

SB

29

Alaska State Legislature



Committee Membership

Senate Finance
Senate Resources
Senate Rules
Legislative Budget & Audit

Senator John Torgerson

District Address:
145 Main St. Loop; Ste. 226
Kenai, AK 99611
(907) 283-2690
fax 283-9267

Session Address:
State Capitol: Room S14
Juneau, AK 99801-1182
(907) 465-2828
fax 465-4779

CSSB 29(FIN) - Sectional Overview

Section 1: Changes name from state aid to priority revenue sharing.

Section 2: Changes name from state aid for miscellaneous municipal services to priority revenue sharing for municipal services.

Section 3: Changes name from state aid for miscellaneous municipal services to priority revenue sharing for municipal services. Requires communities that levy and collect property taxes to list the allocation received from revenue sharing for communities and its millage equivalent on the notice to taxpayer. Currently these funds do not have to be reported to the public.

Section 4: Changes name from state aid for miscellaneous municipal services to priority revenue sharing for municipal services.

Section 5: Changes name from revenue sharing to priority revenue sharing for municipal services.

Section 6: Changes name from miscellaneous services to municipal services.

Section 7: Changes name from miscellaneous services to municipal services.

Section 8: Renames Municipal Assistance Fund to Safe Communities Fund. Allocates moneys to the "base amount account" and the "per capita account" in the same proportion as that for the state fiscal year 1997. Changes the date the funds are distributed from February 1 to July 31.

Section 9: Adds a new section requiring payments received from both accounts in the Safe Communities Fund to be spent on the following services in the following order of priority:

- Police protection and related public safety services;
- Fire protection and emergency medical services;
- Water and sewer services not offset by user fees;
- Solid waste management;
- Other services determined by the governing body to have the highest priority

This section does not require a municipality to fund all requests it receives for services in a category before funding services in another category.

Section 10: This section is renamed to "Base amount account distributions." Excludes boroughs with a per capita full and true property value exceeding \$500,000 when calculating the base amount to be received by new boroughs. Allows the distributions from the base amount account to be prorated if the amount allocated to the account is insufficient to pay the full base amount to each eligible municipality.

Section 11: Extends definition sections to incorporate new sections in this bill.

Section 12: Renames increased assistance to per capita account distribution. Specifies that allocations to the per capita account will be distributed to municipalities on a per capita basis.

Section 13: Adds a new section stating that the minimum entitlement to those communities eligible for payments under equalization of tax resources for municipal services, priority revenue sharing for municipal services and revenue sharing for Safe communities, is \$40,000. Adds an additional section allowing the minimum entitlement to be adjusted (reduced) proportionately in the event future appropriations to the communities fund are reduced.

Section 14: Extends definition sections to incorporate new sections in this bill.

Section 15: Repeals section which specified intent of original legislation that a municipality that levies property taxes reduce those levies in proportion to the amount of state aid received.

Section 16: Establishes effect date of legislation.

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SPONSOR STATEMENT - CSSB 29(FIN)

This legislation changes the name of the Revenue Sharing program to "Priority Revenue Sharing for Municipal Services", changes the Municipal Assistance Fund to the Safe Communities Fund and requires that payments from the Safe Communities Fund be used for specific prioritized purposes. The intent of these changes is to more accurately reflect the purposes for which payments received are used. These programs appear to have fostered the perception that it is a type of "slush fund" for communities. The change in name and the requirements for use of the monies help to dispel that notion.

Communities are required to spend funds received from the Safe Communities Fund on specific purposes in the following order of priority: (1) Police protection and related public safety services; (2) Fire protection and emergency medical services; (3) Water and sewer services not offset by user fees; (4) Solid waste management; and (5) Other services the governing body determines to have the highest priority. Communities are not, however, required to fund all requests for services in a category before funding services in another category.

Communities that levy and collect property taxes are required to list the allocation received from the Safe Communities Fund and its millage equivalent on the "Notice to Taxpayers."

This bill also revises how appropriations to the Safe Communities Fund are allocated. In the event appropriations continue to be reduced, allocations to, and the resulting payments from, the base amount account will be proportionately reduced. In the past, this account was "held harmless" and appropriation reductions were taken entirely from the per capita account. This resulted in an inequitable reduction of payments to communities.

The minimum entitlement to communities is increased to \$40,000. If, however, appropriations continue to decline, this minimum entitlement may be proportionately reduced along with payments from the base amount and the per capita accounts.

Finally, the date of payment has been changed so that communities receive entitlements from both Priority Revenue Sharing and the Safe Communities Fund on July 31. Previously, payments from revenue sharing were made on July 31 and municipal assistance payments were made on February 1.

(2/10/97: CSSB 29(FIN): mj)

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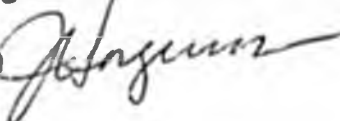
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MEMORANDUM

DATE: February 17, 1997

TO: Representative Ivan, Chair
House Community & Regional Affairs Committee

FROM: Senator John Torgerson 

RE: CSSB 29(FIN) Hearing

I respectfully request a hearing before the House Community and Regional Affairs Committee on SB 29, the Safe Communities Bill.

Attached find a sponsor statement and sectional analysis for the bill.

Thank you for your time and consideration.

CSSB29(FIN);H(CRA);2/17/97: m)

WHY SUPPORT SB 29, THE "SAFE COMMUNITIES" BILL?

