

HB

39

STATE OF ALASKA
THE LEGISLATURE

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

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Mary Van Nimwegen

House Transportation

2/14/89

FEBRUARY 14, 1989

COMMITTEE CALENDAR

HB 39: "An Act relating to state aid to municipalities for roads and frozen waterways; and providing for an effective date."

FOR THIS MEETING, YOU HAVE BEEN GIVEN:

Folder 1: House Bill 39

- ITEM #1: HB 39
- #2: C/S for HB 39
- #3: Fiscal Note: Dept. of Community & Regional Affairs
- #4: Position Paper: Dept. of Community & Regional Affairs
- #5: House Research Paper
- #6: Analysis
- #7: Statutes

15-44

6-0136E.

Cook
2/8/89

Original sponsor: Miller

1 IN THE HOUSE

2 CS FOR HOUSE BILL NO. 39 (Jensen)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to state aid to municipalities for
7 roads; and providing for an effective date."

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

9 * Section 1. AS 29.60.110(a) is amended to read:

10 (a) The department shall pay to a municipality that has power to
11 provide for road maintenance and exercises that power, \$2,500 a mile
12 for each mile of road, street, or highway maintained by the municipal-
13 ity, excluding (1) the official state highway system, (2) roads,
14 streets, or highways not dedicated to public use, (3) roads, streets,
15 or highways maintained under the local service road program (AS 19.-
16 30.111 - 19.30.25!), and (4) alleyways, in accordance with regulations
17 adopted by the Department of Transportation and Public Facilities. A
18 payment may not be made under this subsection for maintenance of a
19 road that is not used by automotive equipment. Money received by a
20 municipality under this section may be used only for construction or
21 maintenance of roads. No more than 10 percent of the money received
22 may be used for administrative costs incurred in connection with the
23 construction or maintenance, including costs of bidding, contracting,
24 and project oversight.

25 * Sec. 2. This Act takes effect July 1, 1989.
26
27
28
29

FISCAL NOTE

REQUEST:

Revisio: Date: _____
 Title: "An Act..state aid to municipalities for roads.."
 Sponsor: Miller
 Requestor: _____
 Agency Affected: Community & Regional Affairs
 BRU: _____
 Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-

CAPITAL						
---------	--	--	--	--	--	--

REVENUE						
---------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

GENERAL FUND	-0-	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS						
OTHER						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS:

FULL-TIME	-0-	-0-	-0-	-0-	-0-	-0-
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

Prepared by: Jim Plasman, Deputy Director Phone: 465-4750
 Division: Municipal & Regional Assistance Date: 2/13/89
 Approved by Commissioner: [Signature] Date: 13 Feb 89
 Agency: Community & Regional Affairs

Distribution (by preparer):
 Legislative Finance
 Legislative Sponsor
 Requestor
 Office of Management and Budget
 Impacted Agency(ies)

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

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February 13, 1989

POSITION PAPER

RE: House Bill 39

SPONSOR: Representative Miller

Program Effects of Bill:

This bill would require a municipality that receives State Revenue Sharing funds for maintenance of public roads, to use the monies received for construction or maintenance of the roads. Further, the bill would limit administrative costs incurred in providing road maintenance to 10 percent of the amount of money received.

Comments:

Under current program regulations (19 AAC 30.052), a municipality must agree to spend at least 20 percent of the amount received (including the COLA), on road maintenance and the remainder for a public purpose. The department is concerned with the impact this bill may have on municipalities, especially smaller municipalities, that depend upon these funds to provide other local government services that have a higher priority in the community.

Secondly, this bill does not address whether the area cost-of-living differential (COLA) funds received by a municipality under AS 29.60.160 on the basis of miles of road under AS 29.60.110 are subject to the provisions of HB 39. If it is the intent to include the COLA funds, this may be accomplished by adding the following language beginning at line 19 of the proposed committee substitute:

Money received by a municipality for roads under this section and AS 29.60.160 may be used only for construction or maintenance of roads.

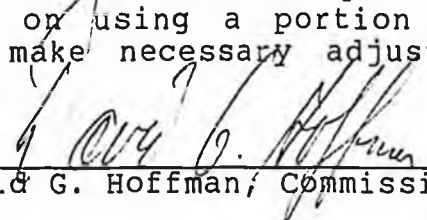
The bill provides for a limitation of administrative costs; however, "administrative costs" are not clearly defined. This may present a problem with monitoring or auditing those costs.

House Bill 39
February 13, 1989
Page Two

Current language in the statute speaks to maintenance of roads. This is reflected in the basis of payment, which is existing miles of road that meet standards established by DOT/PF. Under the proposed language, funds received under this section could also be directed toward construction of new roads. This raises the question of whether a new basis of payment should be considered, such as including miles of road under construction.

It should also be noted that this bill addresses only funds received for maintenance of public roads and not ice roads. By not including ice roads, this bill would create two different levels of program requirements and service delivery.

The final concern the department has with this bill is the effective date of July 1, 1989. Municipalities are currently in the process of planning their budgets for FY 90. An effective date of July 1, 1989 does not allow adequate time for those municipalities that plan on using a portion of these funds for other priorities to make necessary adjustments to their budgets.



David G. Hoffman, Commissioner



ALASKA STATE LEGISLATURE
HOUSE OF REPRESENTATIVES
RESEARCH AGENCY

P.O. Box Y, State Capitol
Juneau, Alaska 99811-3100
Mail Stop 3100
(907) 465-3991

October 25, 1988

MEMORANDUM

TO: Representative Mike Miller

ATTN: Gene Therriault

FROM: Karen Oakley *KO*
Legislative Analyst

RE: State Aid to Municipalities for Roads: Administrative Costs of
Boroughs with Road Service Areas
Research Request 89.071

You asked how many municipalities receive revenue sharing moneys from the state for roads under AS 29.60.110 (State Aid to Municipalities for Roads). For those boroughs which have road service areas, you asked how much of the revenue sharing moneys is passed through to the service area and how much is retained by the borough for administration.

