

HB

!

SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 1
IN THE LEGISLATURE OF THE STATE OF ALASKA
SEVENTEENTH LEGISLATURE - FIRST SESSION

BY REPRESENTATIVE LARSON

Introduced:

Referred:

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to the incorporation of boroughs, to annexation of certain areas, and to
2 the committee on municipalities; and providing for an effective date."

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

4 * Section 1. COMMITTEE ON MUNICIPALITIES. (a) A committee on municipalities is
5 established in the Department of Community and Regional Affairs consisting of the commissioner of
6 community and regional affairs or the commissioner's designee, the chair of the local boundary
7 commission or the chair's designee, and the following members appointed by the governor:

8 (1) a member of the senate;

9 (2) a member of the house of representatives;

10 (3) an employee or official of a borough or unified municipality;

11 (4) an employee or official of a city in the unorganized borough;

12 (5) a member of a regional educational attendance area school board;

13 (6) a resident of an unincorporated community in the unorganized borough who is a

14 member of a local governing body organized under 25 U.S.C. 476 or a traditional village council of a

1 Native village that meets the requirements of the Alaska Native Claims Settlement Act (43 U.S.C. 1601 -
2 1628); and

3 (7) a representative of the Alaska Municipal League.

4 (b) Members are not entitled to receive compensation, but the members appointed under (a)(3) -
5 (7) of this section are entitled to per diem and travel expenses authorized for boards and commissions
6 under AS 39.20.180.

7 (c) The commissioner of community and regional affairs or the commissioner's designee shall
8 serve as committee chair. The committee shall consider means to eliminate or reduce disincentives and
9 enhance incentives for the formation of boroughs. The committee shall also consider ways to ensure
10 greater equity in the distribution of financial aid to all municipalities. The committee shall submit a
11 report of its findings and recommendations to the legislature and to the local boundary commission by
12 January 1, 1994. The Department of Community and Regional Affairs shall make copies of the report
13 available to all municipalities.

14 (d) The committee terminates upon submission of its report under (c) of this section.

15 * Sec. 2. BOUNDARY STUDY. (a) The local boundary commission shall conduct a boundary study
16 of the unorganized borough to determine

17 (1) which regions meet the standards set out in AS 29.05.031 for borough incorporation;
18 and

19 (2) which areas should be annexed to existing boroughs or unified municipalities.

20 (b) In conducting the boundary study, the local boundary commission shall consult with existing
21 municipalities, regional educational attendance areas, and coastal resource service areas. The commission
22 shall conduct at least one public hearing in each region found to have met the standards for borough
23 incorporation and in each area the commission determines should be annexed. The study must be
24 completed by May 1, 1994.

25 * Sec. 3. ANNEXATION OR BOROUGH FORMATION. (a) After completing the boundary study,
26 the local boundary commission shall notify the director of elections of each region the commission
27 determines should be incorporated as a borough and each area the commission determines should be
28 annexed. Within 30 days after notification, the director of elections shall order an election in each
29 region and area to determine whether the voters desire borough incorporation or annexation in
30 accordance with the boundary study. The elections shall be held before December 1, 1994.

31 (b) The director of elections shall supervise each election in the general manner prescribed by

1 the Alaska Election Code (AS 15). The state shall pay all election costs.

2 (c) The director of elections shall certify the election results. If an annexation is approved, the
3 annexation is effective when the election results are certified. If a borough incorporation is approved,
4 incorporation is effective in accordance with sec. 7 of this Act.

5 (d) If an annexation is disapproved, the local boundary commission may submit the proposal for
6 annexation to the legislature under AS 44.47.567 - 44.47.583. If a borough incorporation is disapproved,
7 the commission may submit the proposal for incorporation to the legislature during the first 10 days of
8 the First Regular Session of the Eighteenth Alaska State Legislature. A proposal for borough
9 incorporation may be disapproved by a concurrent resolution adopted by a majority of the members of
10 each house within 45 days after the proposal is submitted to the legislature. If it is not disapproved,
11 borough incorporation becomes effective in accordance with sec. 7 of this Act.

12 * Sec. 4. PROVISIONAL HOME RULE CHARTER. (a) By March 1, 1995, the Department of
13 Community and Regional Affairs shall prepare a provisional home rule charter for the boroughs to be
14 incorporated under this Act. The charter must provide that each new borough exercise only those powers
15 a home rule borough must exercise by law.

16 (b) The voters of a region scheduled for incorporation under sec. 3(c) or (d) of this Act may
17 petition the department for an amendment to the provisional charter for that new borough. If the
18 department determines that at least 15 percent of the number of voters who voted in the last general
19 election in the region have signed the petition, the department shall submit the proposed amendment to
20 the director of elections.

21 * Sec. 5. CHARTER COMMISSION. (a) If a borough incorporation is approved under sec. 3(c)
22 of this Act, the director of elections shall schedule a charter commission election in the region to be held
23 by March 1, 1995. Any person who has been qualified to vote in the region for at least one year
24 immediately preceding the date set for the charter commission election may become a charter
25 commission candidate by notifying the director of elections. The notification must be received by the
26 director at least 30 days before the election date. If at least seven candidates have not notified the
27 director by the deadline, no charter commission election may be held. If an election is held, the seven
28 candidates receiving the highest number of votes immediately organize as a charter commission.

29 (b) The Department of Community and Regional Affairs shall provide staff and administrative
30 assistance to each charter commission organized under this section. Charter commission members serve
31 without compensation, but are entitled to per diem and travel expenses authorized for boards and

1 commissions under AS 39.20.180.

2 (c) The charter commission shall prepare a proposed home rule charter. The charter must be
3 signed by a majority of the commission members and filed with the director of elections. The
4 commission shall hold at least one public hearing on the charter before signing and filing it. The
5 director of elections shall submit the proposed charter to the voters at an election held before the first
6 Tuesday in October 1995. If the charter is approved, it becomes effective on the first Monday following
7 certification of the election of initial borough officials.

8 (d) If no charter is prepared and approved by the voters under this section, the provisional
9 charter prepared under sec. 4 of this Act, together with any proposed amendments adopted at the election
10 of initial officials, operates as the charter for the new borough.

11 * Sec. 6. ELECTION OF INITIAL OFFICIALS. On or before the first Tuesday in October 1995,
12 the director of elections shall hold an election of initial borough officials under AS 29.05.120 in each
13 borough scheduled for incorporation under this Act. Unless a borough has already adopted a charter
14 under sec. 5 of this Act, any proposed amendments to the provisional charter of the borough received
15 by the director under sec. 4(b) of this Act shall be submitted to the voters at the election of initial
16 borough officials.

17 * Sec. 7. INCORPORATION OF NEW BOROUGHES. (a) A region is incorporated as a home rule
18 borough on the first Monday following certification of the election held under sec. 6 of this Act. The
19 home rule charter adopted under sec. 5 of this Act or the provisional home rule charter prepared by the
20 Department of Community and Regional Affairs under sec. 4 of this Act, together with any charter
21 amendments approved by the voters, operates as the charter for the new borough.

22 (b) AS 29.05.140 and 29.05.190 - 29.05.210 apply to boroughs incorporated under this section.

23 * Sec. 8. This Act takes effect immediately under AS 01.10.070(c).

STATE OF ALASKA

WALTER J. HICKEL, GOVERNOR

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

March 13, 1991

POSITION PAPER

RE: SPONSOR SUBSTITUTE FOR HOUSE BILL 1

SPONSOR: Representative Larson

Program Effects of Bill:

COMMITTEE ON MUNICIPALITIES. The SSHB 1 revises House Bill 1 in a number of ways, some more significantly than others. Both pieces of proposed legislation provide for creation of a "Committee on Municipalities" to consider means to eliminate or reduce disincentives and enhance incentives for the formation of boroughs. It will also consider ways to ensure greater equity in the distribution of financial aid to all municipalities. The composition of the committee is altered slightly by the Sponsor Substitute, adding new members while eliminating others. The SSHB 1 also insures that the Committee's report is distributed to a wider audience than that provided in the original House Bill 1.

BOUNDARY STUDY. Both Bills call for a boundary study of the unorganized borough to determine which regions meet the standards for borough incorporation and which should be annexed to existing regional governments. While HB 1 provides for annexation and home rule borough incorporation by the legislature under the terms of Article X, Section 12 of the Constitution, the Sponsor Substitute does so only upon failure of the referendum for annexation and borough incorporation by popular vote.

PROVISIONAL HOME RULE CHARTERS. Each bill provides for preparation of a provisional home rule charter for boroughs to be incorporated by the act. However the dates by which they are to be in place differ significantly in relation to the borough incorporation process. That is, HB 1 creates the charter prior to submittal of borough incorporation recommendations to the legislature. The Sponsor Substitute does not require the charter until two years after recommendations are submitted to the legislature.

CHARTER COMMISSION. SSHB 1 introduces the provision for election of a charter commission in the regions approved for borough incorporation by popular vote. House Bill 1 makes no similar provision.

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Comments:

SSHB 1 has evolved from legislation considered by the Fifteenth and Sixteenth Alaska Legislatures and House Bill 1 currently before the Seventeenth Alaska Legislature. The Department has provided extensive comments on all of these bills. The comments offered here focus on the Sponsor Substitute of the bill before the current legislature, while in some cases observing the differences from past proposals.

Section 1. COMMITTEE ON MUNICIPALITIES. While the Committee consists of members representing appropriate bodies to carry forward its tasks, it would benefit from the inclusion of a representative from both the Department of Revenue and Department of Education, as provided by HB 1. The SSHB 1 Committee adds a representative from a city in the unorganized borough, a representative of the Alaska Municipal League, a representative of a regional educational attendance area school board and a member of a local governing body organized under 25 U.S.C. 476 or a traditional village council of an ANCSA village to the Committee envisioned by HB 1.

However, as commented on HB 1, the Department believes that the representative of a city in the unorganized borough (added by SSHB 1) should be from either a first class or home rule city. Several such municipalities expressed interest in reclassifying to second class status over the last year in order to eliminate their current obligations for education services. A representative from a city in this situation could offer valuable insight on ways to provide equity in state funding for local services.

