

HB

252



KENAI PENINSULA BOROUGH

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DON GILMAN
MAYOR

ALASKA DEBT RETIREMENT FUND POSITION PAPER HB 251, 252 & HJR 38

The Kenai Peninsula Borough supports the Governor's proposal for a Debt Retirement Fund.

Full funding of the state's obligation for school construction debt reimbursement has been the borough's number one legislative priority for the past four years, and will most likely to continue to be until the debt is paid off.

The economic boom in the early 1980's had a major impact on the boroughs and school districts in Alaska. Many areas experienced severe overcrowding in their school systems and, as a result, new schools were built through the sale of bonds eligible for reimbursement per AS 14.11.100. These bonds were sold with the expectation that they would be reimbursed at the level of entitlement prescribed in statute at the time of the sales.

For KPB, the school construction debt payment for FY '92 is \$26,999,010. This represents approximately 49% of the borough funds for education and 39% of the total borough general fund budget. The borough's entitlement from the state for this year is \$24,529,190. With such a large percentage of potential revenue subject to an annual appropriation by the legislature, the borough and all municipalities are forced to develop their budgets without knowing what their revenues are until the last minute.

In FY '92, Governor Cowper did not make his veto of this program until after the June 15 deadline for establishing the mill levy. The borough was forced to use the bulk of the remaining "fund balance" to make up for the lost revenue. Passage of a debt retirement fund would make known ahead of time the amount of state reimbursement of entitlement.

Debt Retirement Program
KPB Position Paper
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The Kenai Peninsula Borough, along with many other municipalities, worked diligently for the past three years with the legislature and the Governor to pass legislation which eliminated the former school construction funding program, and implemented a single grant program. The impetus for this change was to cap the state's liability for future debt, and create a single equitable funding program. One of the motivations for participation by the municipalities was the assurance that the remaining entitlement for school construction debt would be fully funded. This legislation would fulfill that promise.

Proposed Technical Amendment to HB 252
House State Affairs Committee

On line 4, delete the words "available for appropriation."

The purpose of the amendment is to make the wording of the bill consistent with the terminology now used by the Department of Administration to refer to the general fund balance.

209 million



House State Affairs Committee

Representative Gene Kubina, Chair

DATE: May 3, 1991

PLACE: Capitol, Room 102

SUBJECT OF MEETING:
 HB 251-Relating to Debt Retirement Fund
 HB 252-Relating to Approp: Debt Retirement
 HJR 38-Relating to Constitutional Debt Retirement Fund

NAME	REPRESENTING	BUSINESS/PERSONAL MAILING ADDRESS	ZIP	(H) PHONE	(W) PHONE	DO YOU WANT TO TESTIFY?		WHAT SUBJECT/ WHICH BILL?
JACK KREINHEDER	GLV.	BOX 177			3588	(Y)	N	HB 251, HB 252 HJR 38
SHELBY SPASTNY	GLV.	BOX 177			3568	(Y)	N	"
Scott Burgess	AML	Tuneau			6-1325	(Y)	N	"
						Y	N	
						Y	N	
						Y	N	
						Y	N	
						Y	N	
						Y	N	
						Y	N	
						Y	N	



House State Affairs Committee

Representative Gene Kubina, Chair

DATE: May 17, 1991

PLACE: Capitol, Room 102

SUBJECT OF MEETING:
 HB 251 - Relating to Debt Retirement Fund
 HB 252 - Relating to Approp: Debt Retirement Fund
 SB 44 - Relating to Construction and Operation of Water Works

NAME	REPRESENTING	BUSINESS/PERSONAL MAILING ADDRESS	ZIP	(H) PHONE	(W) PHONE	DO YOU WANT TO TESTIFY?	WHAT SUBJECT/ WHICH BILL?
Jeff Morrison	DMVA	P.O. Box L Juneau 99811			465-4600	Y (N)	SB 44
Paula Scavers	Leg Research	P.O. Box V			465-3991	Y (N)	SB 44
Harlan Kwooson	Hospital Nurses	House 319 Juneau			5-1790	(Y) N	SB 44
SHELBY STASTNY	OMB	Box AM			5-3568	(Y) N	AB 251/252
JACK KREINHEDER	OMB	" "			"	(Y) N	HB 251/252
William Koller	D=Ad.	Box C				(Y) N	HB 251
T.C. CARROLL	DMVA	P.O. Box L Juneau 99811			465-4600	(Y) N	SB 44 / SJR 1
JEFF BUSH	Dept of Law	P.O. Box K, Juneau	99811		465-3600	(Y) N	HB 308
						Y N	
						Y N	
						Y N	