In summary, we found that the four boroughs that provide for road maintenance through road service areas charge from \$0 to \$500 per mile for the administrative and contract management services they perform on behalf of the service areas. Road service areas receive revenue from local taxes as well as the state revenue sharing program, and administrative charges are not paid solely from the revenue sharing moneys. Thus, the percentage of state funds spent for administration cannot be precisely determined.

Background

A borough assembly may establish by ordinance service areas in which special services will be provided. Special services include those services not provided on an areawide or nonareawide basis within the borough or a higher or different level of service than that provided on an areawide or nonareawide basis. The assembly may provide for an elected or appointed board to supervise the provision of the special services, and the assembly may authorize the levying of taxes, charges or assessments in a service area to provide the special services.

The power to maintain roads is an "additional power," which municipalities may choose to acquire. Boroughs which acquire road maintenance powers may elect to exercise that power on an areawide, nonareawide (outside cities) or a service area basis. Of Alaska's 13 boroughs, four provide for road maintenance through service areas. These boroughs are: Municipality of Anchorage, Fairbanks North Star Borough, Kodiak Island Borough, and Matanuska-Susitna Borough.

Revenue Sharing for Roads

Under AS 29.60.110, the state annually pays municipalities that have and exercise the power to maintain roads \$2,500 per mile for each mile of road maintained by the municipality. In recent years, the total amount appropriated to the road maintenance fund has been insufficient to provide \$2,500 per mile to all eligible municipalities, and the amounts have been prorated. In FY 88, municipalities received an average of \$1,544 per mile.

In FY 88, 129 municipalities received moneys for road maintenance under AS 29.60.110. Attachment A lists these municipalities and the amounts received for roads in FY 88. A total of \$6.5 million was disbursed.

Under regulations adopted by the the Department of Community and Regional Affairs (DCRA), municipalities applying to receive funds under AS 29.60.110 must meet certain standards, including the following:

- If the municipality is a city or a borough that does not have road service areas, the municipality must agree to spend at least 20 percent of the moneys on road maintenance; the remaining moneys may be spent for any public purpose.
- If the municipality is a borough that provides road maintenance through road service areas, the borough must agree to allocate the entire amount received for road maintenance within a road service area to the road service area.¹

The regulation treats boroughs with road service areas differently than boroughs without road service areas, however, there has been some confusion about this point even within the DCRA. The current application form that municipalities must complete to receive revenue sharing for roads requires boroughs to agree to spend at least 20 percent of the money for road maintenance. According to Pauline Valaha, Program Manager for Revenue Sharing and Municipal Assistance, the application form will have to be changed to make it clear that boroughs with road service areas must pass all of the money on to the road service area.

* 11750 /
¹The regulation is 19 AAC 30.052 and is found in Attachment B.

Boroughs With Road Service Areas:

Table 1 presents relevant information about the four boroughs which provide for road maintenance through service areas. Below, the means by which the road service areas are administered in each borough are described.

Municipality of Anchorage. According to Jim Turner, Public Works Department, the Municipality of Anchorage has 15 road service areas. Most are limited service areas, and voters in each area must approve the continuation of the service area once every three years. State revenue sharing funds for road maintenance generally represent from 15 to 25 percent of each road service area's budget; the remainder is raised through property taxation. Most service areas levy a 1 to 1.5 mill tax for road maintenance.

By ordinance, the public works department, which provides all financial and contract management services to the road service areas, may not charge more than ten percent of a service area's total budget for administration. In general, the public works department retains between six to nine percent. On a per mile basis, administrative costs can be as high as \$500 per mile.

Fairbanks North Star Borough. According to Peggy Martin, Manager of the Rural Services Division, the Fairbanks North Star Borough currently has about 345 miles of public roads maintained through its 95 road service areas.² A total of 400 volunteers serve on the boards which manage the road service areas. Each year, each board submits a budget and a maintenance plan to the assembly, and the assembly appropriates money to each road service area. In general, the assembly appropriates the amount the road service area should receive under the state revenue sharing program and any additional amount requested by the service area to be raised through taxation of the service area residents.

²The Fairbanks North Star Borough also has from 900 to 1,200 miles of road not maintained by the city, borough or the state.

TABLE 1
 BOROUGH WITH ROAD SERVICE AREAS: GENERAL INFORMATION

BOROUGH	MILES OF ROAD MAINTAINED	NUMBER OF ROAD SERVICE AREAS	NUMBER OF RSA SUPERVISORS	FY 88 REVENUE SHARING FOR ROADS	AMOUNT RETAINED FOR ADMINISTRATION
MUNICIPALITY OF ANCHORAGE	792.51	15	60+	\$1,100,002	by municipal ordinance not more than 10 percent of total service area budget (taxes plus revenue sharing)
FAIRBANKS NORTH STAR BOROUGH	334.83	95	400	538,498	by municipal ordinance \$500 per mile
KODIAK ISLAND BOROUGH	20.48	4	28+	30,595	none, but road service area does not receive interest earned on money in their account
MATANUSKA-SUSITNA BOROUGH	933.64	17	50-85	1,344,487	\$226,000 for road services department; not charged for financial services

Sources: Department of Community and Regional Affairs and the individual boroughs.