The Committee should also provide a representative from regional governments of defined population (one with fewer than 10,000 residents and one with more than 10,000 residents). Because the issues of impact to governments can differ significantly by the size of the municipality, the Department encourages representation by both sectors.

Section 2. BOUNDARY STUDY. As noted by the Department in comments on HB 1 and its predecessors, the Local Boundary Commission (LBC) is actively engaged in a study essentially identical to the one outlined in Section 2 (a) and (b). The only distinction is that the LBC's efforts focus on boundaries to the intentional exclusion of matters relating to the financial viability of prospective boroughs. The project is scheduled for completion in June of 1992.

With respect to financial viability, the Department completed a series of borough feasibility studies for nearly all regions of the unorganized borough in 1988 and 1989. Thus, the study requested by this proposed legislation could in fact be accomplished by completion of the LBC's 'model boundaries study' in conjunction with an update to the Department's earlier borough feasibility studies.

Section 3. ANNEXATION OR BOROUGH FORMATION. This section of SSHB 1 differs from HB 1 by providing for mandatory borough incorporation through submittal of a proposal from the LBC to the legislature failing incorporation by popular vote. The Department appreciates the opportunity of the populace to incorporate. It further believes however, that the incorporation process should not move forward to legislative mandate if the electorate fails to approve the referendum. The Department and LBC have long maintained that boroughs should be created through popular vote. In point of fact, the Commission has counseled against mandatory incorporation on several occasions while supporting local initiative.

Section 4. PROVISIONAL HOME RULE CHARTER and Section 5. CHARTER COMMISSION. The process proposed by Sections 4 and 5 of the Sponsor Substitute strikes the Department as unnecessarily complicated, redundant and out of synchronization. For example, the Section 4 provides that the Department shall prepare a provisional home rule charter by March 1, 1995 for each region incorporated under the act. (Voters are allowed to petition for amendments to the charter.)

Section 5 establishes that a proposed charter election (as compiled by a charter commission) in the region in which a borough is incorporated through popular vote, shall be held no later than October, 1995. If no charter created by the charter commission is approved by voters, then the provisional charter prepared by the Department and any proposed amendments will operate as the charter for the new borough. Thus for boroughs created either through legislative mandate or local election, it is conceivable that there will be no borough charter in place until at least March of 1995.

However, Section 3 (a) establishes that borough incorporation elections shall be conducted sometime between May 1 and December 1, 1994. Further, Section 3 (d) provides that, failing the election, a recommendation for borough incorporation may be submitted to the legislature during the first 10 days of the First Regular Session of the Eighteenth Alaska State Legislature. This would place the date of submittal in January, 1993.

Not only is the latter impossible (submittal of a recommendation to the 1993 legislature following an election that may not occur before May of 1994) but any borough formed before March of 1995 either through legislative mandate or local election may be operating without a charter.

The Department believes that it is important to have a basic charter proposal and a means for voters to tailor it to their specific needs at the time the borough incorporation election occurs. This could be accomplished by eliminating the charter commission, establishing the creation of a provisional charter by May, 1992, and simply allowing the new borough to operate under the provisional charter as written or amended by the residents of the borough, following incorporation. This would simplify an already complex process, eliminate redundant measures, and reduce the fiscal impact of this bill since the Department would be relieved of the responsibility to provide staff and administrative assistance to each charter commission provided by Section 5 (h).

Other processes contained within the provisions of this bill are likewise out of sequence.

General Comments:

Regional government in Alaska is facing major change. Economic, political and legal forces are likely to bring about the incorporation of numerous boroughs during the current administration. It is important that the State of Alaska anticipate this development and be prepared to respond.

The economic forces include declining State revenues and the resulting need for greater local participation in the funding of services. Political pressures stem principally from growing frustration among urban residents who perceive that services in unorganized areas are delivered in a wasteful fashion. (In January, 1991, the Anchorage Daily News reported on the front page that the State pays \$150,000 to operate a school in Paxson which serves only 3 students -- all of whom are children of the teacher.) Political influence of organized areas is due to increase substantially following the pending reapportionment of the legislature. Legal forces include actions such as the Matanuska-Susitna Borough's effort to overturn the State education foundation formula (Case No. 3PA-86-2022 CIV).

The Department of Community and Regional Affairs is not alone in its perception of the changes facing regional government in Alaska. In fact, officials of the Department of Education have urged the administration to consider forming 3rd class boroughs throughout all unorganized areas of the state.

Given these circumstances, we believe that it is imperative that the State continue to plan for the formation of new boroughs. As a consequence of the Department's continuing study of borough government, we have concluded that the creation of regional governments, specifically home rule boroughs, offers an effective means of improving the quality of lives of rural Alaskans. For example, the formation of boroughs would:

- ° Enhance Fulfillment of Constitutional intent: Article X, Section 3 of the Constitution of the State of Alaska requires all areas of the state to be divided into boroughs. Areas which meet the standards for borough incorporation (including financial resources) were intended to organize.
- ° Improve local control: Home rule boroughs provide the most effective means to transfer power to local residents. Decisions about local issues are made by local elected officials.
- ° Increase local revenue generating capacity: As State revenues decline, the ability to generate local revenues becomes more critical. Given their vast regional boundaries, boroughs enjoy unrivaled capacity to generate revenues.
- ° Improve Tribal-State relations: Home rule governments permit the greatest degree of cultural sensitivity to traditional institutions and values. A home rule borough would enable Alaska Natives to develop regional governments which respond to many of the moral and cultural problems facing villages today. This more acceptable and suitable form of government would likely improve relations between the State and Native villages. This, in turn, might preempt the development of a separate Tribal-Federal relationship that excludes State participation.
- ° Create More efficient structures: In the past six years, four new boroughs have formed. These new boroughs have proven to be highly efficient service providers, in some cases saving several hundreds of thousands of dollars annually through consolidation of school operations and other services.
- ° Provide greater local responsibility for service delivery: Under current circumstances, local residents of parts of the unorganized borough pay nothing for government services. In some instances, this has led to a diminished concern at the local level about the cost of such services. Borough

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government would require local support for certain services and thus bring a measure of increased responsibility in the delivery of services.

Conclusion. The foundation for the creation of borough governments in Alaska was laid thirty-five years ago during the Constitutional Convention. In spite of the fact that Alaskans have objected to borough formation over the ensuing years, this form of regional government has proven to be an effective and efficient service provider.

For the reasons cited above, the Department supports the policy directions of parts of SSHB 1 and opposes others. The Department intends to offer related proposals during the current session.



Edgar Batchford, Commissioner



STATE OF ALASKA
OFFICE OF THE GOVERNOR

BILL ANALYSIS

DEPARTMENT C&RA	DIVISION MRAD	BILL NUMBER SS HB 1	SPONSOR Representative Larson
SHORT TITLE OF BILL Act relating to incorporation of boroughs, annexation of certain areas, committee on munis			
DEPARTMENT POSITION			
PREPARED BY Dan Rockhorst	DATE 3/14/91	COMMISSIONER'S SIGNATURE <i>[Signature]</i>	DATE 3/14/91

SUMMARY

OTHER AGENCIES AFFECTED BY BILL	CONSTITUENT GROUP(S) AFFECTED BY BILL
ORGANIZATIONAL SUPPORT FOR BILL	ORGANIZATIONAL OPPOSITION TO BILL

FISCAL IMPACT: NONE FISCAL NOTE ATTACHED

BACKGROUND/LEGISLATIVE INTENT

See attached

ANALYSIS OF BILL/PROGRAM EFFECTS

See attached

AMENDMENTS PROPOSED

See attached

PLEASE ATTACH A SEPARATE SHEET FOR ADDITIONAL COMMENTS OR ANALYSIS.

Background/Legislative Intent

SSHB 1 has evolved from legislation considered by the Fifteenth and Sixteenth Alaska Legislatures and House Bill 1 currently before the Seventeenth Alaska Legislature. It creates a "Committee on Municipalities" to consider means to eliminate or reduce disincentives and enhance incentives for the formation of boroughs and to consider ways to ensure greater equity in the distribution of financial aid to all municipalities.

The SSHB 1 also calls for a boundary study of the unorganized borough to determine which regions meet the standards for borough incorporation and which should be annexed to existing regional governments. It provides for annexation and home rule borough incorporation by the legislature under the terms of Article X, Section 12 of the Constitution, upon failure of the referendum for annexation and borough incorporation by popular vote.

It further provides that the Department of Community and Regional Affairs will prepare a provisional home rule charter for boroughs to be incorporated by the act. And it introduces the provision for election of a charter commission in the regions approved for borough incorporation by popular vote. Staff and administrative assistance will be provided to the charter commissions by the Department of Community and Regional Affairs.

Analysis of Bill/Program Effects

Section 1. COMMITTEE ON MUNICIPALITIES. While the Committee consists of members representing appropriate bodies to carry forward its tasks, it would benefit from the inclusion of a representative from both the Department of Revenue and Department of Education, as provided by HB 1. The SSHB 1 Committee adds a representative from a city in the unorganized borough, a representative of the Alaska Municipal League, a representative of a regional educational attendance area school board and a member of a local governing body organized under 25 U.S.C. 476 or a traditional village council of an ANCSA village to the Committee envisioned by HB 1.

Analysis of Bill/Program Effects (continued)

However, the representative of a city in the unorganized borough (added by SSHB 1) should be from either a first class or home rule city. Several such municipalities expressed interest in reclassifying to second class status over the last year in order to eliminate their current obligations for education services. A representative from a city in this situation could offer valuable insight on ways to provide equity in state funding for local services.

The Committee should also provide a representative from regional governments of defined population (one with fewer than 10,000 residents and one with more than 10,000 residents). Because the issues of impact to governments can differ significantly by the size of the municipality, the Department encourages representation by both specters.

Section 2. BOUNDARY STUDY. The Local Boundary Commission (LBC) is actively engaged in a study essentially identical to the one outlined in Section 2 (a) and (b). The only distinction is that the LBC's efforts focus on boundaries to the intentional exclusion of matters relating to the financial viability of prospective boroughs. The project is scheduled for completion in June of 1992.