- Last session, the "Safe Communities" bill (SB20) passed the Senate unanimously and passed the House with 38 affirmative votes, but failed because it was not brought up for a concurrence vote in the Senate in the final minutes of the legislative session.
- AML's Candidate Legislative Survey got the following responses:
 - "Will you support the "Safe Communities" bill when it is re-introduced in the next legislative session?
78% yes, 5% support concept, 15% unsure, 2% no
 - "Should the state be concerned about the impact its budget actions have on local taxes and services? Do you support stabilizing funding for municipal revenue sharing?
89% yes, 2% "if feasible", 9% no
- The "Safe Communities" bill targets use of the funds for basic public safety and health services. This bill is an important part of the goal of making neighborhoods safer.
- Over the past ten years, municipal revenue sharing has been cut nearly 70%. In the past two years, it has been cut 15%. Local taxpayers have already given their fair share to balancing the state budget. A further cut in municipal revenue sharing is simply an increase to local taxpayers. The "Safe Communities" bill is an excellent vehicle to create a permanent and stable revenue sharing program.
- The "Safe Communities" bill has unanimous support from all municipalities, from Anchorage to Ouzinkie. The consensus building that created this bill is a good model for achieving consensus on other statewide issues, such as the education formula.

THE FOUR "LEGS" OF SB 29

1. Changes the name to "Safe Communities." Requires the funds received under this program (formerly Municipal Assistance Program) be used primarily for basic public safety/health services.
2. Creates a \$40,000 minimum payment for small incorporated municipalities. Larger communities contribute approximately \$238,000 of their allocation to raise minimums for small communities. (Anchorage, Fairbanks, Fairbanks North Star Borough, Juneau, Kenai Peninsula Borough, Mat-Su Borough, and all other large municipalities support this provision to reduce dissolutions of small municipalities.)
3. Removes the "hold harmless" clause of the current Municipal Assistance Program. The "hold harmless" provision creates wide variations among funding for communities and is no longer relevant.
4. Advances the payment date for Municipal Assistance from February 1 to July 31, which is the same date Revenue Sharing payments are made. This provision creates the internal equity in the bill that allows support from all municipalities.



Alaska Municipal League &
Alaska Conference of Mayors
1997 Legislative Platform

1. Approval of the "Safe Communities" bill and maintain current funding for municipal revenue sharing to avoid further state generated local property tax increases. The "four legs" of the Safe Communities bill are:
 - Directs the funds to be used primarily for public safety and health services
 - Establishes a minimum sharing of \$40,000 for small municipalities
 - Removes the "hold harmless" to allow equal treatment to all municipalities
 - Distributes municipal funds on July 31 each year
2. Provide for the long term construction, operation, and maintenance of state and municipal airports, roads, and harbors, including revenue sharing programs for maintenance. Bring state harbors up to an adequate maintenance level through a statewide bond issue, or other funds, to prepare them for possible negotiated transfer to municipalities.
3. Approval of a Long Range Financial Plan that prohibits unfunded mandates and unfunded service responsibilities, adequately funds schools and maintenance of public infrastructure, reasonably reduces state expenses, protects the Permanent Fund, and phases in new tax revenue sources.
4. Actively encourage the construction of a natural gas pipeline with an emphasis on jobs for Alaskans.
5. Restore funding for Municipal Capital Matching Grant Program to \$20 million because local communities can most efficiently determine and meet local capital needs.
6. Create a permanent State/Local Government Partnership Council to negotiate methods to most efficiently provide public services at the lowest possible cost to taxpayers.
7. Provide long term funding of public safety and health services through the equitable sharing of increased statewide alcohol and tobacco taxes, and removing the current prohibition against municipalities voting for local special taxes on the sale or use of alcohol.
8. Reduce the state unfunded mandate for the Senior Citizen Property Tax exemption.
9. Adequately fund a program to construct efficient sanitation systems throughout Alaska.
10. Give communities more tools to reduce youth crime by limiting confidentiality of youth crime information to protect the community, allow municipalities the option of assuming greater jurisdiction over juvenile justice, and limit liability for providing recreational opportunities for youth, such as skateboard parks.

Overview
State Revenue Sharing/Municipal Assistance vs.
Safe Communities Program

CURRENT PROGRAMS

<u>Municipal Assistance</u>		<u>State Revenue Sharing</u>	
<u>Base Distribution</u>	<u>Per Capita Distribution</u>	<u>Primary Allocation</u>	<u>Separate Entitlements</u>
1978 Business Tax as a base (about \$10 million "hold harmless" is distributed off the top)	Per capita distribution of the balance among all communities	$\frac{\text{All local revenue}}{\text{Community tax base}} \times \text{Population}$ (\$25,000 minimum entitlement)	<ol style="list-style-type: none"> 1. Roads 2. Hospitals/health facilities 3. Unincorporated cities (not in boroughs) 4. Vol. fire departments (not in boroughs)

