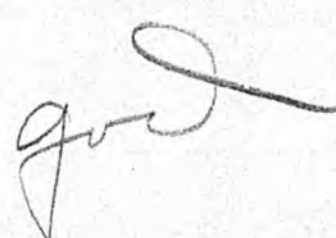
- do pass do not pass
- do pass with attached amendments(s)
- replace with CS for _____ same title
 new title
- and recommends _____
- AND attaches a "Letter of Intent" New Fiscal Note
- reports it back without recommendation Zero Fiscal Note Attached
- referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

CHAIRMAN

Notti



March 21, 1983

Emil Notti
Legislative Liaison
Governor Sheffield's Office
State Capital

Dear Mr. Notti,

Enclosed is a copy of a letter from Mr. Snell, acting Deputy Commissioner of Transportation, to Gary Thurlow, Borough Manager of Mat-Su. You will note that the Capital budget does not include Pittman Road. It was my understanding that this would be considered a top priority item in the Capital budget.

Sincerely,

Barbara Lacher
Representative
District 16

BL/sr

Copy
Emil
Motta
will cover

STATE OF ALASKA

DEPARTMENT OF TRANSPORTATION and PUBLIC FACILITIES

file
HB 41

Bill Sheffield, Governor

MAR 13 1983

4111 AVIATION AVENUE, POUCH 6900
ANCHORAGE 99502 (TELEX 25-188)

March 9, 1983

Gary Thurlow
Borough Manager
Matanuska-Susitna Borough
Box B
Palmer, AK 99645

Dear Mr. Thurlow:

RE: State Maintained Roads

This letter is in response to your inquiry regarding the Department's position on including in the Governor's budget improvements to State maintained collector roads in the Matanuska-Susitna Borough. Improvements to these collector roads were recommended by the Department's Central Region Planning and Programming Division in their Transportation Improvement Program (TIP), which was submitted to the Governor for use in preparing his budget. More specifically you have inquired about the following State maintained collector roads:

1. Pittman Road
2. Trunk Road
3. Big Lake Road
4. Church Road
5. Hatcher Pass Road
6. Hyer Road

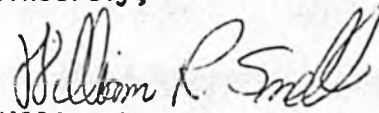
Of the roads listed above, the Fishhook-Willow Road (Hatcher Pass Road) was included as a road which could be considered for preliminary engineering funding under the "Highways Preliminary Engineering" item of the Governor's budget. None of the other roads identified above were included in the Governor's FY'84 capital budget.

Unfortunately not all Statewide Transportation projects can be met due to the limited amount of funds available for yearly capital projects. The Department and the Governor realize the need to improve the State collector roads which serve the rapidly developing rural residential area of the Matanuska-Susitna Borough. Although none of the road you have mentioned above are included in the Governor's capital budget, the Governor is currently developing a supplemental budget for submission to the Legislature. As the supplemental budget is developed, careful consideration will be given to funding for the improvement of State roads in the Borough which serve a collector function.

March 9, 1983

Thank you for bringing your concerns to my attention. I am hopeful that funding will be made available this session to meet some of the recognized transportation needs which were identified in your letter. If you have any questions please call.

Sincerely,



William R. Snell
Acting Deputy Commissioner
Central Region

cc: Senator Jay Kerttula
Representative Barbara Lacher
Representative Ronald L. Larson

Alaska
MUNICIPAL
League

TELEPHONES
(907) 586-1325
586-6526

204 N. FRANKLIN ST.
JUNEAU, ALASKA 99801

February 1, 1983

to: House CRA Committee
from: Ginny Chitwood *Ginny*
re: HB 41 - State Aid to Municipalities for Roads

The Alaska Municipal League supports the adoption of HB 41, increasing state aid to municipalities for roads from \$2,500 a mile to \$3,500 a mile if the revenue sharing appropriation is increased to cover the increased entitlement. If the total appropriation is not increased, then municipalities will receive decreased funding in the other revenue sharing categories to make up for the road increases.

It has been three years since the allocation per mile has been increased. Needless to say, the cost of road maintenance has gone up considerably since then. At that time, it was estimated that the actual costs of maintaining a mile of road were between \$4,000 and \$8,000.