With respect to financial viability, the Department of Community and Regional Affairs completed a series of borough feasibility studies for nearly all regions of the unorganized borough in 1988 and 1989. Thus, the study requested by this proposed legislation could in fact be accomplished by completion of the LBC's 'model boundaries study' in conjunction with an update to the Department's earlier borough feasibility studies.

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Section 4. PROVISIONAL HOME RULE CHARTER and Section 5. CHARTER COMMISSION. The process proposed by Sections 4 and 5 appears to be unnecessarily complicated, redundant and out of synchronization. For example, the Section 4 provides that the Department shall prepare a provisional home rule charter by March 1, 1995 for each region incorporated under the act. (Voters are allowed to petition for amendments to the charter.)

Analysis of Bill/Program Effects (continued)

Section 5 establishes that the election of a proposed charter (as prepared by a charter commission), shall be held no later than October, 1995. If no charter created by the charter commission is approved by voters, then the provisional charter prepared by the Department and any proposed amendments will operate as the charter for the new borough. Thus, for boroughs created either through legislative mandate or local election, it is conceivable that there will be no borough charter in place until at least March of 1995.

However, Section 3 (a) establishes that borough incorporation elections shall be conducted sometime between May 1 and December 1, 1994. Further, Section 3 (d) provides that, failing the election, a recommendation for borough incorporation may be submitted to the legislature during the first 10 days of the First Regular Session of the Eighteenth Alaska State Legislature. This would place the date of submittal in January, 1993.

Not only is the latter impossible (submittal of a recommendation to the 1993 legislature following an election that may not occur before May of 1994) but any borough formed before March of 1995 either through legislative mandate or local election may be operating without a charter.

The Department believes that it is important to have a basic charter proposal and a means for voters to tailor it to their specific needs at the time the borough incorporation election occurs. This could be accomplished by eliminating the charter commission, establishing the creation of a provisional charter by May, 1992, and simply allowing the new borough to operate under the provisional charter as written or amended by the residents of the borough, following incorporation. This would simplify an already complex process, eliminate redundant measures, and reduce the fiscal impact of this bill.

Other processes contained within the provisions of this bill are likewise out of sequence.

Amendments Proposed

The Department urges revisions to SSHB 1 as discussed herein. Notably these relate to composition of the Committee on Municipalities, provisions for legislatively mandated borough incorporation, time sequencing of certain events, and elimination of home rule borough charter commissions.

FISCAL NOTE

STATE OF ALASKA
1991 LEGISLATIVE SESSION

BILL NO. SS HB 1

Revision Date: _____ Department Affected: Community & Regional Affairs
 Title: "An Act relating to the BRU: Local Government Assistance
incorporation of boroughs..." Component: Local Boundary Commission
 Sponsor: Rep Larson
 Requestor: _____ COMPONENT SERIAL NO.

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Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES	114.6	57.7	-0-	-0-	-0-	-0-
TRAVEL	57.9	3.2	-0-	-0-	-0-	-0-
CONTRACTUAL	18.1	-0-	-0-	-0-	-0-	-0-
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	190.6	60.9	-0-	-0-	-0-	-0-

CAPITAL						
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REVENUE	190.6	60.9	-0-	-0-	-0-	-0-
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FUNDING: (Thousands of Dollars)

GENERAL FUND	190.6	60.9	-0-	-0-	-0-	-0-
FEDERAL FUNDS						
OTHER						
TOTAL	190.6	60.9	-0-	-0-	-0-	-0-

POSITIONS:

FULL-TIME	2	2	0	0	0	0
PART-TIME	1	1	0	0	0	0
TEMPORARY						

Estimate of current year impact: There is no fiscal impact for FY 91.

ANALYSIS: (Attach a separate page if necessary.)

Please see attached.

Prepared By: Remond Henderson, Director *Remond Henderson* Phone: 465-4708
 Division: Administrative Services Date: 3/14/91
 Approved by Commissioner: *[Signature]* for SD. and Blalock
 Agency: Community & Regional Affairs Date: 3/14/91

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

SSHB No. 1: FISCAL NOTE ANALYSIS

The following analysis addresses only the activities specified by the bill. These consist of operational expenses of the Committee on Municipalities (Section 1), the Boundary Study Section 2) and the Charter Commissions (Section 5).

Fiscal impact to the State in terms of borough organizational grants, state revenue sharing, municipal assistance, savings resulting from borough formation, etc. is not included. It is impossible to project these amounts at this time since their totals will depend upon unknown variables such as the number of new boroughs, the population of the boroughs, the number of students in each borough, local tax effort and the total assessed valuations of the boroughs.

COMMITTEE ON MUNICIPALITIES (SSHB 1, Section 1)

Staff Positions:

Funding is provided for staff support to the COMMITTEE ON MUNICIPALITIES. Figures are based upon the assumption that staff members are employed 12 months in FY'92 and 6 months in FY'93.

	<u>FY 92</u>	<u>FY 93</u>	
1 Full-Time LGS IV (Range 19)	\$ 60,077	\$ 30,772	
1 Full-Time Admin Ass't (Rng 12)	39,222	19,108	
1 Half-Time Clk Typ III (Rng 80)	<u>15,321</u>	<u>7,847</u>	
	\$114,620	\$ 57,727	TOTAL: \$172,347

Travel and Per Diem:

The following figures assume that the COMMITTEE ON MUNICIPALITIES will conduct four meetings in FY'92 and two in FY'93. Meetings will be held in six different regional centers in the state. The figures include travel and per diem for the local government representatives only. Travel and per diem are estimated at \$800 per meeting for each of the two members. Costs of others will be borne by existing agencies.

	<u>FY 92</u>	<u>FY 93</u>	
Travel and Per Diem:	\$ 6,400	\$ 3,200	TOTAL: \$ 9,600

SSHB No. 1: FISCAL NOTE ANALYSIS (continued)

BOUNDARY STUDY (SSHB 1, Section 2)

Funding will complete the LBC's "Model Boundaries Study" and update the findings of the Department's Borough Feasibility Studies. Staff costs will be assumed by the Department.

	<u>FY 92</u>	
Travel:	\$ 51,500	
Teleconferences:	6,600	
Public Notices and Publications	<u>11,500</u>	
	\$ 69,600	TOTAL: \$ 69,600

CHARTER COMMISSION (SSHB 1, Section 5)

The following figures assume that five CHARTER COMMISSIONS are elected; it will cost \$300 in travel and per diem per member per meeting; and that each commission meets twice in FY'95 and three times in FY'96. Cost of providing technical assistance to commissions will be borne by the Department using existing staff.

	<u>FY 95</u>	<u>FY 96</u>	
Travel and Per Diem:	\$ 21,000	\$ 1,500	TOTAL: 52,500

TOTAL FISCAL IMPACT: \$304,047

Position Title Local Government Specialist IV		No. of Positions 1	Range / Step 19/A	Barg. Unit GGU
Time Status Full time	Staff Months 12	Location Anchorage		Election District
TYPE OF EXPENDITURE		Amount		
Salary	44.5	Justification To perform research & analyses of ways to reduce disincentives & to enhance incentives for borough formation & to investigate ways to provide greater equity in the distribution of state funds among municipalities. Findings will be presented to the Committee on Municipalities in formal reports & recommendations. Staff shall also provide technical support in terms of drafting correspondence for the Committee, responding to inquiries from local elected & appointed officials regarding Committee activities, maintaining records of Committee activities. This position will supervise the Administrative Assistant I and Clerk Typist III assigned to the Committee.		
Benefits	15.6			
Premium Pay				
Other				
Total Personal Services	60.1			
Travel	57.9			
Contractual	18.1			
Commodities				
Equipment				
Other				
Total Cost	136.1			
FUNDING SOURCE FOR TOTAL COST				
Federal Receipts	1002			
G.F. Match	1003			
General Fund	1004	136.1		
I-A Receipts	1007			
CIP Receipts	1061			
Other				

**Request For
New Position**

AGENCY Community & Regional Affairs
 BRU Local Government Assistance
 COMPONENT Local Boundary Commission

FY 92

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 Revised Date: _____

Position Title Local Government Specialist IV		No. of Positions 1	Range / Step 19/B	Org. Unit GGU
Time Status Part time	Staff Months 6	Location Anchorage		Election District
TYPE OF EXPENDITURE		Amount	Justification To perform research & analyses of ways to reduce disincentives & to enhance incentives for borough formation and to investigate ways to provide greater equity in the distribution of state funds among municipalities. Findings will be presented to the Committee on Municipalities in formal reports and recommendations. Staff shall also provide technical support in terms of drafting correspondence for the Committee, responding to inquiries from local elected and appointed officials regarding Committee activities, maintaining records of Committee activities. This position will supervise the Administrative Assistant I and Clerk Typist III assigned to the Committee.	
Salary	22.8			
Benefits	8.0			
Premium Pay				
Other				
Total Personal Services		30.8		
Travel		3.2		
Contractual				
Commodities				
Equipment				
Other				
Total Cost				
FUNDING SOURCE FOR TOTAL COST		34.0		
Federal Receipts	1002			
G.F. Match	1003			
General Fund	1004	34.0		
I.A Receipts	1007			
CIP Receipts	1061			
Other				

**Request For
New Position**

AGENCY Community & Regional Affairs
 BRU Local Government Assistance
 COMPONENT Local Boundary Commission

FY 93

Page 5 of 9
 Revised Date: _____

Position Title Administrative Assistant I		No. of Positions 1	Range / Step 12/A	Barg. Unit GGU
Time Status Full time	Staff Months 12	Location Anchorage		Election District
TYPE OF EXPENDITURE		Amount		
Salary	27.0	Justification To assist the LGS IV in research and analyses activities. This position will attend to the needs of the Committee in terms of coordinating and organizing meetings and publishing public notices. The position will also be responsible for arranging travel of Committee members and drafting minutes of the Committee's meetings and public hearings.		
Benefits	12.2			
Premium Pay				
Other				
Total Personal Services	39.2			
Travel				
Contractual				
Commodities				
Equipment				
Other				
Total Cost				
FUNDING SOURCE FOR TOTAL COST				
Federal Receipts	1002			
G.F. Match	1003			
General Fund	1004	39.2		
I-A Receipts	1007			
CIP Receipts	1061			
Other				