Prepared by the House Research Agency, October 1988 (89.071).

While the service area boards set the priorities for expenditure of the money, the administration of the money, i.e., paying the bills and preparing the annual audit required by DCRA, is handled by the Rural Services Division. For these services, the Rural Services Division charges a fee of \$500 per mile. The fee is required under an ordinance adopted by the borough assembly. In 1986, Mayor Juanita Helms requested that the assembly amend the ordinance to have the fee levied on a percentage basis. Because revenue sharing moneys from the state were being reduced, the set fee resulted in the road service areas paying up to 40 percent of their revenue sharing money to the borough for the administrative services rendered by the Rural Services Division. The borough assembly, however, did not amend the ordinance.

*CONFIDENTIAL
J. B. MILLER
11/1/88*

Kodiak Island Borough. The Kodiak Island Borough passes 100 percent of the revenue sharing moneys received from the state for road maintenance on to its four road service areas. However, the borough does not pay interest earned on the money received from the state to the road service area. Any interest earnings are retained by the borough to offset the costs of providing financial and contract management services to the road service areas.

Matanuska-Susitna Borough. According to Allen Cigartson, Chief, Road Services, the Mat-Su Borough has 17 road service areas which currently provide maintenance for about 930 miles of public road. Each road service area board is supposed to have from three to five members, but there are many vacancies, because there have been so few volunteers. The road services department supervises the work of the contractors hired by the road service areas.

Part of the road services department budget is taken from the revenue sharing moneys received from the state. Approximately \$226,000, or 17 percent, of the \$1.3 million revenue sharing moneys are allocated to the road services department. On a per mile basis, the road services department costs \$242 per mile. The remaining moneys are passed on to the road service areas. The borough finance department performs all financial services needed by the road service areas, but the service areas are not charged directly for those services.

I hope you find this information useful. If you need additional information, please let us know.

Attachments

ATTACHMENT A
DCRA MISCELLANEOUS INFORMATION REPORT, FY 88

DEPARTMENT OF COMMUNITY & REGIONAL AFFAIRS
MISCELLANEOUS INFORMATION REPORT

MAR 01, 1988

FY 88

KEY	DCRA PLACE NAME	PUB ROAD MILES	ICE ROAD MILES	REG HOSP	LRGE HOSP	HOSP BEDS	HLTH FAC	H F BEDS	Public Roads	ICE Roads	Totals
									#	#	#
12004099	AKHIQ	3.10	0.00	0	0	0	0	0	4,631	0	4,631
11203099	AKIACHAK (missing)	0.00	0.00	0	0	0	0	0	0	0	0
11204099	AKIAK	1.30	0.00	0	0	0	1	C	2,422	0	2,422
11701099	AKUTAN	0.00	0.00	0	0	0	0	0	0	0	0
11102099	ALAKANUK	4.00	22.50	0	0	0	1	0	7,453	25,155	32,608
11402099	ALEKNAGIK	7.00	8.50	0	0	0	1	0	12,571	9,159	21,730
11733099	ALEUTIANS EAST BOROUGH (missing)	0.00	0.00	0	0	0	0	0	0	0	0
10502099	ALLAKAKET	5.20	0.00	0	0	0	0	0	10,052	0	10,052
10201099	AMBLER	5.22	0.00	0	0	0	1	0	10,091	0	10,091
10101099	ANAKTUVUK PASS	0.00	0.00	0	0	0	0	0	0	0	0
10701099	ANDERSON	8.72	0.00	0	0	0	1	C	7,459	0	7,459
12601099	ANGOON	5.18	0.00	0	0	0	1	C	7,459	0	7,459
11301099	ANIAK	17.76	24.00	0	0	0	3	0	34,333	27,838	62,171
10401099	ANVIK	6.75	0.00	0	0	0	0	0	13,044	0	13,044
11209099	ATMAUTLUAK (missing)	0.15	0.00	0	0	0	1	0	0	0	0
10102099	ATQASUK	0.00	0.00	0	0	0	0	0	0	0	0
10103099	BARROW	0.00	0.00	0	0	0	0	0	0	0	0
11210099	BETHEL	15.76	27.70	0	0	0	2	0	29,367	30,964	60,331
10506099	BETTLES	0.00	30.00	0	0	0	0	0	0	34,797	34,797
10306099	BREVIK MISSION	0.00	0.00	0	0	0	1	0	0	0	0
11600099	BRISTOL BAY BOROUGH	12.50	0.00	0	0	0	1	0	22,449	0	22,449
10203099	BUCKLAND	2.50	44.50	0	0	0	1	0	4,853	51,616	56,469
11217099	CHEFORNAK	0.00	0.00	0	0	0	1	0	0	0	0
11109099	CHEVAK	3.09	0.00	0	0	0	1	0	5,757	0	5,757
11501299	CHIGNIK	1.47	0.00	0	0	0	1	0	2,640	0	2,640
11302099	CHUATHBALUK	4.00	6.00	0	0	0	1	0	7,732	6,959	14,691
12800099	CITY AND BOROUGH OF JUNEAU	85.85	0.00	0	2	0	0	153	119,159	0	119,159
12900099	CITY AND BOROUGH OF SITKA	20.56	0.00	0	1	0	2	36	29,607	0	29,607
11407099	CLARK'S POINT	1.75	0.00	0	0	0	1	0	3,142	0	3,142
11715099	COLD BAY	0.00	0.00	0	0	0	0	6	0	0	0
12408099	CORDOVA	9.35	0.00	0	1	0	3	0	15,037	0	15,037
13215099	CRAIG	6.00	0.00	0	0	0	4	0	8,452	0	8,452
10207099	DEERING	3.00	56.00	0	0	0	1	0	5,799	64,955	70,754
10803099	DELTA JUNCTION	27.42	0.00	0	0	0	0	0	44,098	0	44,098
11408099	DILLINGHAM	11.48	0.00	0	0	0	1	0	20,617	0	20,617
10315099	DIOMEDE	0.00	0.00	0	0	0	0	0	0	0	0
10906099	EAGLE	4.84	0.00	0	0	0	1	0	7,784	0	7,784
11221099	EEL	1.17	0.00	0	0	0	1	C	2,130	0	2,130
		4.50	0.00	0	0	0	1	C	8,081	0	8,081