Liska's ofc

3732 Many

HB 41

why was word "municipality" used rather than "local govt"

Tamara
Cook

W/D
13-03/4

~~The~~ local govt is term being phased out of statutes because municipality is term used most freqly in municipal code.

Also in first title of code, trying to get in definitions of commonly used terms; municipality is one word they're trying to get in Title 29 revision. Being done for consistency; words can actually be used ~~the~~ interchangeably. Doing it for sake of uniformity. Trying to

13-~~02~~ 0311

municipal aid request
establishing pgm of municipal
aid.

Remind
Barbara -
it's still on hold.

Tamara Cook

STATE OF ALASKA

Bill Sheffield, Governor

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

POUCH B
JUNEAU, ALASKA 99811
PHONE: (907) 465-4700

Position Paper

Re: HB 41

Sponsor: Representative Lacher

Programs Effects

This Bill would increase the per mile amount distributed for road maintenance under the Municipal Revenue Sharing program. It would raise it from \$2500 per mile to \$3500 per mile.

Comments

The Department supports the intent of this bill to increase aid to communities. The Department would suggest an increase to the appropriation to the Municipal Revenue Sharing Fund if this bill were passed. For the current year Chapter 89 Revenue Sharing funds are prorated at 81% of the total each community is eligible for; if this bill were in place that proration factor would be approximately 75%. That would mean that Municipal Revenue sharing for other areas (Health Care, Volunteer Fire Departments, and Unincorporated Communities.) would be reduced to pay for increased assistance for roads if the appropriation were not increased.

Additionally, increasing the amount per mile of road could weight the formula disproportionately in favor of Municipalities located on the road system.

The bill should also be reviewed in light of other proposed changes in the Municipal Revenue Sharing program and projected funding over the next few years.



Official Business

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

TO: House C & RA Committee Members

FROM: Staff

SUBJECT: House Bill 41

AS 29.89.020 provides \$2,500 per road mile to municipalities that maintain roads excluding the official state highway system (state maintained) and roads maintained under the local service roads and trails program.

The amount of \$2,500 per road mile of maintainance was established by the Legislature in 1980. There has been no increase in the amount authorized in recognition of inflation in the cost of maintaining roads.

According to figures provided by the Department of Transportation and Public Facilities, they requested an average of \$9,300 per mile for maintenance of state roads in FY 83.



ALASKA STATE LEGISLATURE
HOUSE OF REPRESENTATIVES
RESEARCH AGENCY

Pouch Y, State Capitol
Juneau, Alaska 99811
(907) 465-3991

January 31, 1983

MEMORANDUM

TO: Representative Barbara Lacher
Attention: Bob Harris

FROM: Christine Johnson and Jonathan Sherwood
Research Staff

RE: Road Maintenance Costs
Research Requests 83-33

Bob Harris of your staff has requested the following information for hearings scheduled on HB 41. This bill would increase the amount municipalities receive from the State for road maintenance from \$2,500 to \$3,500 per road mile.

- (1) How would HB 41 affect the amount of money received for road maintenance in each election district?
- (2) How much did the State Department of Transportation and Public Facilities receive for road maintenance in FY 83?
- (3) What is the average cost of maintenance per road mile on roads maintained by the State?

Increase in Revenues by Election District

Table 1 on the following page shows the amount of money which would be received in each House district in FY 84 at \$2,500 per mile and at \$3,500 per mile. As the table indicates, municipalities would receive approximately \$11.1 million for road maintenance in FY 84 under HB 41. This compares to \$7.9 million which they could receive under the current program in FY 84, given full funding. The amounts shown on the table include a cost-of-living adjustment computed by the Department of Administration. State law (AS 29.89.070) currently requires that payments to municipalities under this program reflect area cost-of-living differentials.

Please note that where a municipality encompasses more than one House district we have combined those districts.