**Request For
New Position**

AGENCY Community & Regional Affairs
 BRU Local Government Assistance
 COMPONENT Local Boundary Commission

FY 92

Page 6 of 9
 Revised Date: _____

Position Title Administrative Assistant I		No. of Positions 1	Range / Step 12/B	Barg. Unit GGU
Time Status Part time	Staff Months 6	Location Anchorage		Election District
TYPE OF EXPENDITURE		Amount		
Salary	14.1	Justification To assist the LGS IV in research and analyses activities. This position will attend to the needs of the Committee in terms of coordinating and organizing meetings and publishing public notices. The position will also be responsible for arranging travel of Committee members and drafting minutes of the Committee's meetings and public hearings.		
Benefits	5.0			
Premium Pay				
Other				
Total Personal Services	19.1			
Travel				
Contractual				
Commodities				
Equipment				
Other				
Total Cost				
FUNDING SOURCE FOR TOTAL COST				
Federal Receipts 1002				
G.F. Match 1003				
General Fund 1004	19.1			
I-A Receipts 1007				
CIP Receipts 1061				
Other				

**Request For
New Position**

AGENCY Community & Regional Affairs
 BRU Local Government Assistance
 COMPONENT Local Boundary Commission

FY 93

Page 7 of 9
 Revised Date: _____

Position Title Clerk Typist III		No. of Positions 1	Range / Step B/A	Barg. Unit GGU
Time Status Part time	Staff Months 6	Location Anchorage		Election District
TYPE OF EXPENDITURE		Amount		
Salary	10.6	Justification To assist the LGS IV and Administrative Assistant in providing staff support to the Committee on Municipalities. This will include typing Committee correspondence, maintaining files and clerical back-up to other staff members.		
Benefits	4.7			
Premium Pay				
Other				
Total Personal Services	15.3			
Travel				
Contractual				
Commodities				
Equipment				
Other				
Total Cost				
FUNDING SOURCE FOR TOTAL COST				
Federal Receipts 1002				
G.F. Match 1003				
General Fund 1004	15.3			
I-A Receipts 1007				
CIP Receipts 1061				
Other				

**Request For
New Position**

AGENCY Community & Regional Affairs
 BRU Local Government Assistance
 COMPONENT Local Boundary Commission

FY 92

Page 8 of 9
 Revised Date: _____

Position Title Clerk Typist III		No. of Positions 1	Range / Step B/A	Marg. Unit GGU
Time Status Part Time	Staff Months 3	Location Anchorage		Election District
TYPE OF EXPENDITURE		Amount		
Salary	5.4			
Benefits	2.4			
Premium Pay				
Other				
Total Personal Services		7.8		
Travel				
Contractual				
Commodities				
Equipment				
Other				
Total Cost				
FUNDING SOURCE FOR TOTAL COST				
Federal Receipts	1002			
G.F. Match	1003			
General Fund	1004	7.8		
I-A Receipts	1007			
CIP Receipts	1061			
Other				
Justification To assist the LGS IV and Administrative Assistant in providing staff support to the Committee on Municipalities. This will include typing Committee correspondence, maintaining files and clerical back-up to other staff members.				

**Request For
New Position**

AGENCY Community & Regional Affairs
 BRU Local Government Assistance
 COMPONENT Local Boundary Commission

FY 93

Page 9 of 9
 Revised Date: _____

CITY OF SKAGWAY

GATEWAY TO THE GOLD RUSH OF '98"

P. O. BOX 415 SKAGWAY, ALASKA 99840

(PHONE) 907-983-2297

(FAX) 907-983-2151

March 14, 1991

Via Facsimile Transmittal

Representative Jerry Mackie
F.O. Box V
Juneau, AK 99811

RE: SS HB 1

Dear Representative Mackie:

The City of Skagway wishes to make its position on House Bill 1 known to you, as chairman, and to the other members of the Community and Regional Affairs Committee.

Attached is a 5/16/90 letter written on behalf of the City to the Local Boundary Commission. The letter expresses the City of Skagway's serious doubts that inclusion of Skagway in a borough will have a beneficial effect.

Skagway is a first-class city, with an established local government and school district. As the 5/16/90 letter points out, inclusion of Skagway in an expanded Haines borough would lead to higher school district expenses, less governmental efficiency and a loss of local control.

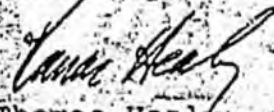
In times such as these, when local governments are seeking greater efficiencies, are saddled with more and more service demands and regulatory requirements and are doing their utmost to maintain a sense of accountability with taxpayers, it seems counterproductive to mandate that communities shoulder yet another layer of government.

The City of Skagway does not question the need to address the issue of "ideal" borough boundaries. Expanded borough boundaries may have beneficial effects in some parts of the state. This would not be the case in Skagway, however.

Finally, the City of Skagway strongly endorses the ability of local communities to decide, in a vote binding upon the Local Boundary Commission, whether to be included in a borough or not.

Please enter this and the attached letter into the record of today's hearing. The City of Skagway thanks you and the committee members for this opportunity to comment on this proposed legislation.

Sincerely,



Thomas Healy
City Manager

CITY OF SKAGWAY

GATEWAY TO THE GOLD RUSH OF '98"

P. O. BOX 415 SKAGWAY, ALASKA 99840

(PHONE) 907-983-2297

(FAX) 907-983-2151

VIA FACSIMILE TRANSMITTAL: ORIGINAL TO FOLLOW

May 16, 1990

LBC Component
Department of Community and Regional Affairs
949 E. 36th Avenue, Room 405
Anchorage, AK 99508

RECEIVED

MAY 21 1990

Dept. of Comm. & Reg. Affairs
Div. of Municipal & Reg. Asst.

Dear Sirs;

The City of Skagway, in commenting on the draft report to the Local Boundary Commission concerning "ideal boundaries" of existing and prospective boroughs in Southeast Alaska, wishes to object to the conclusion that Skagway be included in an expanded Haines Borough.

The critical question is, if existing boundaries do not place Skagway in the Haines Borough, what change has or will occur that would compel its inclusion now or in the future?

Inclusion of Skagway in the Haines Borough might be advantageous if there is a clear indication that this would result in efficiencies in the delivery of local governmental services. As in most regions in Alaska, however, the extremes of natural geography and weather--not artificial governmental boundaries--often decide if the local governmental structures are efficient or not. It is the opinion of the City that the delivery of area-wide services in Skagway by a borough government based in Haines would not enhance the delivery of governmental services.

Transportation services between Skagway and Haines are developed to the extent allowed by the Marine Highway budget, terrain and local weather conditions. The communities are connected by road, but the journey requires going into Canada and driving a distance equivalent to traveling from Seattle to Idaho. The weather and the severe natural terrain often mock the apparent proximity of the towns and create a sense of separation far in excess of the fifteen miles between Skagway and Haines. This "distance" imposed by natural geography and weather conditions acts as a significant deterrent to a sharing of services between the two towns and would exert the same pressures--and costs--on any attempts to provide borough services to Skagway.

For example, the operation of the local school is a matter of significant local concern and pride. Under a borough, Skagway's school district would become part of the Haines Borough school district. Skagway would lose an important sense of local control and oversight of school administration by having its voice diminished, if effect, by trading a local school board for minority representation on a borough school board.

The notion that expanded boroughs would make for more efficient operation of small districts is false in Skagway's case. The Skagway school district presently operates at a minimum level of staffing necessitated not by what is perceived as an inherent inefficiency of small school districts but by inequities in the state's funding formula that do not provide Skagway and other small districts with the proper level of funding. This is a matter of prime importance in Skagway and it is an issue that inclusion in a borough will not address. If inclusion in a borough will do anything to education in Skagway, it will increase district costs due to travel required for school board members, staff and administrative personnel.

LBC Component

5/16/90

Page Two

The delivery of other area-wide government services in Skagway by a Haines Borough would require abandonment of the present third-class status of the borough in favor of a first- or second-class borough. The delivery of services would encounter difficulties similar to those shown above. An expanded borough would increase administrative requirements for tax assessment and collection and planning and zoning. The economical, small-scale and, in Skagway's case, part-time manner in which these services are presently performed would evolve into a larger and more costly administrative process. In addition to concern over higher service delivery costs, Skagway would be concerned that these costs be fairly apportioned, so that Skagway will not incur a disproportionate burden of funding area-wide services.

The economy of Skagway shares similarities with that of the Haines Borough, but there are significant differences. Skagway is dependent upon transportation and tourism. The Haines area is dependent upon timber and fishing. While diversity provides strength to a regional economy, it may also generate conflicts. Although Skagway recognizes the interdependence of regional economies, the historic independence of Skagway and its ability to pursue economic initiatives is a prized local asset. Inclusion in a borough might be seen generally as a dilution of Skagway's ability to plan and implement its economic goals.

In theory, there are broad, commendable reasons for including Skagway in an expanded Haines Borough. If the details of actual practice are examined, however, it is clear that this prospect would increase service costs and cause a loss of local control over important local services. To include Skagway in the Haines Borough would impose an unnecessary administrative structure upon an efficient and cost-effective local government.

Thank you for the opportunity to comment on the draft report. If you have any questions, please advise.

Sincerely,



Thomas Healy
City Manager

FISCAL NOTE

STATE OF ALASKA
1991 LEGISLATIVE SESSION

BILL NO. SSHB 1

Revision Date: _____ Department Affected: Office of the Governor
 Title: Relating to Incorporation of Boroughs
annexations, comm. on muni. BRU: Elections
 Component: Elections I
 Sponsor: Rep. Larson
 Requestor: House CR&A COMPONENT SERIAL NO.