DEPARTMENT OF COMMUNITY & REGIONAL AFFAIRS
MISCELLANEOUS INFORMATION REPORT

KEY	DCRA PLACE NAME	PUB ROAD MILES	ICE ROAD MILES	REG HOSP	LRGE HOSP	HOSP BEDS	HLTH FAC	H F BEDS	Public Ronds	ICE Ronds	Total
C317099	ELIM	11.30	0.00	0	0	0	1	0	21,845	0	21,845
1111099	EMMONAK	3.38	7.00	0	0	0	1	9	6,248	7,826	14,124
1025099	FAIRBANKS	93.37	0.00	0	1	0	3	232	150,164	0	150,164
1000099	FAIRBANKS NORTH STAR BOPOUGH	334.83	0.00	0	0	0	0	0	538,498	0	538,498
0615099	FORT YUKON	17.56	0.00	0	0	0	0	0	33,947	0	33,947
10519099	GALENA	7.10	0.00	0	0	0	4	0	13,725	0	13,725
10319099	GAMBELL	4.00	0.00	0	0	0	1	0	7,732	0	7,732
10320099	GOLOVIN	2.10	15.00	0	0	0	1	0	4,059	17,398	21,457
11222099	GOODNEWS BAY	2.86	0.00	0	0	0	1	0	5,329	0	5,329
10407099	GRAYLING	7.00	0.00	0	0	0	1	0	13,532	0	13,532
12704099	HAINES	10.74	0.00	0	0	0	2	0	16,046	0	16,046
12700099	HAINES BOROUGH	1.90	0.00	0	0	0	0	0	2,838	0	2,838
10409099	HOLY CROSS	13.13	0.00	0	0	0	1	0	25,382	0	25,382
12122099	HOMER	20.30	0.00	0	0	0	6	0	30,329	0	30,329
12618099	HCCNAH	14.00	0.00	0	0	0	1	0	20,916	0	20,916
11115099	HOOPER BAY	0.00	0.00	0	0	0	0	0	0	0	0
12331099	HOUSTON	38.63	0.00	0	0	0	0	0	55,629	0	55,629
10523099	HUGHES	5.75	0.00	0	0	0	1	0	11,115	0	11,115
10524099	HUSLIA	18.18	0.00	0	0	0	1	0	35,145	0	35,145
13236099	HYDABURG	3.17	0.00	0	0	0	0	0	4,399	0	4,399
12127099	KACHEMAK	0.00	0.00	0	0	0	0	0	0	0	0
13239099	KAKE	6.90	0.00	0	0	0	1	0	9,936	0	9,936
10117099	KAKTOVIK	0.00	0.00	0	0	0	0	0	0	0	0
10530099	KALTAG	3.17	0.00	0	0	0	1	0	15,794	0	15,794
13242099	KASAAN	2.92	0.00	0	0	0	1	0	4,052	0	4,052
11224099	KASIGLUK (missing)	0.26	0.00	0	0	0	1	0	0	0	0
12130099	KENAI	57.30	0.00	0	0	0	2	30	85,608	0	85,608
12100099	KENAI PENINSULA BOROUGH	588.66	0.00	0	2	0	0	0	879,480	0	879,480
13013099	KETCHIKAN	20.19	0.00	0	1	0	2	37	28,023	0	28,023
13000099	KETCHIKAN GATEWAY BOROUGH	0.00	0.00	0	0	0	0	0	0	0	0
10212099	KIANA	2.72	25.00	0	0	0	1	0	5,258	28,998	34,256
11724099	KING COVE	5.40	0.00	0	0	0	1	0	9,698	0	9,698
10213099	KIVALINA	0.00	12.00	0	0	0	1	0	0	13,919	13,919
13246099	KLAWOCK	4.80	0.00	0	0	0	2	0	6,662	0	6,662
10216099	KOBIK	4.21	9.40	0	0	0	1	0	8,138	10,903	19,041
12022099	KODIAK	15.43	0.00	0	0	0	0	0	23,053	0	23,053
12000099	KODIAK ISLAND BOROUGH	20.49	0.00	0	1	0	8	70	30,595	0	30,595
11121099	KOTLIK	0.00	0.00	0	0	0	1	0	0	0	0
		25.52	73.00	0	0	0	0	0	249,335	84,674	334,009