Distributed annually on February 1st

Distributed annually on July 31st

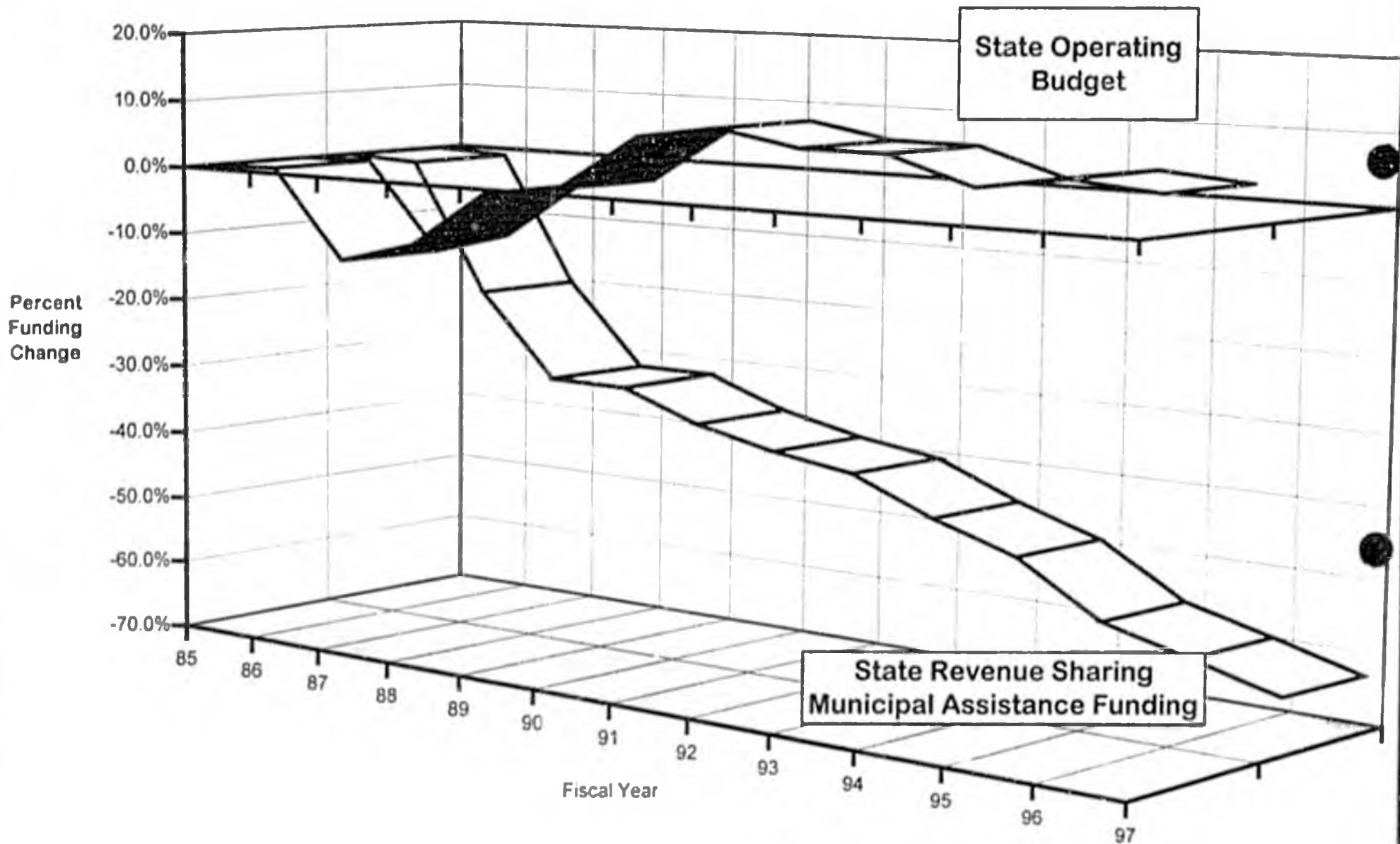
NEW PROPOSAL - SB 29 - SAFE COMMUNITIES

<u>Safe Communities Program</u>	<u>Priority Revenue Sharing Program</u>
All Safe Communities money must be used in the following order of priority: <ol style="list-style-type: none"> 1. Police protection 2. Fire protection & EMS 3. Water & Sewer 4. Solid Waste Mgmt 5. Other services 	Same provisions as State Revenue Sharing above