State Expenditures for Road Maintenance

According to Paul Harris, with the Department of Transportation and Public Facilities Maintenance and Operation Division in Anchorage,

Representative Lacher
January 31, 1983
Page No. 2

the approximate cost of State road maintenance can be obtained by adding the FY 83 appropriation for each region in the Maintenance and Operation Budget Request Unit of DOT/PF's budget (see FY 84 Executive Budget, page 481). The total for all regions, including the Dalton Highway is about \$56 million. According to Mr. Harris, the State is responsible for maintaining approximately 6,000 road miles. Based on this estimate, the average cost per road mile of maintaining State roads is \$9,300.

If you would like any additional information on this topic, please don't hesitate to contact us.

CJ:JS

TABLE I
Amount Which Would Be Received in Each Election District
for Road Maintenance in FY 84
at \$2,500 Per Mile and \$3,500 Per Mile
(Cost-of-Living Adjustment Included)

Election District		Miles of Road	\$2,500 Per Mile	\$3,500 Per Mile	Difference in Revenues
1	Ketchikan-Wrangell-Petersburg	39.28	\$ 99,795	\$ 139,712	\$ 39,917
2	Inside Passage-Cordova	53.85	143,671	201,134	57,463
3	Baranof-Chichagof	23.46	61,346	85,884	24,538
4	Juneau	59.44	148,600	208,040	59,440
5 & 6	Kenai Peninsula	590.35	1,596,029	2,234,436	638,407
7-15	Anchorage	590.91	1,477,275	2,068,185	590,910
16	Matanuska-Susitna	766.99	1,989,382	2,785,133	795,751
17	Interior Highways	32.81	104,637	146,488	41,851
18-21	Fairbanks Area	223.75	648,150	907,406	259,256
22	North Slope-Kotzebue	87.75	305,549	427,765	122,216
23	Norton Sound	52.47	180,806	253,125	72,319
24	Interior Rivers	152.24	526,712	737,396	210,684
25	Lower Kuskokwim	17.97	60,315	84,438	24,123
26	Bristol Bay-Aleutian Islands	147.46	477,002	667,798	190,796
27	Kodiak-East Alaska Peninsula	44.62	120,074	168,102	48,028
TOTAL ALL HOUSE DISTRICTS		2883.35	\$7,939,343	\$11,115,042	\$3,175,699

Source: House Research Agency, 1/83.