334.83
+ 500
167,415

DEPARTMENT OF COMMUNITY & REGIONAL AFFAIRS
MISCELLANEOUS INFORMATION REPORT

KEY	DCRA PLACE NAME	PUB ROAD MILES	ICE ROAD MILES	REG HOSP	LRGE HOSP	HOSP BEDS	HLTH FAC	H BEGS	F Public Roads	ICE Roads	Totals
0328099	KOYUK	4.26	0.00	0	0	C	1	0	8,235	⊕	8,235
0533099	KOYUKUK	3.50	0.00	0	0	0	1	0	6,766	⊕	6,766
3247099	KUPREANOF	0.00	0.00	0	0	0	C	0	⊕	⊕	⊕
1232099	KWETHLUX	0.98	0.00	0	0	0	1	0	1,826	⊕	1,826
2028099	LARSEN BAY	0.00	0.00	0	0	0	C	0	⊕	⊕	⊕
1307099	LOWER KALSKAG	1.07	40.00	0	0	0	1	0	2,068	46,396	48,464
1423099	MANCKOTAK	0.43	0.00	0	0	0	1	C	772	⊕	772
1126099	MARSHALL	5.00	0.00	0	0	0	1	0	9,316	⊕	9,316
2300099	MATANUSKA-SUSITNA BOROUGH	933.64	0.00	0	0	0	0	49,344	487	⊕	1,344,487
0413099	MCGRATH	13.52	0.00	0	0	0	2	0	26,136	⊕	26,136
1237099	MEKORYUK	3.30	0.00	0	0	C	1	0	6,149	⊕	6,149
1127099	MOUNTAIN VILLAGE	21.50	0.00	0	0	0	1	0	40,062	⊕	40,062
2203099	MUNICIPALITY OF ANCHORAGE	792.51	0.00	0	0	303	14	753,100	1,002	⊕	1,100,002
1241099	NAPAKIAK	4.70	20.30	0	0	0	1	0	8,757	22,696	31,453
1242099	NAPASKIAK	0.00	0.00	0	0	0	1	C	⊕	⊕	⊕
0540099	NENANA	22.93	0.00	0	0	0	0	0	42,727	⊕	42,727
1425099	NEW STUYAHCK	2.50	0.00	0	0	C	1	0	4,499	⊕	4,499
1520099	NEWHALEN	1.55	0.00	0	0	C	1	0	2,783	⊕	2,783
1247099	NEWTOK	0.00	0.00	0	0	0	1	0	⊕	⊕	⊕
1248099	NIGHTMUTE	0.00	0.00	0	0	C	1	0	⊕	⊕	⊕
0416099	NIKOLAI	3.50	0.00	0	0	0	0	0	7,539	⊕	7,539
0333099	NOME	16.83	0.00	0	1	0	2	59	32,535	⊕	32,535
1521099	NONDALTON	7.00	1.50	0	0	0	1	0	12,571	1,616	14,187
0221099	NOORVIK	7.20	40.00	0	0	C	1	0	13,919	46,396	60,315
1049099	NORTH POLE	13.27	0.00	0	0	C	C	0	21,341	⊕	21,341
0100099	NORTH SLOPE BOROUGH	50.92	12.00	0	0	0	13	0	156,434	13,919	170,353
0217199	NORTHWEST ARCTIC BOROUGH	64.09	142.38	0	0	C	1	0	123,899	165,149	289,048
0121099	NUIQSUT	0.00	0.00	0	0	0	0	C	⊕	⊕	⊕
03545099	NULATO	10.26	0.50	0	0	0	1	0	19,834	579	20,413
1251099	NUNAPITCHUK	0.00	67.75	0	0	0	1	0	⊕	75,746	75,746
03035099	OLD HARBOR	5.02	0.00	0	0	0	0	0	7,500	⊕	7,500
02037099	OUZINKIE	3.10	0.00	0	0	0	0	0	4,631	⊕	4,631
02351099	PALMER	25.69	0.00	0	1	C	0	20	36,994	⊕	36,994
02625099	PELICAN	1.10	0.00	0	0	0	1	0	1,643	⊕	1,643
023255099	PETERSBURG	11.49	0.00	0	1	0	3	0	16,546	⊕	16,546
01134099	PILOT STATION	2.09	0.00	0	0	0	1	0	3,894	⊕	3,894
01256099	PLATINUM	6.00	0.00	0	0	C	1	0	11,180	⊕	11,180
01124099	POINT HOPE	0.00	0.00	0	0	0	0	0	⊕	⊕	⊕