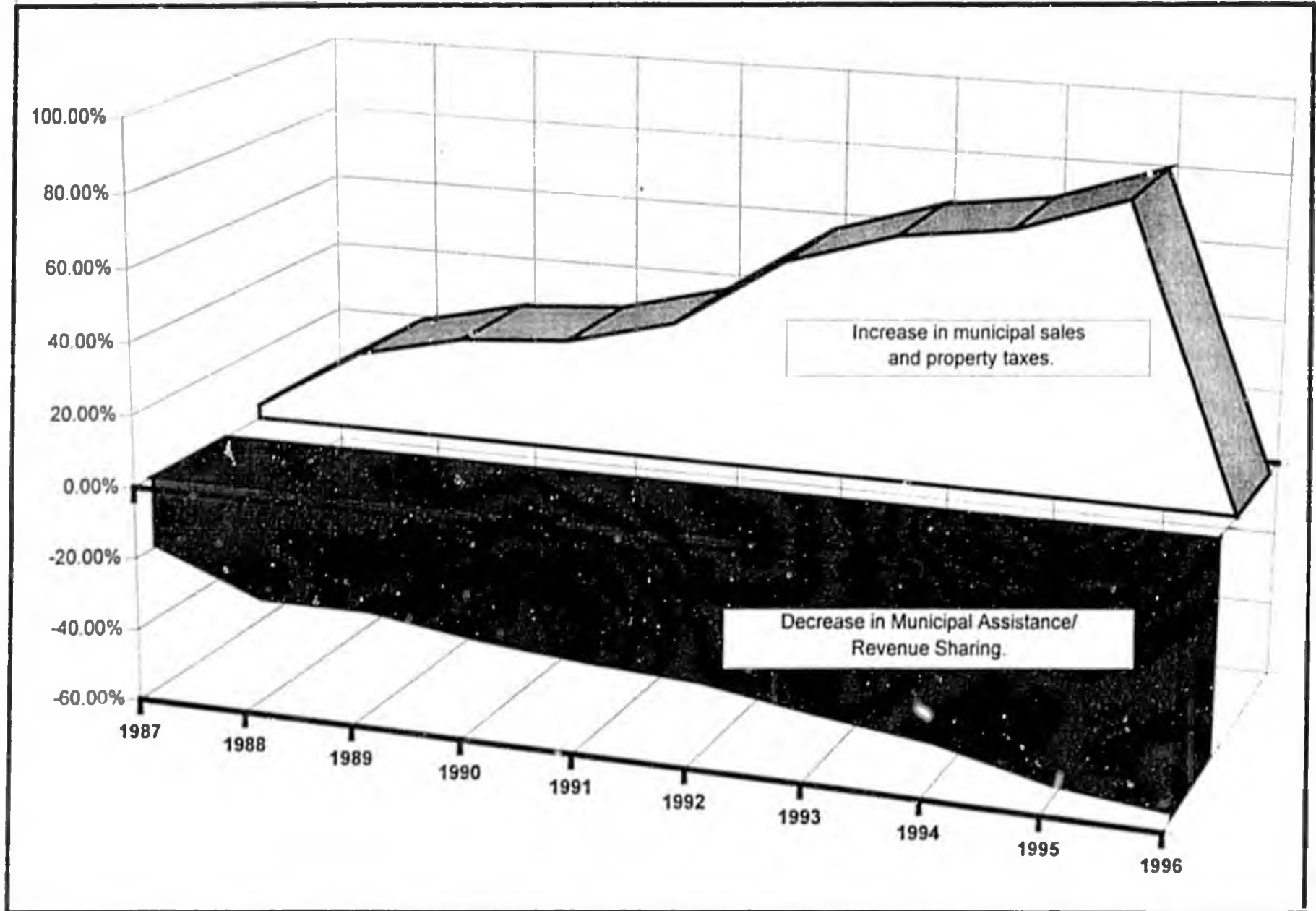
Consolidated Provisions

1. \$40,000 minimum entitlement for the total of both programs (may be prorated if funding is reduced after FY 98).
2. Date of distribution for both programs adjusted to July 31 (Municipal Assistance is currently distributed on February 1).
3. "Hold harmless" provision removed.

**Comparison of State Operating Budget vs.
State Revenue Sharing/Municipal Assistance Funding
FY 85 - FY 97**



Comparison of Decreases in Municipal Assistance/Revenue Sharing vs Increases in Municipal Sales & Property Taxes



Examples of Impacts of Cutbacks in State Revenue Sharing and Capital Project Matching Grants

Aleknagik

"...with the state Revenue Sharing cutbacks, the City had to cut back on staff work hours to part-time, with no medical, dental, nor life insurance benefits. ...completely eliminated city's refuse pickup services."

Nondalton

"...due to these funding reductions...this community was left without funding for water/sewer, forced to reduce clinic hours, and could not afford to maintain roads leaving the community with seriously hazardous road conditions upon which children could not be safely transported from school."

Lake and Peninsula Borough

"...Pilot Point Airport. Due to runway deterioration, service was recently interrupted for eight days, disrupting freight...and critical medical evacuation capabilities."

Egegik

"lack of funds for freshwater treatment plant maintenance"

Alcutions East Borough

"decreasing state revenues has shifted more of the burden against local taxes. The AEB already contributes 8 mills (for schools) which does not include another four mills each year in payments on financed school improvements... This in turn has forced us to halt our (school) technology program."

Cordova

"Impacted by cuts in revenue sharing....In 1991, the mil rate was 7.094 and 1996 is projected to be 13.5 without an increase in services. In addition, a flat sales tax has increased from 4% to 6%."

Juneau

"School roof deterioration....on the Marie Drake School, the Mendenhall River School, and the Auke Bay Elementary School....If not repaired in the near future, the deterioration will continue thus increasing the final cost to repair and , if unchecked, could result in the loss of use of a portion of the school facilities."

Sand Point

"The original intent for revenue sharing was for each municipality to receive \$2,500 per mile for road maintenance...now it is only approximately \$917 per mile.... the City was forced to sell its rock crushing equipment to supplement General Fund shortfalls....the roads are washed away due to a lack of culverts and storm drainage placed in even the most critical points due to a lack of funds..."

FISCAL NOTE

No. 2

STATE OF ALASKA
1997 LEGISLATIVE SESSION

BILL NO. Bill Version: CSSB29(FIN)
(S) Publish Date: 2/6/97

Revision Date: 2/5/97
Title: An Act Relating to state aid to municipalities
Sponsor: Sen. Torgerson

Dept. Affected Revenue
BRU: Revenue Operations
Components: Treasury
Serial # 121

EXPENDITURES/REVENUES: (THOUSANDS OF DOLLARS)

OPERATING	FY 98	FY 99	FY2000	FY2001	FY2002	FY2003
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants, Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL						
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REVENUE	-1005.4	0.0	0.0	0.0	0.0	0.0
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FUNDING: (THOUSANDS OF DOLLARS)

General Fund						
Federal Fund						
Other						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0


POSITIONS:

Full-Time						
Part-Time						
Temporary						

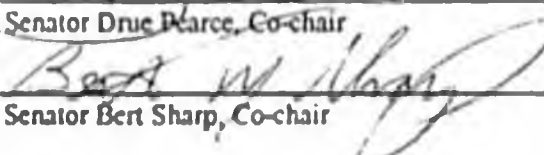
ANALYSIS: (ATTACH A SEPARATE PAGE IF NECESSARY)

see attached analysis

Prepared By: Senate Finance Committee



Senator Druce Pearce, Co-chair



Senator Bert Sharp, Co-chair

Date: 2/5/97
Phone: 465-4993
Date: 2/5/97
Phone: 465-3004

*Analysis of Advance Payment of Municipal Assistance
Income Lost to CBRF*

If Payment Made On:	<u>2/1/98</u>	<u>12/31/97</u>	<u>11/30/97</u>	<u>10/31/97</u>	<u>9/30/97</u>	<u>8/31/97</u>	<u>7/31/97</u>
Income Lost to CBRF:	0	\$167,569	\$335,137	\$502,706	\$670,274	\$837,843	\$1,005,412

Assumptions:

\$28,726,047 = Municipal Assistance Payment

Payment borrowed from CBRF

CBRF Return = 7% (from FY97 draft investment policy for the CBRF)
and capital market assumptions FY97

A M E N D M E N T

OFFERED IN THE HOUSE

BY REPRESENTATIVE IVAN

TO: CSSB 29(FIN)

1 Page 7, line 16:

2 Delete "\$29,402,300"

3 Insert "the amount appropriated to the fund for fiscal year 1998"

4 Page 7, line 18:

5 Delete "\$29,402,300"

6 Insert "the amount appropriated to the fund for fiscal year 1998"



**Alaska Conference of Mayors
and
Alaska Municipal League**

present the

**1997
State of the
Municipalities**

January 1997

THE ALASKA CONFERENCE OF MAYORS AND THE ALASKA MUNICIPAL LEAGUE

Half of the public services in Alaska are provided by municipal governments. The Alaska Conference of Mayors and the Alaska Municipal League represent over 97% of the citizens living in municipalities.

INTRODUCTION

The purpose of this first "State of the Municipalities" report is to give an annual status report on the state of municipalities of Alaska.

The need for an annual status report on municipalities is simple: Local governments are the basic building blocks of our state and nation. They most directly represent and impact families, communities, economies, and environments.

Local government gives Alaskans the most responsive and direct opportunity to control their own destiny and provides tailor-made solutions to meet local needs. This concept is summed up by the famous historian Alexis de Tocqueville who wrote, "*A nation may establish a free government, but without municipal institutions it cannot have the spirit of liberty.*"

In recognition of the importance of local government to our state, the Alaska Constitution calls for "...maximum local self-government...", and further states, "*A liberal construction shall be given to the powers of local government units.*"

THE CHALLENGE FACED BY MUNICIPAL TAXPAYERS

The theme of this report is to call for new partnerships between the state and municipalities. We must do this to continue to provide necessary education, public safety, and transportation services to the people of the state without overburdening local businesses and residents with unreasonably high property and sales taxes.

The first key issue is local property taxes. Over the years, in efforts to cut the state budget, the state has disproportionately cut money to municipalities intended to keep local taxes low. Additional state pressure to increase local sales and property taxes must end if we are to continue building the economies of our communities. This is a greater challenge for the many communities that are facing the loss or partial loss of primary industries. Fortunately, many state administration and legislative leaders are working with municipalities on this issue.

The second key issue is repair and improvement of state and local public infrastructure such as roads, schools, harbors, airports, and jails. The Alaska Conference of Mayors and the Alaska Municipal League are deeply concerned that state budget cuts to maintenance and repair of critical public infrastructure is beginning to threaten the economic potential of our communities. More important, failure to maintain and repair our public facilities is simply mortgaging Alaska's future.

For example, as a homeowner, if you discovered a serious leak in your roof, when would you fix it? Of course, you would fix it right away in order to prevent further damage which would cost much more in the future...Alaska's problems and choices are exactly the same. In fact, many projects on the municipal wish lists are roof repairs for schools and other public facilities that may have to wait a long time for state funding.

So the question is not whether to fix Alaska's public infrastructure - but when and who will pay for it. If the state is no longer going to make timely repairs to public facilities, then the only local alternative is to further increase property taxes. The Alaska Conference of Mayors and the Alaska Municipal League have pledged to work hand in hand with the state to creatively solve this problem without requiring large property and sales tax hikes.



THE STATE OF MUNICIPALITIES IN 1997

In general, Alaskan municipalities have become stronger over the past ten years simply by surviving at the end of the "food chain." Municipalities have learned they cannot rely on state oil revenues to meet all of their needs, or to look to the state and federal governments to solve local problems. Alaska's municipalities are doing a lot to solve local problems creatively, effectively, and efficiently through means such as community action, volunteerism, creative financing, long range planning, privatization, and establishing partnerships with private industry and/or other units of government. To give just a few examples:

- The Municipality of Anchorage reduced juvenile crime by creating the nationally recognized volunteer "Parent Network" Program, and by establishing "youth courts" run by youth.
- The City of Seward turned around a failing hospital by financing improvements and privatizing management.
- The City of Kodiak, the Kodiak Island Borough and the Kodiak Chamber of Commerce pooled their resources to develop a long range economic development plan.
- The City of Soldotna used funds generated by a fishing tournament to build a state-of-the-art elevated boardwalk to protect prime fish habitat.
- The City and Borough of Juneau turned over management of its municipal airport to an empowered board that oversees a financially self sufficient airport with privatized security, shared fire protection, and has made long range improvements to stimulate economic development and revenue.
- The City of Fairbanks remodeled a deteriorating unused school building to provide inexpensive municipal offices and a community center.

THE STATE AND MUNICIPALITIES ARE PARTNERS

Municipalities must become active partners with the state to solve Alaska's long term problems. Local and state government are tied together by three critical links: **Joint basic public services, taxes, and people.**

First, consider **basic public services**. We usually think of three major basic services that are expected of government: **transportation, education, and public safety.**