0	0	2	2
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Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING		*	*			

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

REVENUE		*	*			
---------	--	---	---	--	--	--

FUNDING: (Thousands of Dollars)

GENERAL FUND		*	*			
FEDERAL FUNDS						
OTHER						
TOTAL		*	*			

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year impact: _____

ANALYSIS: (Attach a separate page if necessary.)
SEE ATTACHED

Prepared By: Elizabeth A. Ziegler Phone: 465-4611
 Division: Elections Date: 3-8-91
 Approved by Commissioner: [Signature]
 Agency: Division of Elections Date: 3-8-91

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

STATE OF ALASKA

OFFICE OF THE GOVERNOR

DIVISION OF ELECTIONS
P.O. BOX AF
JUNEAU, ALASKA 99811-0105
PHONE (907) 465-4611

FISCAL NOTE NARRATIVE

The fiscal impact of this bill on the Division of Elections can only be estimated because pending completion of the boundary study, the number of possible incorporation or annexations can only be projected.

However, based on discussions with the Local Boundary Commission staff it can be theorized that 12 regions may incorporate and 5 annexations may occur.

INITIAL ELECTIONS-(FY93):

Based on: 12 proposed incorporations
5 proposed annexations

1. Borough incorporation election-average cost
(X number of boroughs proposed by study)
 $\$7.8 \times 12$ proposed boroughs = \$ 93.6
2. Annexations - local election cost
Per single community or precinct involved
(Anticipating 2 precincts/communities per
annexation proposed x 5 proposals = \$ 17.0

SUBSEQUENT ELECTION FOR EACH BOROUGH ACTUALLY INCORPORATED:

Based on: 3 Additional borough elections each

1. Charter commission election
2. Initial officers election
3. Run-off election

Average cost of each borough election
(X 3 subsequent elections)

$\$7.8 \times 3$ subsequent elections = \$23.4
 $\$23.4 \times 12$ possible incorporations = \$ 280.8

EACH SUBSEQUENT REAA/CRSA REAPPORTIONMENT ELECTION 5.1
REAA/CRSA Reapportionment Election
Average cost per single community or precinct
(Anticipating 3 precincts/communities per
REAA/CRSA reapportionment

TOTAL \$ 396.5

Sponsor Substitute for HB 1

Sponsor Substitute for HB 1 is an effort to provide procedures and incentives for borough incorporation. A vital part of this new approach is the language in Section 3 that allows residents within a region to vote on whether or not they wish to incorporate as an organized borough (ie. "optional" rather than "mandatory" borough incorporation).

The following is a brief by section on the draft for SSHB1:

Section 1. Forms a 7 member committee on municipalities within the Department of Community & Regional Affairs. The committee shall consider means to reduce disincentives and enhance incentives for borough formation, review means to ensure equitable distribution of financial aid to municipalities, and shall submit its report to the Legislature.

Section 2. Directs the local boundary commission to conduct a study on possible boundaries for new boroughs and possible annexations by existing boroughs. In conducting the study, the local boundary commission shall consult with existing municipalities, regional attendance areas, and coastal resource service areas. At least public hearing shall be held in each region meeting the standards for borough incorporation or annexation.

Section 3. Upon completion of their study, the local boundary commission notifies the director of elections in each region meeting the standards of incorporation or annexation. Within 30 days, an election shall be ordered whereby the residents within that region elect whether or not to become incorporated or annexed. If the incorporation or annexation is disapproved, the local boundary commission may submit their recommendation to the legislature.

Section 4. For those regions to be incorporated, the Department of Community & Regional Affairs is directed to prepare a provisional home rule charter for the region. The voters of the region may petition to amend the provisional home rule charter.

Section 5. If the voters of a region approve borough incorporation, the director of elections shall schedule an election for selecting a charter commission for a region. The seven candidates receiving the highest number of votes organize as the charter commission and shall prepare a proposed home rule charter. Residents of the region then vote on whether or not to accept the home rule charter. If no charter is formed or approved, the provisional charter prepared under Section 4 operates as the charter.

Section 6. Establishes the first Tuesday in October 1995 as the date of election for the first borough officials.

Section 7. Following certification of the election in Section 6, the region becomes a home rule borough, and the charter for the borough is established.

Section 8. Provides an immediate effective date for SSHB1.

SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 1
IN THE LEGISLATURE OF THE STATE OF ALASKA
SEVENTEENTH LEGISLATURE - FIRST SESSION

BY REPRESENTATIVE LARSON

Introduced:
Referred:

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to the incorporation of boroughs, to annexation of certain areas, and to
2 the committee on municipalities; and providing for an effective date."

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

4 * Section 1. COMMITTEE ON MUNICIPALITIES. (a) A committee on municipalities is
5 established in the Department of Community and Regional Affairs consisting of the commissioner of
6 community and regional affairs or the commissioner's designee, the chair of the local boundary
7 commission or the chair's designee, and the following members appointed by the governor:

- 8 (1) a member of the senate;
- 9 (2) a member of the house of representatives;
- 10 (3) an employee or official of a borough or unified municipality;
- 11 (4) an employee or official of a city in the unorganized borough;
- 12 (5) a member of a regional educational attendance area school board;
- 13 (6) a resident of an unincorporated community in the unorganized borough who is a
14 member of a local governing body organized under 25 U.S.C. 476 or a traditional village council of a

1 Native village that meets the requirements of the Alaska Native Claims Settlement Act (43 U.S.C. 1601 -
2 1628); and

3 (7) a representative of the Alaska Municipal League.

4 (b) Members are not entitled to receive compensation, but the members appointed under (a)(3) -
5 (7) of this section are entitled to per diem and travel expenses authorized for boards and commissions
6 under AS 39.20.180.

7 (c) The commissioner of community and regional affairs or the commissioner's designee shall
8 serve as committee chair. The committee shall consider means to eliminate or reduce disincentives and
9 enhance incentives for the formation of boroughs. The committee shall also consider ways to ensure
10 greater equity in the distribution of financial aid to all municipalities. The committee shall submit a
11 report of its findings and recommendations to the legislature and to the local boundary commission by
12 January 1, 1994. The Department of Community and Regional Affairs shall make copies of the report
13 available to all municipalities.

14 (d) The committee terminates upon submission of its report under (c) of this section.

15 * Sec. 2. BOUNDARY STUDY. (a) The local boundary commission shall conduct a boundary study
16 of the unorganized borough to determine

17 (1) which regions meet the standards set out in AS 29.05.031 for borough incorporation;
18 and

19 (2) which areas should be annexed to existing boroughs or unified municipalities.

20 (b) In conducting the boundary study, the local boundary commission shall consult with existing
21 municipalities, regional educational attendance areas, and coastal resource service areas. The commission
22 shall conduct at least one public hearing in each region found to have met the standards for borough
23 incorporation and in each area the commission determines should be annexed. The study must be
24 completed by May 1, 1994.

25 * Sec. 3. ANNEXATION OR BOROUGH FORMATION. (a) After completing the boundary study,
26 the local boundary commission shall notify the director of elections of each region the commission
27 determines should be incorporated as a borough and each area the commission determines should be
28 annexed. Within 30 days after notification, the director of elections shall order an election in each
29 region and area to determine whether the voters desire borough incorporation or annexation in
30 accordance with the boundary study. The elections shall be held before December 1, 1994.

31 (b) The director of elections shall supervise each election in the general manner prescribed by

1 the Alaska Election Code (AS 15). The state shall pay all election costs.

2 (c) The director of elections shall certify the election results. If an annexation is approved, the
3 annexation is effective when the election results are certified. If a borough incorporation is approved,
4 incorporation is effective in accordance with sec. 7 of this Act.

5 (d) If an annexation is disapproved, the local boundary commission may submit the proposal for
6 annexation to the legislature under AS 44.47.567 - 44.47.583. If a borough incorporation is disapproved,
7 the commission may submit the proposal for incorporation to the legislature during the first 10 days of
8 the First Regular Session of the Eighteenth Alaska State Legislature. A proposal for borough
9 incorporation may be disapproved by a concurrent resolution adopted by a majority of the members of
10 each house within 45 days after the proposal is submitted to the legislature. If it is not disapproved,
11 borough incorporation becomes effective in accordance with sec. 7 of this Act.

12 * Sec. 4. PROVISIONAL HOME RULE CHARTER. (a) By March 1, 1995, the Department of
13 Community and Regional Affairs shall prepare a provisional home rule charter for the boroughs to be
14 incorporated under this Act. The charter must provide that each new borough exercise only those powers
15 a home rule borough must exercise by law.

16 (b) The voters of a region scheduled for incorporation under sec. 3(c) or (d) of this Act may
17 petition the department for an amendment to the provisional charter for that new borough. If the
18 department determines that at least 15 percent of the number of voters who voted in the last general
19 election in the region have signed the petition, the department shall submit the proposed amendment to
20 the director of elections.

21 * Sec. 5. CHARTER COMMISSION. (a) If a borough incorporation is approved under sec. 3(c)
22 of this Act, the director of elections shall schedule a charter commission election in the region to be held
23 by March 1, 1995. Any person who has been qualified to vote in the region for at least one year
24 immediately preceding the date set for the charter commission election may become a charter
25 commission candidate by notifying the director of elections. The notification must be received by the
26 director at least 30 days before the election date. If at least seven candidates have not notified the
27 director by the deadline, no charter commission election may be held. If an election is held, the seven
28 candidates receiving the highest number of votes immediately organize as a charter commission.

29 (b) The Department of Community and Regional Affairs shall provide staff and administrative
30 assistance to each charter commission organized under this section. Charter commission members serve
31 without compensation, but are entitled to per diem and travel expenses authorized for boards and

1 commissions under AS 39.20.180.

2 (c) The charter commission shall prepare a proposed home rule charter. The charter must be
3 signed by a majority of the commission members and filed with the director of elections. The
4 commission shall hold at least one public hearing on the charter before signing and filing it. The
5 director of elections shall submit the proposed charter to the voters at an election held before the first
6 Tuesday in October 1995. If the charter is approved, it becomes effective on the first Monday following
7 certification of the election of initial borough officials.