DEPARTMENT OF COMMUNITY & REGIONAL AFFAIRS
MISCELLANEOUS INFORMATION REPORT

KEY	DCRA PLACE NAME	PUR ROAD MILES	ICE ROAD MILES	REG HOSP	LRGE HOSP	HOSP BEDS	HLTH FAC	H F BEDS	Public ROADS	ICE Roads	Totals
11519099	PORT HEIDEN	27.40	0.00	0	0	0	1	0	49,208	0	49,208
12041099	PORT LIONS	4.29	0.00	0	0	0	0	0	6,409	0	6,409
11255099	QUINHAGAK	2.59	0.00	0	0	0	1	0	4,826	0	4,826
10549099	RUBY	0.00	0.00	0	0	0	0	0	0	0	0
11136099	RUSSIAN MISSION	1.64	0.00	0	0	0	1	0	3,055	0	3,055
11802099	SAINT GEORGE	16.28	0.00	0	0	0	1	0	29,237	0	29,237
11103099	SAINT MARY'S	8.68	0.00	0	0	0	1	0	16,174	0	16,174
10350099	SAINT MICHAEL	7.82	0.00	0	0	0	1	0	7,384	0	7,384
11303099	SAINT PAUL	41.17	0.00	0	0	0	0	0	73,938	0	73,938
11737099	SAND POINT	10.41	0.00	0	0	0	1	0	18,695	0	18,695
10352099	SAVOONGA	6.10	0.00	0	0	0	0	0	11,792	0	11,792
13030099	SAXMAN	4.02	0.00	0	0	0	0	0	5,579	0	5,579
11137099	SCAMMON BAY	1.68	0.00	0	0	0	1	0	3,130	0	3,130
10222099	SELAWIK	3.00	54.00	0	0	0	1	0	5,799	62,635	68,434
12163099	SELDOVIA	6.30	0.00	0	0	0	1	0	9,412	0	9,412
12164099	SEWARD	19.03	0.00	0	1	0	2	0	628,476	0	28,476
10420099	SHAGELUK	6.64	0.00	0	0	0	1	0	12,836	0	12,836
10354099	SHAKTOOLIK	3.50	0.00	0	0	0	1	0	6,766	0	6,766
11133099	SHELDON POINT	0.00	0.00	0	0	0	1	0	0	0	0
10356099	SHISHMAREF	2.13	0.00	0	0	0	0	0	4,117	0	4,117
10224099	SHUNGNAK	1.75	0.00	0	0	0	1	0	3,353	0	3,353
13102099	SKAGWAY	11.15	0.00	0	0	0	1	0	16,658	0	16,658
12168099	SOLDOTNA	36.34	0.00	0	0	0	1	0	455,293	0	54,293
10360099	STEBBINS	4.75	4.00	0	0	0	1	0	9,182	4,639	13,821
10551099	TANANA	29.50	0.00	0	0	0	1	0	57,029	0	57,029
10363099	TELLER	2.69	0.00	0	0	0	1	0	5,200	0	5,200
12635099	TENAKEE SPRINGS	0.00	0.00	0	0	0	0	0	0	0	0
13278099	THORNE BAY	22.70	0.00	0	0	0	1	0	31,507	0	31,507
11440099	TOGIK	7.87	0.00	0	0	0	1	0	14,133	0	14,133
11262099	TOKSOOK BAY	2.00	0.00	0	0	0	1	0	3,726	0	3,726
11263099	TULUKSAK	12.00	43.00	0	0	0	1	0	22,360	48,075	70,435
1265099	TUNUNAK	2.50	0.00	0	0	0	1	0	4,658	0	4,658
10365099	UNALAKLEET	9.52	0.00	0	0	0	1	0	18,404	0	18,404
1746099	UNALASKA	39.42	0.00	0	0	0	3	0	68,999	0	68,999
1309099	UPPER KALSKAG	1.50	16.50	0	0	0	1	0	2,899	19,138	22,037
2456099	VALDEZ	22.65	0.00	0	1	0	1	0	37,791	0	37,791
10133099	WAINWRIGHT	0.00	0.00	0	0	0	0	0	0	0	0
10367099	WALES	0.00	0.00	0	0	0	1	0	0	0	0
12370099	WASILLA	57.03	0.00	0	0	0	2	0	82,125	0	82,125

DEPARTMENT OF COMMUNITY & REGIONAL AFFAIRS
 MISCELLANECUS INFORMATION REPORT

KEY	DCRA PLACE NAME	PUB ROAD MILES	ICE ROAD MILES	REG HOSP	LRGE HOSP	HOSP BEDS	HLTH FAC	H BED	F BED	Public Roads	ICE Roads	Totals
810368099	WHITE MOUNTAIN	2.75	0.00	0	0	0	1			5,316	0	5,316
812457099	WHITTIER	9.00	0.00	0	0	0	1			14,474	0	14,474
813295099	WRANGELL	9.03	0.00	0	1	0	2			11,563	0	11,563
812641099	YAKUTAT	7.34	0.00	0	0	0	1			10,966	0	10,966

6454135	922,150	737,225
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DEPARTMENT OF COMMUNITY & REGIONAL AFFAIRS
MISCELLANEOUS INFORMATION REPORT

PUB ROAD MILES	ICE ROAD MILES	REG HOSP	LRGE HOSP	HOSP BEDS	HLTH FAC	H F BEDS	HOSP. CONST. AID
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TOTALS

4,179.52	802.53	0	15	303	178	1,676	\$292,013
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Public Roads : $\$6,454,135 \div 4,179.52 = \$1,544$ Average /m.le

Ice Roads : $\$922,150 \div 802.53 = \$1,149$ Average /m.le

ATTACHMENT B
19 AAC 30.052

30.042 or 19 AAC 30.043. The appeal must be in writing and must be postmarked within 15 days after the municipality received the written decision of the director. The appeal must include relevant evidence in support of the municipality's claim.

(b) No later than 15 days after receipt of the appeal, the commissioner will render a decision on the appeal. Immediately following the commissioner's decision, written notification, containing a statement of the decision and the reasons for it, will be sent to the municipality.

(c) The commissioner's decision on an appeal is final.

(d) After deciding all appeals made under this section for an entitlement year, the commissioner will certify a final municipal population report on or before December 15 of that entitlement year. (Eff. 10/18/87, Register 104)

Authority: AS 29.60.020
AS 29.60.070

19 AAC 30.050. APPEAL. Repealed 8/20/81.

19 AAC 30.051. STANDARDS FOR PAYMENT OF AID UNDER AS 29.89. Repealed 10/18/87.

19 AAC 30.052. STANDARDS FOR PAYMENTS OF STATE AID TO MUNICIPALITIES FOR ROADS. An applicant that is a municipality must meet the following standards to qualify for a payment for road maintenance under AS 29.60.110:

(1) the applicant must agree to spend, during the entitlement year in which the payment is received, at least 20 percent of the amount it receives under AS 29.60.110, including the cost-of-living differential allowed under AS 29.60.160, to provide the service for which the applicant seeks aid under AS 29.60.110, and must agree to spend the remaining amount for a public purpose for which the applicant has the power to spend public money;

(2) if the applicant seeks aid for the maintenance of a road that is connected to the state highway system, the applicant must demonstrate, to the satisfaction of the department, that the road is used by vehicles that are registered under AS 28.10;