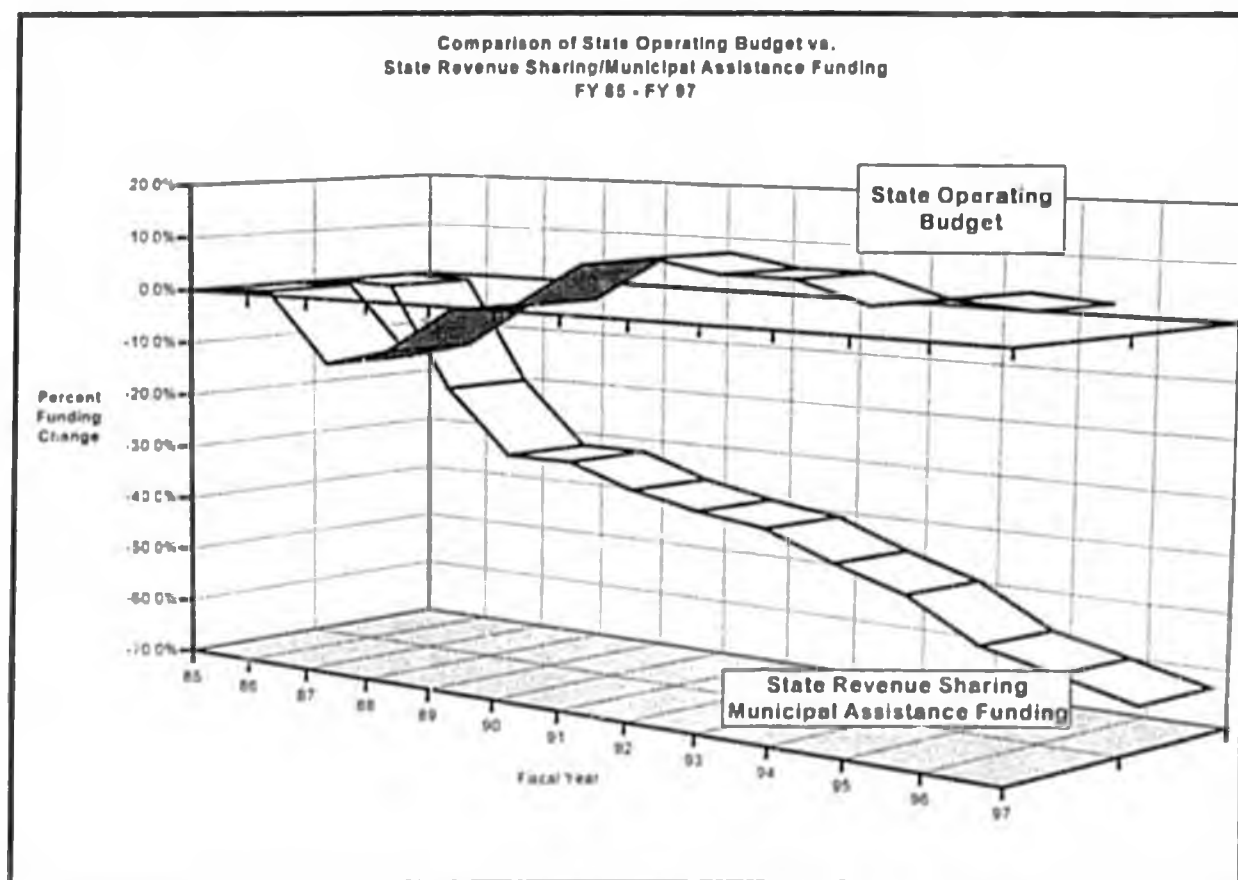
- **Transportation** is a joint state and local service. For example, most Alaskans can't get to work or school without traveling on both a state and a municipal road. If either the state or municipalities fail to repair and maintain roads, everyone suffers.
- **Education** is an inseparable joint state and local service. The Alaska Constitution states that "*The legislature shall establish and maintain a system of public schools open to all children of the state...*" However, over 25 percent of education is funded by local taxpayers. The local taxpayer portion is growing because state money for education is now only worth about seventy-five cents on the dollar due to ten years of inflation.
- **Public Safety** is also a critical joint state and local service. While most larger municipalities have police, the state provides criminal courts and most of the prisons. Without a state and local partnership, a criminal could not be apprehended, tried, sentenced, and put in jail.

Second, consider **people and taxes**. Most citizens of the state are also citizens of municipalities. Therefore, both the state and municipal governments work for the same people. As our employers, the people of Alaska should demand that we work together to give them the best possible services at the lowest possible cost. If either state government or local government is not doing well, then the people of Alaska will not do well. This is the main reason why new partnerships between state and local government are so critical.

THE IMPACT OF STATE AND FEDERAL BUDGET CUTS ON MUNICIPAL TAXES AND SERVICES

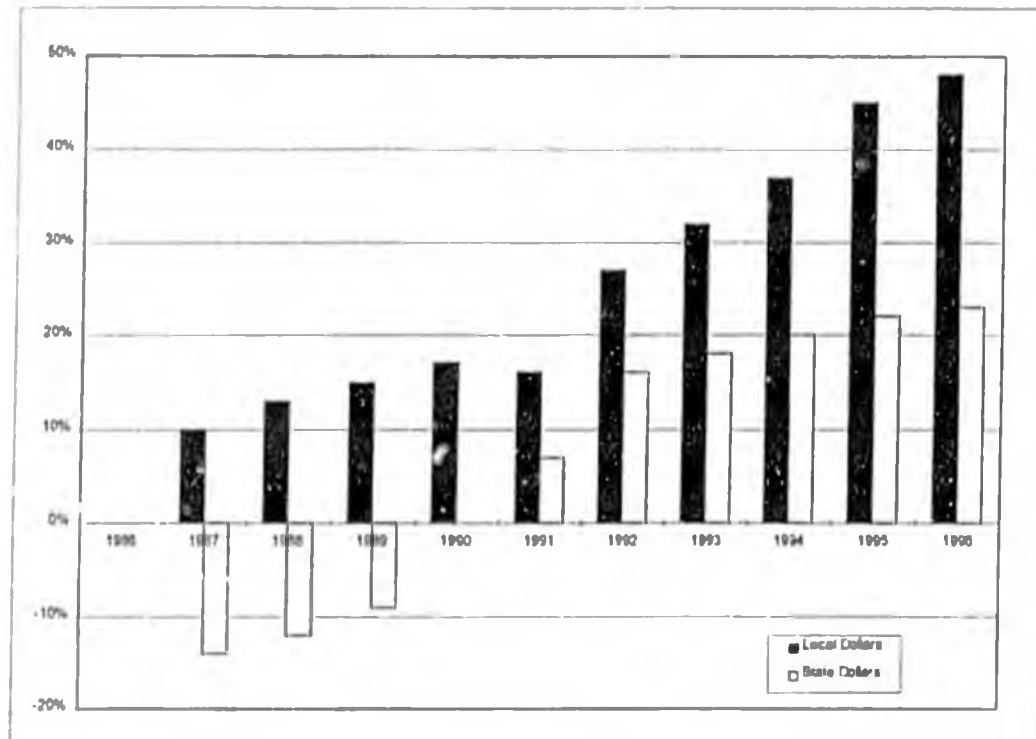
Alaskan municipalities have been severely impacted by federal and state budget cuts. One of the major impacts on municipalities is extreme pressure to raise local property and sales taxes to replace lost federal and state money for basic public services, and to take on additional mandated responsibilities.