8 (d) If no charter is prepared and approved by the voters under this section, the provisional
9 charter prepared under sec. 4 of this Act, together with any proposed amendments adopted at the election
10 of initial officials, operates as the charter for the new borough.

11 * Sec. 6. ELECTION OF INITIAL OFFICIALS. On or before the first Tuesday in October 1995,
12 the director of elections shall hold an election of initial borough officials under AS 29.05.120 in each
13 borough scheduled for incorporation under this Act. Unless a borough has already adopted a charter
14 under sec. 5 of this Act, any proposed amendments to the provisional charter of the borough received
15 by the director under sec. 4(b) of this Act shall be submitted to the voters at the election of initial
16 borough officials.

17 * Sec. 7. INCORPORATION OF NEW BOROUGHES. (a) A region is incorporated as a home rule
18 borough on the first Monday following certification of the election held under sec. 6 of this Act. The
19 home rule charter adopted under sec. 5 of this Act or the provisional home rule charter prepared by the
20 Department of Community and Regional Affairs under sec. 4 of this Act, together with any charter
21 amendments approved by the voters, operates as the charter for the new borough.

22 (b) AS 29.05.140 and 29.05.190 - 29.05.210 apply to boroughs incorporated under this section.

23 * Sec. 8. This Act takes effect immediately under AS 01.10.070(c).



Alaska State Legislature

Official Business

P.O. Box V
State Capitol
Juneau, Alaska 99811

MEMORANDUM

February 6, 1991

TO: House Community & Regional Affairs Committee

FROM: Representative Ronald L. Larson *R.L.*

RE: HB 1, Borough formation

Once again I have introduced HB1, legislation dealing with borough organization in the unorganized boroughs of Alaska.

Unlike versions of HB1 that have been introduced in the past, the bill before you today does not mandate borough formation. Rather, it mandates the Local Boundary Commission to conduct a study to determine which areas should be incorporated as new boroughs and which should remain in the Unorganized Borough. During the study, the Commission is required to consult with existing municipalities, regional attendance areas, coastal resource service areas, and would be required to hold at least one public hearing in area.

Provisions within HB1 are based largely upon the recommendations made by the Local Boundary Commission in their report Statement on Borough Government in Alaska (see attached). The Local Boundary Commission has also expressed their support for HB1 to be considered by the Legislature. While their preference for borough formation has always been for citizen initiative, the Commission recognizes that this is not likely to occur "without significant changes to the existing structure of regional service delivery in Alaska." It is important to note that over 90 per cent of those Alaskans who live in boroughs live in boroughs that were mandated by the State.

Thank you for your time and consideration of this issue.

STATE OF ALASKA LOCAL BOUNDARY COMMISSION

949 EAST 36TH AVENUE, SUITE 405, ANCHORAGE, ALASKA 99508
TELEPHONE 561-8586

C.B. BETTISWORTH, CHAIRPERSON
JO ANDERSON, 1ST JUDICIAL DISTRICT
BEN NAGEAK, 2ND JUDICIAL DISTRICT
LAMAR COTTEN, 3RD JUDICIAL DISTRICT
SHELLEY DUGAN, VICE-CHAIRPERSON, 4TH JUDICIAL DISTRICT

STATEMENT ON BOROUGH GOVERNMENT IN ALASKA

The Local Boundary Commission (LBC) was established under Alaska's Constitution to deal with certain critical local government matters. Its constitutional and statutory duties include making studies of local government boundary problems and judging proposals for borough incorporation and annexation. The LBC consists of five members appointed by the Governor. It is independent of all State agencies and other boards.

Due to a substantial increase in interest concerning borough government, conflicts over regional jurisdiction have begun to surface in several areas of the state (e.g. annexation by existing boroughs vs. incorporation of new boroughs). The LBC feels that dealing with such matters on a piecemeal basis is neither efficient nor effective. Therefore, the LBC has developed this statement in an effort to generate discussion among citizens of the state, policy makers and lawmakers concerning future regional service delivery in Alaska. This statement was formally adopted by the LBC on December 2, 1988.

INTRODUCTION

The structure for the delivery of regional services in Alaska is in need of improvement. It can be argued that the evolution of regional government over the past thirty years appears to have fallen short of the intent of the State Constitution. The present system for the delivery of regional services is inequitable and, in some respects, inefficient. While there is a strong need to change the system in order to improve the delivery of local government services to all Alaskans, substantial barriers stand in the way.

CONSTITUTIONAL INTENT FOR THE FORMATION OF BOROUGHS¹

The State Constitution provides the framework for borough governments. Article X, Section 3 of the Constitution provides that "The entire state shall be

divided into boroughs, organized or unorganized." Senator Vic Fischer, a member of the Committee on Local Government at the Constitutional Convention, wrote that the initial principles set forth by the Committee included the guideline that "*provision should be made for subdividing all Alaska into local units (boroughs) based on economic, geographic, social, and political factors; initially not all need be organized*" (emphasis added).²

It was clearly the position of the Local Government Committee that "*although voluntary incorporation was preferable, organized boroughs should be created without approval in the area if considered necessary by the state.*" Further, the Committee believed that "*the state may want to mandate incorporation if an area is deemed to have reached a position where it should take on the burden of its own government.*"³

INTENT VS. IMPLEMENTATION

During the first four years of statehood, only one borough had formed. The area encompassed by that borough was a mere 873 of Alaska's 586,400 square miles. By 1963, the need for the creation of boroughs in other areas of the state became so apparent that the Legislature was willing to adopt "*one of the most controversial statutes ever passed by an Alaskan legislature*" — the Mandatory Borough Act.⁴ This act required the formation of boroughs in the regions encompassing Ketchikan, Juneau, Sitka, Kodiak, the Kenai Peninsula, Anchorage, the Matanuska and Susitna Valleys, and Fairbanks.

Presumably, boroughs were mandated for those regions because, in the words of the Local Government Committee, they were "*considered necessary by the state*" and each area was "*deemed to have reached a position where it should take on the burden of its own government.*"

Following the Mandatory Borough Act, only four more boroughs were formed. Today, more than 30 years after Alaskans ratified the State Constitution, only one-third of the state lies within boroughs.

THE PRESENT SYSTEM OF GOVERNMENT IS INEQUITABLE

Flaws in the present system become apparent when an examination is made of who bears the burden of providing municipal services. Boroughs are obligated by law to provide certain services, including education. Education is the largest expenditure of virtually every borough. The budgets of some boroughs dedicate as much as 90% or more of their total revenues for education.

Residents of municipal school districts will contribute more than \$125 million statewide to support the operation of their schools during this year.⁵ Substantial additional local funds will be spent on debt service for capital improvements to educational facilities in municipal school districts.

However, those who live outside municipal school districts pay no taxes in support of school operations or capital construction. As a consequence, the State has to provide substantially higher financial aid to the non-municipal school districts. In fact, 25% of the total State aid for operation of schools is dedicated to non-municipal school districts. The student population of these districts equals 12.7% of the total student population in the state.⁶

Ironically, one of the principal factors leading to the 1963 Mandatory Borough Act was the desire to "provide for tax equalization." Representative John L. Rader, the author of the Act, noted that, "if tax equalization was to be meaningful, it could not be piecemeal. Mandatory incorporation of boroughs would be necessary in all areas which could feasibly be included within a borough and which did not incorporate on local initiative" (emphasis added).

While education funding epitomizes the inequities in the current structure, it alone is not the only disparity. Similar concerns can be expressed over public safety, maintenance of transportation facilities, public planning and other services. There are a number of regions in Alaska where no taxes are levied in support of public services.

THE DISTRIBUTION OF RESOURCES IS INEQUITABLE

A recent study by the Department of Community and Regional Affairs noted vast inequities in the resources available to support existing and potential boroughs in the state. Nowhere is this more evident than in the area of property available for taxation. On the prosperous end of the spectrum, one borough in Alaska enjoys a property tax base equal to \$11,024,197 per student. The tax base of the borough on the other end of the spectrum is less than 2% of that figure (\$143,583 per student).

Like boroughs, some unincorporated regions of the state have substantial resources and some have few. For example, one unincorporated region has a potential tax base amounting to \$2,654,954 per student.⁸ A number of other unincorporated regions of the state have so little in the way of resources, that there is virtually no potential that any borough could be formed *under the present structure*. However, property values are not the only measure of a region's ability to support a borough. A number of regions may have limited property values but contain substantial resources (e.g. fish and timber) which could serve as a means to support a borough. The disparities in resource distribution are a major impediment to the formation of boroughs in several regions throughout Alaska.

STATE FINANCIAL AID PROGRAMS NEED MODIFICATION

Some of the State's most important municipal financial aid programs (e.g. school foundation formula, municipal assistance, state revenue sharing and state-shared fisheries taxes) have traits which warrant examination.

The inequity of the school foundation formula with respect to unincorporated regions vs. municipal school districts was discussed earlier. However, there are other significant inequities in that program. For example, municipal school districts are required to contribute to their schools, the lesser of: 1) equivalent of a 4 mill property tax or 2) level of "basic need" calculated by the State. of the state's thirty-three municipal school districts fall under the requirement to contribute the 4 mill equivalent. However, the other two fall under the optional provision.⁹ Both of these municipalities enjoy relatively high

property values. In one case, the law requires that the borough contribute a millage rate equivalent of only 0.33 mills in support of education. *This is only one-twelfth of the amount required for the 31 other municipal school districts.* Elimination of this inequity would save the State in excess of \$10 million annually.¹⁰

Inequities are found in programs other than those relating to education. The Municipal Assistance Program has elements which are not only inequitable, but extremely arbitrary. Under that program, a borough formed after June, 1977 with a population outside of cities ranging from 2,207 to 4,097 would receive vastly greater aid over what it would receive if its population were either higher or lower by even one person. Thus, a new borough with a population of 2,207 would receive nearly \$1.4 million in annual program funds while a borough with a population of 2,206 would receive less than \$200,000 in annual payments.

Policy concerns abound with respect to factors used in the State Revenue Sharing Program (e.g. population and local tax effort determinations). Concerns over perceived inequities in this program have led to court challenges in the past.