(3) if the applicant seeks aid for the maintenance of a road for which the applicant has not previously received aid under AS 29.60.110, the applicant must submit to the department a map showing the beginning and end of the road and its route, and indicating the total length, average width, and surface composition of the road;

(4) if the applicant is a borough that provides road maintenance services by service area, the applicant must agree to allocate the amount the applicant receives under AS 29.60.110, including the

cost-of-living differential allowed under AS 29.60.160, for road maintenance within a service area, to that service area;

(5) the applicant must be providing the road maintenance for which it seeks aid under AS 29.60.110 as of October 1 of the computation year. (Eff. 10/18/87, Register 104; am 8/19/88, Register 107)

Authority: AS 29.60.110 AS 44.47.050
AS 29.60.160 AS 44.47.980

19 AAC 30.053. STANDARDS FOR PAYMENTS OF STATE AID TO MUNICIPALITIES AND OTHER ELIGIBLE RECIPIENTS FOR HEALTH FACILITIES AND HOSPITALS. (a) An applicant that is a municipality must meet the following standards to qualify for a payment for a hospital under AS 29.60.120:

(1) if the applicant operates the hospital for which the applicant seeks aid under AS 29.60.120, the applicant must have the power to provide hospital facilities and services;

(2) the applicant must agree to transfer, immediately upon receipt, the amount the applicant receives under AS 29.60.120 for a hospital, including the cost-of-living differential allowed under AS 29.60.160, to the hospital in the manner provided for in AS 29.60.120(a); and

(3) the hospital for which the applicant seeks aid under AS 29.60.120 must be providing treatment to patients as of October 1 of the computation year.

(b) An applicant that is a municipality must meet the following standards to qualify for a payment under AS 29.60.120 for a health facility:

(1) the applicant must have, and must be exercising, the power to provide health services as of October 1 of the computation year;

(2) the applicant must agree to spend, by the end of the entitlement year in which the payment is received, at least 20 percent of the amount the applicant receives under AS 29.60.120 for the health facility, including the cost-of-living differential allowed under AS 29.60.160, on health services or on the operation and maintenance of the health facility; and

(3) the applicant must certify that the money that the applicant receives under AS 29.60.120 for the health facility and that the applicant does not spend by the end of the entitlement year in accordance with (2) of this subsection, is dedicated irrevocably for health facilities and services. (Eff. 10/18/87, Register 104; am 8/19/88, Register 107)

Authority: AS 29.60.120 AS 44.47.050
AS 29.60.160 AS 44.47.980

MEMORANDUM

TO: Representative Mike Miller

FROM: Staff *J.S.*

RE: Percentage of RSA funds spent by the Fairbanks North Star Borough for administrative costs FY84 - 89

DATE: 2/8/89

The following is a list of the number of miles submitted by the Fairbanks North Star Borough under AS 29.60.110(a) for fiscal years 1984 - 89 and the the prorated dollars amounts that were generated. I used these figures to compute the dollar amount per mile the Borough recieved and then the percentage of funds expended for administrative purposes.

<u>Fiscal Year</u>	<u>Miles Submitted</u>	<u>Funds Generated</u>	<u>Dollars per mile</u>	<u>Percentage for Admin.**</u>
84	181.28	\$441,472	\$2435.30	21
85	224.15	\$599,534	\$2674.70	19
86	276.40	\$723,391	\$2617.19	19
87	296.70	\$592,270	\$1996.19	25
88	334.80	\$538,498	\$1608.42	31
89	334.8	\$540,290	\$1613.77	31

** Based on FNSB flat admin. fee of \$500/mile

FBKS. DAILY NEWS-MINER

2/6/89

EDITORIAL PAGE

Coming to a head

A bill in the Legislature could bring to a head the issue of inefficiency in the way our borough administrators local road services.

Rep. Mike Miller, R-North Pole, has submitted a bill to reduce to 10 percent the amount the borough can take from state grants to local road services areas to administer them. The borough uses about one-third of the grant money to administer the grants and says that even this is not enough to do an effective job.

Funding for the road service areas came to about \$1,500 a mile last year. Funds for about 350 miles of road were passed through our borough.

Borough officials say the chief reason for the high costs of administering the grants is the large number of service areas—95 of them ranging in size from 20 miles of road to one-quarter mile. Each has a commission of residents who receives funds and pays for snow removal and other services performed in their areas.

There's little doubt that road maintenance would become more cost effective with larger service areas and fewer of them. Anchorage, with only 15 road service areas, gets along fine with only 10 percent for administration. But any proposal to reduce the number of service areas would encounter serious political opposition. The local service areas are a popular form of government and are responsive to residents' needs.

Nonetheless, it is unconscionable that one-third of the money allocated for local road services is eaten up by administrative overhead. Our borough needs to take a hard look at the way it administers the grants and find a way to reduce its expenses.

Rep. Miller's bill would force our borough to act. Basic economies would have to be made in the way our borough administers the grants.

The end result would be a more efficient system for maintaining roads in our area. More money would be available for road services. This would be a worthy accomplishment and might be worth inviting the difficulties the bill would impose.

time in which to respond or to challenge the department's determination.

(b) The department shall make reasonable efforts to advise and assist municipalities in collecting information and completing reports necessary for the determination of entitlements under AS 29.60.010 — 29.60.080.