ALASKA

DIVISION OF ELECTIONS
STATE OF

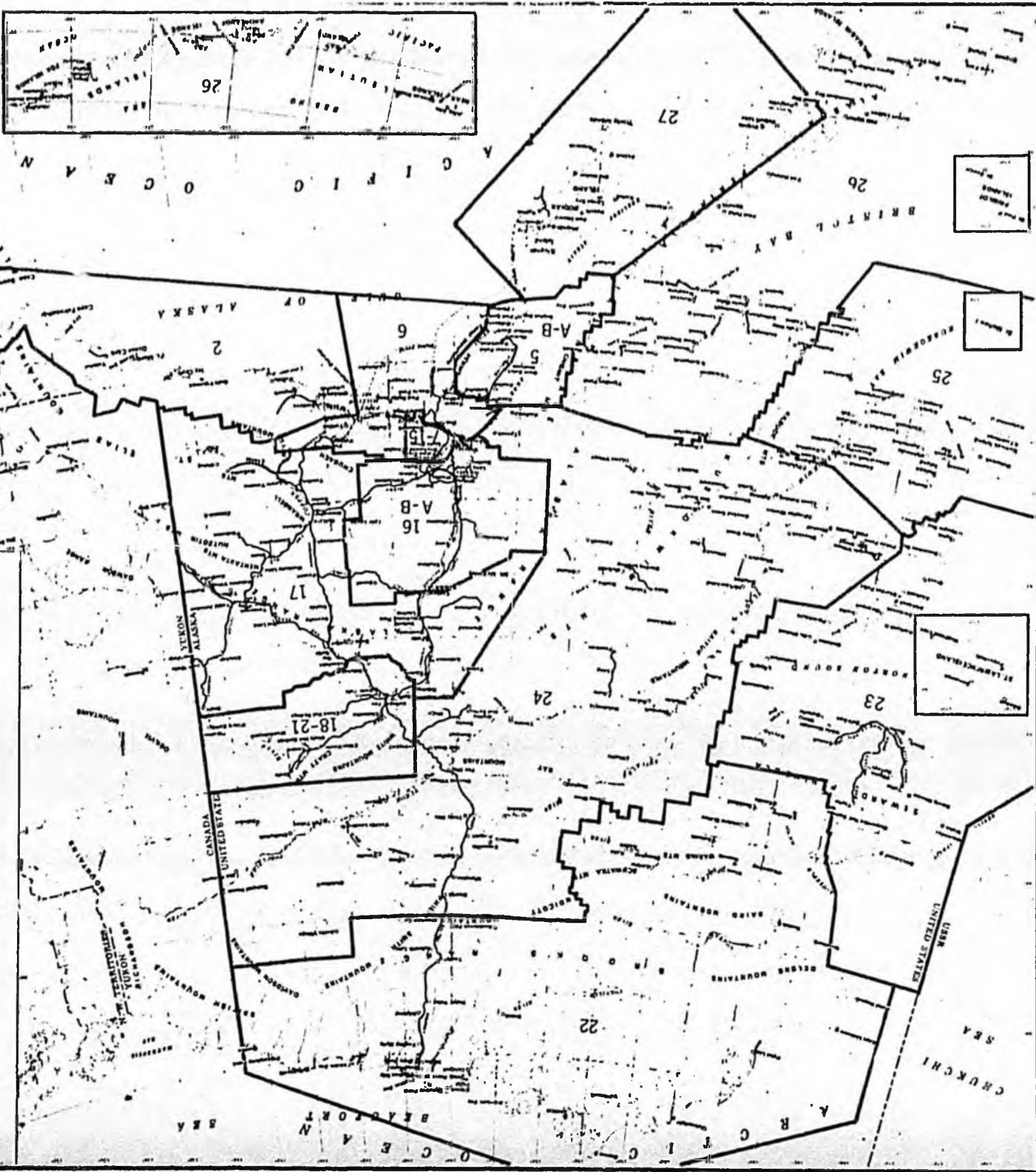
OFFICIAL ELECTION DISTRICT MAP
AS DETERMINED BY
THE STATE SUPREME COURT

JUNE 1, 1982

HOUSE DISTRICTS

- A 1 SA 91'
- B 2, 3
- C 4 SA 91, 92
- D 5 SA 91, 92 SA 91
- E 6 SA 91, 92 SA 91
- F 7 SA 91, 92 SA 91
- G 8 SA 91, 92 SA 91
- H 9 SA 91, 92 SA 91
- I 10 SA 91, 92 SA 91
- J 11 SA 91, 92 SA 91
- K 12 SA 91, 92 SA 91
- L 13 SA 91, 92 SA 91
- M 14 SA 91, 92 SA 91
- N 15 SA 91, 92 SA 91

(A-B) - Two - number district with dashed line
Solid line indicates house district boundaries



ST. LAWRENCE ISLAND

ADAMSON ISLAND

ST. LAWRENCE ISLAND

USA
UNITED STATES

CHUKCHI SEA

STATE OF ALASKA

Bill Sheffield, Governor

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

POUCH B
JUNEAU, ALASKA 99811
PHONE: (907) 465-4700

TO: The Honorable Barbara Lacher
Chairman
House Committee on Community
and Regional Affairs

FROM: Karen Perdue *RP* by *RP*
Legislative Liaison, DCRA

SUBJECT: Fiscal Notes

31 Jan

A Fiscal Note for HB 41 has been forwarded by the Department of Community & Regional Affairs to the Office of Management and Budget.

Any questions regarding the status of these Fiscal Notes should be referred to the Office of Management & Budget.

THE LEGISLATURE OF THE STATE OF ALASKA
THIRTEENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
 Bill/Resolution No. HB 41
 Title "State aid to municipalities for roads..."
 Requested by Representative Lacher Date 1/31/83

II. FISCAL DETAIL
 Agency Affected Community & Regional Affairs
 Program Category Affected Development
 BRU, Program, Or Subprogram(s) Affected Local Government 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 83	FY 84	FY 85	FY 86	FY 87	FY 88
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		\$3,185.8	3,345.1	3,512.4		

FUNDING (Thousands of Dollars)

	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88
GENERAL FUND		3,185.8	3,345.1	3,512.4		
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS

	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88
FULL TIME						
PART TIME						
TEMPORARY						

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

This bill would increase the amount Municipalities receive from State Aid (AS 29.89) for road maintenance.