On the state level, municipal taxpayers have received a disproportionate share of state budget cuts. Over the past ten years, state revenue sharing, the primary program to share state oil revenues with local taxpayers, has been cut approximately 70%. During the same ten year period, the entire state budget has stayed at approximately the same dollar level.



Second, over the past ten years, state funding for education has increased for school enrollment growth, but inflation has essentially been ignored. Local taxpayers have filled in the gap for education created by state funding that, due to inflation, is only worth seventy-five cents on the dollar compared to ten years ago. To municipalities, this has meant big tax increases to pay for schools and significant cuts in school programs.

State and Municipal Education Funding



Despite considerable belt tightening and efficiencies, local governments have been forced to raise local tax rates simply to survive. Some municipalities, with less local tax base, have fared poorly.

Here some comments from communities:

Aleknagik

"...with the state Revenue Sharing cutbacks, the City had to cut back on staff work hours to part-time, with no medical, dental, nor life insurance benefits. ...completely eliminated city's refuse pickup services."

Nondalton

"...due to these funding reductions...this community was left without funding for water/sewer, forced to reduce clinic hours, and couldn't afford to maintain roads leaving the community with seriously hazardous road conditions upon which children could not be safely transported from school."

Cordova

"Impacted by cuts in revenue sharing....In 1991, the mil rate was 7.094 and 1996 is projected to be 13.5 without an increase in services. In addition, a flat sales tax has increased from 4% to 6%."

Aleutians East Borough

"decreasing state revenues has shifted more of the burden against local taxes. The (borough taxpayers) already contribute 8 mills (for schools) which does not include another four mills each year in payments on financed school improvements... This in turn has forced us to halt our technology program."

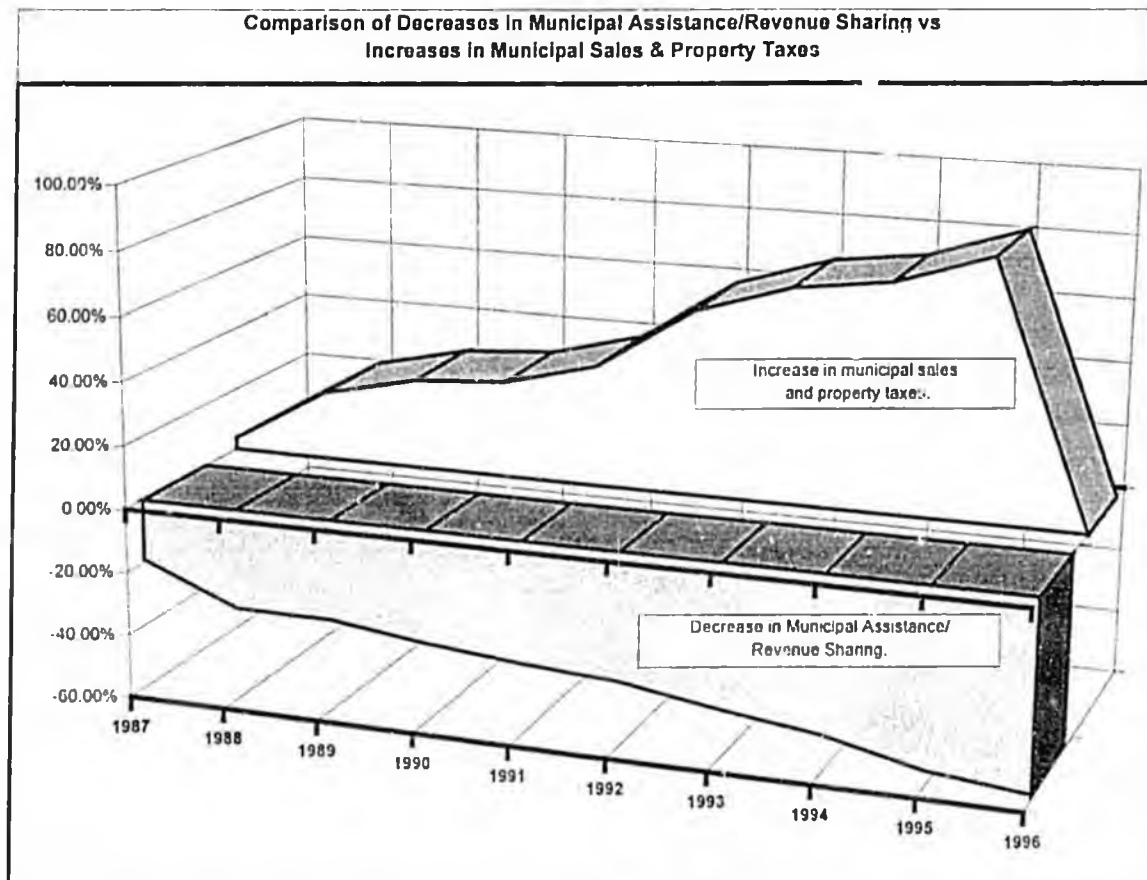
Sand Point

"The original intent for revenue sharing was for each municipality to receive \$2,500 per mile for road maintenance...now it is only approximately \$917 per mile.... the roads are washed away due to a lack of culverts and storm drainage placed in even the most critical points due to a lack of funds..."