(c) The department shall, by regulation, classify for inclusion or exclusion as a component of a municipality's millage rate equivalent under AS 29.60.010 any tax revenue appropriated for a utility not included in the definition set out in AS 29.60.080(2). (§ 16 ch 74 SLA 1985)

Sec. 29.60.080. Definitions. In AS 29.60.010 — 29.60.080

(1) "taxing unit" means a municipality and

(A) in a borough or unified municipality, a service area or the entire area outside cities;

(B) in a city, a differential tax zone;

(2) "utility" means electric, water, sewer, gas, heat, telephone, or refuse and garbage collection service. (§ 16 ch 74 SLA 1985)

Article 2. State Aid for Miscellaneous Purposes.

Section

- 100. Revenue sharing payable
- 110. State aid to municipalities for roads
- 120. State aid to municipalities and other eligible recipients for health facilities and hospitals
- 130. State aid to volunteer fire departments not in organized municipality

Section

- 140. State aid to unincorporated communities
- 150. Population determination
- 160. Area cost-of-living differential
- 170. Miscellaneous services account
- 180. Regulations

Sec. 29.60.100. Revenue sharing payable. In addition to the equalization entitlements paid under AS 29.60.010 — 29.60.080, during each fiscal year the department shall pay aid

(1) to a municipality or other eligible recipient that has the power to provide the services described in AS 29.60.110 — 29.60.130 and exercises the power in the manner required by AS 29.60.100 — 29.60.180;

(2) to an unincorporated community under AS 29.60.140. (§ 16 ch 74 SLA 1985)

Sec. 29.60.110. State aid to municipalities for roads. (a) The department shall pay to a municipality that 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 municipality, 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 that is not used by automotive equipment.

(b) A frozen waterway and a connection from an inhabited area to a waterway that may be safely used for public transportation by automotive equipment and is so used during a portion of a year is eligible for 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. (§ 16 ch 74 SLA 1985)

Sec. 29.60.120. State aid to municipalities and other eligible recipients for health facilities and hospitals. (a) The department shall pay

(1) to a municipality that has the power to provide hospital facilities and services and that 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 that 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 annual cost of operation and maintenance of the hospital or for the provision of health care service at the hospital as the directors of the hospital determine;

(3) to a municipality in which a health facility is operated, \$2,000 per bed for each bed actually used for patient care, limited to the number of beds provided for in the construction design of the health facility, or \$8,000 per health facility as the municipality determines.

6-0136E.

Cook
2/8/89

Original sponsor: Miller

1 IN THE HOUSE

2 CS FOR HOUSE BILL NO. 39 ()

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to state aid to municipalities for
7 roads; and providing for an effective date."

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

9 * Section 1. AS 29.60.110(a) is amended to read:

10 (a) The department shall pay to a municipality that has power to
11 provide for road maintenance and exercises that power, \$2,500 a mile
12 for each mile of road, street, or highway maintained by the municipal-
13 ity, excluding (1) the official state highway system, (2) roads,
14 streets, or highways not dedicated to public use, (3) roads, streets,
15 or highways maintained under the local service road program (AS 19.-
16 30.111 - 19.30.251), and (4) alleyways, in accordance with regulations
17 adopted by the Department of Transportation and Public Facilities. A
18 payment may not be made under this subsection for maintenance of a
19 road that is not used by automotive equipment. Money received by a
20 municipality under this section may be used only for construction or
21 maintenance of roads. No more than 10 percent of the money received
22 may be used for administrative costs incurred in connection with the
23 construction or maintenance, including costs of bidding, contracting,
24 and project oversight.

25 * Sec. 2. This Act takes effect July 1, 1989.

8:30

HB 018 - Enter to recap c/s 54
Ben 24 more c/s for HD 54 Transn be made

66 ^{etc} Enter
More

more 68 more c/s 54 act ID/Rec.

74 - HB 39 -

cont 88 enter notes to adopt

Learn 91 moved to adopt c/s HB 39

93 SO ordered

96 Rep Mike Miller briefly described HB 39 to the H.T.C.
Rep Miller expressed the needs of his district for Road improvement
in his District 18 ~~North Star~~ Fairbanks North Star Borough.
500 per mile for Adm. Fees. Budget cuts. and the Adm Fee being
constant. less very little ~~only~~

* 143

Limit Borough to assume the
10% of the money received
in this section for
Adm fees not for
balance will be use for
maintenance and construction of
roads

180 Hubs
Miller 183

What kind of Roads
Subdivision Roads on mil tax (Settland)

203 Hubs - Limit on Amount of Adm Fees that can
be deducted (now taking 30% ^{no more than} 10% ok)

219 - Huber

227 Learn - Do we need to def... other cost.

Miller 230

Dept

257 Jim Puzan - Community of Regional Aff

260 Colot -

263# Jim Clarified through Regulation

* 276 Colo

* 282 Gressy.

~~289~~ Jim 289 *

Reallocate through ^{Budget For FY90} Supplemental Budget.

300 Ben - Ice Roads Concept. ?

304 ~~Jim~~ Frozen utility when frozen Cleared and used for Roads (\$1500 per mile ^{compared to} (2500 mile per hour)

Used for all purpose.

320 Ben How many miles of Ice Roads in operation
325 ~~Jim~~ 802 mile

332 Hulse - What requirements are there to finance ^{new} ~~new~~ to small community requesting roads

* 341 Jim Annual appropriate requests on how mile funded by DOT.

377 Hel, Do the Feds transfer in one lump sum
379 Jim prepared in fall - final prepared in Spring

* 385 Colo

391 Jim

403 Hel. Does this legislation *

406 Jim you it does, under existing standards

416 Colo what does community do with 80% if they agree use 20%

Jim 423

Following years

430 Cols.

444

same extra notes to now C/S
out with Ind. Rec.

448

Hd

now C/S with Ind. Rec.

450

cols. di. /

9'00
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454