The above projections are based on the currently approved 2883.35 road miles and incorporates the COLA for all the areas. They reflect the difference between the current \$2500 per mile and the proposed \$3500 per mile.

IV. DATE 1/31/83 PREPARED BY T. Farley
 AGENCY Community & Regional Affairs
 Original: Legislative Finance PHONE 465-4730
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

33-001 (Rev. 12/82)

OMB Reviewed by: Sana Efird *SE*

STATE OF ALASKA
THE LEGISLATURE

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

December 20, 1982

SUBJECT: State aid to municipalities for roads
(Work Order No. 13-0314)

TO: Representative-elect Barbara Lacher

FROM: Tamara Brandt Cook
Legislative Counsel

TBC

Here is a draft of the bill you requested that would increase the amount of state aid to municipalities for roads. As you may be aware, an effort was made during the Twelfth Legislative Session to revise all of the municipal code. A similar revision bill may be introduced again this coming session. I have attempted to draft this legislation so that the increase in state aid will be effective even if a bill revising the municipal code is enacted. Section 1 of this draft amends existing law. Section 2 amends the relevant provision as it may exist under a revision bill, but that section is effective only upon the enactment of the municipal code revision. Additional changes to this legislation may be necessary to reconcile it with a municipal code revision bill if one is introduced.

Please let me know if you would like changes made to this draft or if you would like it to be prefiled.

TBC:lmb

Enclosure

(2) to a Native village government under AS 29.89.050. (§ 3 ch 155 SLA 1980)

Sec. 29.89.020. State aid to municipalities for roads. (a) The department shall pay to a municipality which has power to provide for road maintenance and exercises that power, \$2,500 a mile for each mile of road, street or highway maintained by the local government, excluding (1) the official state highway system, (2) roads, streets or highways not dedicated to public use, (3) roads, streets or highways maintained under the local service road program (AS 19.30.111 — 19.30.251), and (4) alleyways, in accordance with regulations adopted by the Department of Transportation and Public Facilities. A payment may not be made under this subsection for maintenance of a road which is not used by automotive equipment.

(b) A frozen waterway and a connection from an inhabited area to a waterway which may be safely used for public transportation by automotive equipment and is so used during a portion of a year is eligible for a payment of \$1,500 per mile if the waterway and connection are maintained during the period of use by a municipality or combination of municipalities. The department, after consultation with the Department of Transportation and Public Facilities, shall determine which waterways and connections qualify and, where the waterways or connections lie outside the corporate limits of a municipality, which municipalities shall receive the payments under this subsection, unless the municipalities involved have agreed in writing to a particular distribution. (§ 3 ch 155 SLA 1980)

Sec. 29.89.030. State aid to municipalities and other eligible recipients for health facilities and hospitals. (a) The department shall pay

(1) to a municipality which has the power to provide hospital facilities and services and which exercises that power, \$1,000 per bed for each bed actually used for patient care, limited to the number of beds provided for in the construction design of the hospital, or \$250,000 a hospital for those hospitals with 10 or more beds, or \$50,000 a hospital for those hospitals with less than 10 beds, as the municipality may elect; money received under this paragraph may be used only for hospitals and shall be apportioned among qualifying hospitals as the municipality determines;

(2) on the basis set out in (1) of this subsection to a municipality for a nonprofit hospital not operated by a municipality if the municipality first certifies to the department that the nonprofit hospital is in compliance with all standards for hospitals which have been adopted by the municipality; money may not be paid on behalf of a nonprofit hospital without this certification; payments to the municipality shall be transferred to the nonprofit hospital in accordance with the basis by which the payment was generated by the hospital, and shall be applied to the

The Borough's experience has been that \$2,500 per road mile will cover the cost of about six snowplowing, plus a late Spring grading and a late Fall grading. Very little is left for other road maintenance such as ditching and culverts. A series of heavy Winter snowfalls puts all Summer maintenance in jeopardy. State maintenance costs average well over \$4,000 per road mile, even though many state roads are paved or are otherwise built to a high standard with respect to surface, width and drainage.