The structure of the State-shared fisheries tax program actually serves as a substantial disincentive to the formation of boroughs in certain areas of the state. Under the present law, some cities outside of boroughs would lose several hundreds of thousands of dollars in annual program payments if their regions incorporated.

SOME BOROUGH BOUNDARIES ARE NOT REASONABLE

Some of today's boroughs have boundaries which present unique problems for efficient delivery of regional services. An interesting example of this is the Haines Borough. Klukwan, which is located well within the borders of the borough, exists as a "jurisdictional hole" in the borough. Educational services in Klukwan are not provided by the borough, but by the State operated Chatham Regional Educational Attendance Area (REAA). The seat of the school district is located in Angoon, a community approximately 170 air miles distant. It is apparent that a more reasonable approach to serving Klukwan's education needs would likely be through the borough surrounding it.

It should also be noted that the boundaries of four of the eight boroughs formed pursuant to the mandatory

Borough Act were not originally set according to standards used today. Rather, those boroughs had their boundaries set along State election district lines. The LBC substantially modified the boundaries of one of those boroughs upon petition shortly after incorporation. However, the boundaries of the remaining three boroughs are substantially unchanged.¹¹ Their borders would not necessarily meet today's standards for the formation of boroughs. Boundaries of other boroughs in the state have not necessarily kept pace with development within their regions.

CURRENT STRUCTURE IS INEFFICIENT

The present configuration of school districts surrounded by other school districts is one example of the inefficiencies of the current structure. Regardless of the size of each district (which can be either a REAA, a first class/home rule city in the unorganized borough, or a borough) each maintains independent administrative structures. Establishing boroughs throughout the state would consolidate many of the smaller school districts and produce millions of dollars in savings throughout the state. The most dramatic example of this can be found in Southeast Alaska. If a borough were formed along the lines of the Southeast Island REAA (including Metlakatla), eight separate school districts would be consolidated into one. It is projected that savings from reduced administrative costs from this one consideration alone would total \$1,400,000.¹²

BARRIERS TO CHANGE

Unless there are overwhelming advantages to entice residents of a region to form a borough, it seems clear that if most Alaskans were given a choice, they would prefer to remain outside any regional government. Before the mandatory creation of their borough, residents of Anchorage rejected a proposal to incorporate by a margin of more than 3 to 1. Residents of Fairbanks also rejected a voluntary borough by a margin of nearly 3 to 2.¹³ It is even more telling that today nearly 96% of borough residents live in boroughs which were formed under the Mandatory Borough Act.

CONCLUSION AND RECOMMENDATIONS

The LBC has formed the following conclusions:

- * Because of the disparity of resources and problems with current State aid programs, a comprehen-

sive evaluation of formulas for State aid to municipalities and related matters is warranted.

- * It is likely that there are unincorporated regions of the state which are presently able to support borough government. A restructuring of funding programs could likely extend financial viability for borough formation to all regions of the state.
- * The concept of home rule boroughs seems to offer the greatest opportunity for residents of a region to tailor the form of government to best meet their needs. Under home rule, residents of each new borough would adopt a charter (constitution) establishing the powers and duties of the borough. State law requires only that a home rule borough provide areawide education and planning (as well as tax assessment and collection, if necessary).
- * Few regions of the state are likely to seek formation of boroughs through the local initiative process.
- * There is a need to re-examine existing borough boundaries.

Therefore, the LBC recommends that the legislature carefully consider the circumstances discussed in this statement and examine alternative means to deal with the issues raised. Although there may be several others, the following alternatives would seem appropriate for consideration: 1) identifying and eliminating disincentives for the formation of boroughs, 2) revising State laws and programs to provide greater equity in the distribution of financial aid to municipalities, 3) providing for the incorporation of boroughs only in those areas which are presently financially viable and which otherwise meet the standards for borough formation and 4) providing for the formation of boroughs in all parts of the state, coupled with a mechanism to ensure that all boroughs created in this fashion are financially viable.

These recommendations of the LBC have not been made lightly. It is recognized that any proposal to change the status quo is certain to generate intense opposition. Further, it is recognized that the issues and problems identified in this statement will not be resolved overnight and will require the commitment of substantial resources. Nonetheless, this statement is issued as a good faith attempt to carry out the constitutional and statutory duties of the LBC and to seek improvements in the delivery of regional services throughout the state.

While this statement has focused largely on problems concerning the current structure, readers are encouraged to consider the positive aspects of the issue. The creation of boroughs throughout the state would provide residents with a meaningful responsibility and interest in the development of each region. Boroughs offer effective tools to deal with a number of the social problems affecting many parts of Alaska (e.g. alcohol control and mental health).

Further, by improving economies of scale, a borough may be able to offer vast improvements in the delivery of services within a region. Improvements to the structure of service delivery will become even more critical as State funds available for public services continue to shrink.

FOOTNOTES

¹ As used in this statement, the term "borough" means organized boroughs and unified municipalities.

² Victor Fischer, Alaska's Constitutional Convention (Fairbanks: University of Alaska Press, 1975) p. 119.

³ Ibid, p. 120.

⁴ Ronald C. Cease and Jerome R. Saroff, The Metropolitan Experiment in Alaska - A study of Borough Government (New York: Frederick A. Praeger, Publisher, 1968) p. 32.

⁵ Department of Education, Alaska Public School Foundation Funding Program (March 21, 1988), p. 1.

⁶ Ibid, pp. 1 & 3 (proposed FY 89 State aid to REAA schools is \$110,224,629 of the total of \$442,643,697); (projected FY 89 average daily membership for REAA schools is 12,826.55 while projected average daily membership for total schools is 100,904.05).

⁷ Cease and Saroff, p. 94 (see also pp. 87-89, 93, 117).

⁸ Department of Community and Regional Affairs, Regional Government Study (Anchorage; January, 1988) p. 28. See also, pp. 4 - 7 for a discussion of disparities in the distribution of other resources within boroughs and unincorporated regions.

⁹ Technically, a third municipal school district falls under the 35% rule, however, the difference between its required contribution and the 4 mill equivalent is a mere \$3,011. In fact, its required contribution is the equivalent of a 3.999228 mill tax. Thus, in effect, it is paying a 4 mill equivalent.

¹⁰ By requiring each municipal school district to contribute the lesser of: 1) a 4 mill equivalent or 2) "basic need" less federal aid (deductible PL-874), a savings of \$10,234,157 would result in the current year. Such a requirement would still have the districts with large tax bases paying far less than a 4 mill equivalent (0.95 mills in one case and 2.42 mills in the other case). It is believed that this change in the formula could be made without violating federal equalization requirements relating to local support of schools.

¹¹ The boundaries of the Fairbanks North Star Borough originally included some 23,110 square miles. Two days after the borough was incorporated under the Mandatory Borough Act, the LBC approved the detachment of some 17,082 square miles to the south and the annexation of some 1,333 square miles to the west. The boundaries of the Kenai, Anchorage and Matanuska-Susitna boroughs remain largely unchanged from those established 25 years ago.

¹² See Table C.4 of A New Mandatory Borough Act: Local Education Costs and Potential Revenues of Newly Created Boroughs by House Research Agency of the Alaska State Legislature, February, 1988.

¹³ Cease and Saroff, p. 30.

(Page 6 is a map of Alaska showing which regions of the State are incorporated and which are not.)



Unified Home Rule Municipalities

- 1. Municipality of Anchorage
- 2. City and Borough of Juneau
- 3. City and Borough of Sitka

Home Rule Boroughs

- 4. North Slope Borough
- 5. Northwest Arctic Borough

Second Class Boroughs

- 6. Aleutians East Borough
- 7. Bristol Bay Borough
- 8. Fairbanks North Star Borough
- 9. Kenai Peninsula Borough
- 10. Ketchikan Gateway Borough
- 11. Kodiak Island Borough
- 12. Matanuska-Susitna Borough

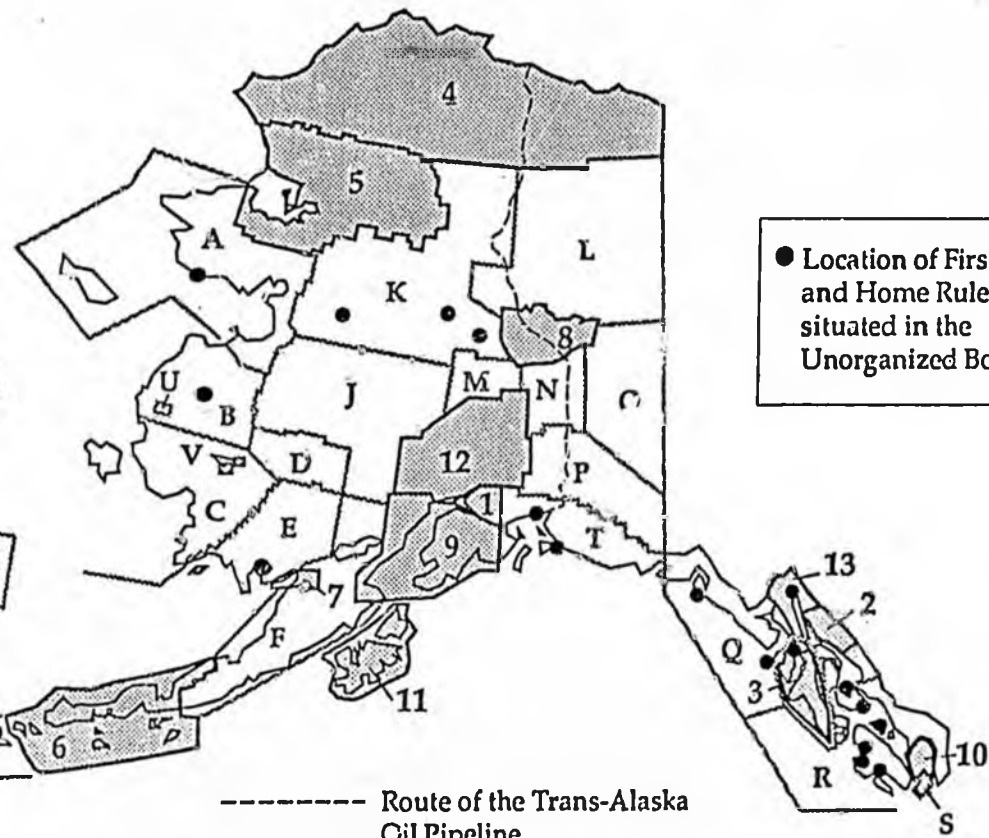
Third Class Boroughs

- 13. Haines Borough

Note: The Unorganized Borough consists of the unshaded area.

Regional Educational Attendance Areas

- | | |
|---------------------|-------------------------------|
| A. Bering Straits | L. Yukon Flats |
| B. Lower Yukon | M. Railbelt |
| C. Lower Kuskokwim | N. Delta/Greely |
| D. Kuspuuk | O. Alaska Gateway |
| E. Southwest Region | P. Copper River |
| F. Lake & Peninsula | Q. Chatham |
| G. Aleutian Region | R. Southeast Island |
| H. Pribilof Islands | S. Annette Island |
| I. Adak Region | T. Chugach |
| J. Iditarod Area | U. Kashunamiut (not to scale) |
| K. Yukon - Koyukuk | V. Yupiit (not to scale) |



● Location of First Class and Home Rule Cities situated in the Unorganized Borough

----- Route of the Trans-Alaska Oil Pipeline

STATE OF ALASKA

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

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February 6, 1991

POSITION PAPER

RE: HOUSE BILL 1

SPONSOR: Representative Larson

Program Effects of Bill

The bill calls for a study by the Local Boundary Commission to determine which areas of the unorganized borough should be incorporated as new home rule boroughs and which areas should be annexed to existing boroughs. Proposals for annexation and incorporation would be submitted for consideration by the legislature under the terms of Article X, Section 12 of the Constitution. A committee would be formed to examine inequities in State funding for local services.

Comments

This bill has evolved from legislation considered by the Fifteenth and Sixteenth Alaska Legislatures. The Department previously provided extensive comments on those bills. The comments offered here focus on the current bill, while in some cases observing the differences from past proposals.

Section 1. Boundary Study. The Local Boundary Commission (LBC) is actively engaged in a study essentially identical to the one outlined in Section 1 (a) and (b). The only distinction is that the LBC's efforts focus on boundaries to the intentional exclusion of matters relating to the financial viability of prospective boroughs. The project is scheduled for completion in June of 1992.

With respect to financial viability, the Department completed a series of borough feasibility studies for nearly all regions of the unorganized borough in 1988 and 1989. Thus, the study requested by this proposed legislation could in fact be accomplished by completion of the LBC's 'model boundaries study' in conjunction with an update to the Department's earlier borough feasibility studies.

Section 1(c). This subsection of HB 1 differs from CSHB 1 (C&RA) considered by the 1990 legislature by providing for mandatory borough incorporation through submittal of a proposal from the LBC to the legislature. While the Department appreciates the efficacy of this approach, the Department and LBC have long maintained that boroughs should be created through popular vote. In point of fact, the Commission has counseled against mandatory incorporation on several occasions while supporting local initiative. The success of this approach however, may depend to a large degree upon the effectiveness of the Commission's call for the examination of State funding formulas to promote equity among regions and to eliminate disincentives for borough formation and annexation.

Sections 2 through 4. These sections appear to incorporate suggestions raised in the past by the Department in review of earlier versions of the bill. It streamlines a process that was originally much more complex.

Section 5. While this section of the bill incorporates past suggestions from the Department, it raises new concerns. The current version creates a "Committee on Municipalities" to consider means to eliminate or reduce disincentives and enhance incentives for borough formation. While the Committee consists of members representing appropriate bodies to carry forward its tasks, the committee falls short of comprehensive representation. The Committee should include a representative from a regional education attendance area, either an elected or paid official. It would also benefit greatly from the appointment of a representative from a first class or home rule city in the unorganized borough. Several such cities expressed interest in reclassifying to second class status over the last year in order to eliminate their current obligations to fund education services. A representative from a city in this situation could offer valuable insight on ways to provide equity in state funding for local services.

Additionally, Section 5 fails to provide for distribution of the Committee's report to anyone other than the legislature. As in past comments on similar versions of the bill, the report would benefit greatly from circulation to all municipalities and other interested parties.

General Comments

The extension of organized borough government to unorganized areas of the state offers both attractions and challenges. Among them are:

- ° Fulfillment of Constitutional intent: Article X, Section 3 of the Constitution of the State of Alaska requires all areas of the state to be divided into boroughs. Areas which meet the standards for borough incorporation (including financial resources) were intended to organize.

- ° Improved local control: Home rule boroughs provide the most effective means to transfer power to local residents. Decisions about local issues are made by local elected officials.
- ° Greater local revenue generating capacity: As State revenues decline, the ability to generate local revenues becomes more critical. Given their vast regional boundaries, boroughs enjoy unrivaled capacity to generate revenues.
- ° Improved Tribal-State relations: Home rule governments permit the greatest degree of cultural sensitivity to traditional institutions and values. A home rule borough would enable Alaska Natives to develop regional governments which respond to many of the moral and cultural problems facing villages today. This more acceptable and suitable form of government would likely improve relations between the State and Native villages. This, in turn, might preempt the development of a separate Tribal-Federal relationship that excludes State participation.
- ° More efficient structure: In the past six years, four new boroughs have formed. These new boroughs have proven to be highly efficient service providers, in some cases saving several hundreds of thousands of dollars annually through consolidation of school operations and other services.
- ° Greater local responsibility for service delivery: Under current circumstances, local residents of parts of the unorganized borough pay nothing for government services. In some instances, this has led to a diminished concern at the local level about the cost of such services. Borough government would require local support for certain services and thus bring a measure of increased responsibility in the delivery of services.

Conclusion. Historically, Alaskans have objected strenuously to borough formation. In fact, most organized boroughs owe their existence to a 1963 mandate from the legislature. More than 95% of borough residents live in boroughs formed under the 1963 Mandatory Borough Act. Nonetheless, boroughs have proven to be effective and efficient service providers as envisioned by the Constitutional Convention delegated when they laid the foundation for this unique form of local government thirty-five years ago.

For the reasons cited above, the Department supports the policy directions of parts of House Bill 1 and opposes others. The Department intends to offer related proposals during the current session.

Edgar Blatchford, Commissioner

PUBLIC OPINION MESSAGE

DEAR: REPRESENTATIVE MACKIE

NAME: FRED PRIDE
TITLE:
ADDRESS: P.O. BOX 625
CITY: TOK ZIP: 99780
PHONE: 883-5590
BILL NO: HB 1
SUBJECT: BOROUGH INCORPORATION & ANNEXATION
MESSAGE: WE CAN'T HAVE A BOROUGH UNLESS EVERYONE IS TAXED EQUALLY. I OPPOSE
HB 1 COMPLETELY.

POMID: 02092933
DATE: 91/02/06
TIME: 09:29:33
LIONAME: DELTA JUNCTION LIO

COPIES: REPRESENTATIVES SENATOR

LARSON SHULTZ
GONZALES
C.DAVIS
B.DAVIS
FOSTER
G.PHILLIPS
BAKER

BONNIE'S BABES DAY CARE
STATEMENT OF INCOME AND EXPENSE
BUDGETED RESULTS
FISCAL YEAR ENDING IN 1991

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
INCOME													
EMPLOYEE DAYCARE	162	-	72	162	-	-	-	-	-	-	-	-	396
GRANT INCOME	405	2223	540	529	540	300	900	1150	-	1432	-	1069	9088
SALES/DAY CARE	11393	11434	12324	10578	10041	10450	12225	9224	9631	10636	12941	8844	129721
TOTAL INCOME	11960	13657	12936	11269	10581	10750	13125	10374	9631	12068	12941	9913	139205
EXPENSE													
Advertising/Promo	-	189	-	159	-	294	416	45	-	275	34	38	1450
Auto Expenses	30	153	15	15	32	17	16	17	18	29	75	258	675
BANK FEES	151	126	32	92	226	91	64	120	74	153	181	343	1653
CASUAL LABOR	-	-	-	-	-	124	35	-	241	179	345	1290	2214
Dues/Subscriptions	132	281	162	105	34	-	204	-	110	47	-	-	1075
FOOD SUPPLIES	844	836	897	752	708	1001	898	930	902	701	746	1064	10279
Insurance	883	-	-	-	-	-	-	-	-	1046	-	390	2319
Legal/Accounting	86	272	265	546	367	257	296	265	234	289	335	514	3726
Misc. Expense	32	642	26	153	-	133	80	-	-	138	-	-	1204
Office Supplies	281	34	117	-	-	319	289	39	16	43	-	71	1209
Payroll Taxes	-	-	-	328	-	-48	749	4689	753	848	848	1035	9202
Postage	-	25	-	-	-	28	-	-	-	-	-	-	53
Rent Paid	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	12000
REPR/MTHCE B.B.	17	-	174	646	159	240	-	59	375	-	281	125	2076
Salaries/Wages	3089	8315	7243	8095	7761	7593	11373	4994	8095	8328	9067	11002	94956
SUPPLIES/MISC	479	-	335	264	265	190	67	220	14	266	-	315	2415
Telephone	201	91	-	165	83	-	171	-	175	-	233	-	1119
TOYS/BOOKS	264	48	235	-	9	214	45	119	-	544	115	-	1593
TRAINING	-	1010	-	-	98	230	1144	439	-	-	103	162	3186
Travel/Entertainment	450	44	14	-	-	-	-	38	-	-	-	58	604
Utilities BONBAB	79	123	368	47	277	-	-	331	184	75	509	309	2302
TOTAL EXPENSE	8018	13189	10883	12367	11019	11683	16847	13305	12192	13961	13872	17974	155310
NET INCOME	3942	468	2053	-1098	-438	-933	-3722	-2931	-2561	-1893	-931	-8061	-16105