Sitka

"In response to Sitka's mill closure and state funding reductions, Sitka voters approved a balanced five-year sustainable municipal budget."

The state has steadily transferred many of its service responsibilities to local governments. The cost of assuming new unfunded mandates and services has been great. To summarize, the following chart shows how tax increases in municipalities have followed state cuts to municipal revenue sharing programs, underfunding of education, and mandates.



In many municipalities, there have been cutbacks and property taxes have as much as tripled to maintain acceptable education, transportation, and public safety services.

The state must consider the impact of its actions on local taxes. State budget cuts that pass on higher costs to local taxpayers are not cuts at all, they are simply tax increases.

TO KEEP ALASKA'S ECONOMY STRONG, WE MUST MAINTAIN AND IMPROVE ALASKA'S DETERIORATING PUBLIC INFRASTRUCTURE

To keep Alaska strong and to avoid passing on excessive costs to future generations, Alaska must maintain and develop its state and local public infrastructure, especially roads, airports, harbors, schools, and other high priority public facilities.

The proposed state Six Year Capital Plan shows \$3.2 billion of current capital needs, yet the proposed state budget includes only \$100 million of general revenues to meet those needs. Alaska is meeting only 3% to 4% of the current need. At this rate, it would take twenty five to thirty years just to meet today's needs. If the accelerating cost of deferring needed maintenance is considered, Alaska is **losing ground** in the battle to maintain its public infrastructure.

For example, according to the Department of Transportation/Public Facilities, money that could be used to develop or expand the highway system is currently being used to replace prematurely deteriorated highways. If Alaska continues to defer maintenance of roads and other basic public facilities, we will seriously retard the development of Alaska's economy.

If municipalities are forced to fix Alaska's infrastructure, the only major options to raise the money are sales and property tax increases. However, the state has many more revenue options, has the ability to equalize resources between all areas of the state, and can most efficiently put together statewide bond packages.

CONCLUSION: NEW PARTNERSHIPS BETWEEN LOCAL AND STATE GOVERNMENTS

Fortunately, many legislators and administration officials are now seriously concerned about the impact the state has had on local taxes and services. They recognize that local taxpayers have already shouldered their share of the burden of cutting the cost of state government. Also, many are actively considering ways to improve the interdependent relationship of the state government and its municipalities in providing basic services to the people of our state.

As state oil funds continue to decline, both the state and municipalities must work together to find new and better ways to do business to serve the people of Alaska. Also, it is imperative that Alaska's public infrastructure is adequately maintained, from leaking school roofs to projects that expand job opportunities for Alaskans. Many new partnership ideas are contained in a recent report of the State and Local Government Task Force titled "Opportunities for State and Local Government Initiatives."

Alaska is a great state meeting great challenges. It will take all of the people of the state, including the state government, local governments, private industry, and all other organizations working together to chart our path to a bright future.



Legislative Bulletin

Bulletin #20-1

January 24, 1997

First "State of Municipalities" Address

Highlights Tax and Deferred Maintenance Issues

The first annual "State of the Municipalities" address was presented on January 21, 1997, in the Capitol Building by the Alaska Municipal League and the Alaska Conference of Mayors.

The purpose of the address was to give a report to the Legislature and citizens on the status of municipalities in Alaska. An annual address on municipal issues is important because local governments provide half of the public services in Alaska and they most directly represent and impact families, communities, economies, and environments. The address was broadcast statewide on "Gavel to Gavel" and covered by other statewide media.

The address focused on two key issues:

Local property taxes. Over the years, in efforts to cut the state budget, the state has disproportionately cut money to municipalities intended to keep local taxes low. Additional state pressure to increase local sales and

(continued on page 3)

"Safe Communities" First Bill Out of Legislative Committee

AML Requests New Resolutions from Municipalities

Senate Bill 29, Safe Communities, had its first hearing on Monday, January 27, 1997, by the Senate Community and Regional Affairs Committee and passed out the same day. SB 29, introduced by Senator John Torgerson, is the number one priority legislation for the Alaska Municipal League and Alaska Conference of Mayors. It was the first bill to pass out of a committee this session.

The hearing was held to coincide with the Alaska Municipal League Board of Directors and Alaska Conference of Mayors meeting held in Juneau on January 20-21, 1997.

The League is now seeking resolutions and support letters from municipal members to show our continuing support for the legislation. Please send them to Senator John Torgerson, State Capitol, Juneau, Alaska 99811. His fax number is 465-4779. Please forward a copy to AML. The bill is scheduled for its next hearing in Senate Finance on January 31.

The bill contains the four critical legs as adopted last year. They are:

1. Changes the name to "Safe Communities" (formerly Municipal Assistance) and require the funds received under this program be used primarily for basic public safety/health services.
2. Creates a \$40,000 minimum payment for small incorporated municipalities. Larger communities contribute approximately \$238,000 of their allocation to raise minimums for small communities. (Anchorage, Fairbanks, Fairbanks North Star Borough, Juneau, Kenai Peninsula Borough, Mat-Su Borough, and all other large municipalities support this provision to reduce dissolutions of small municipalities.)
3. Removes the "hold harmless" clause of the current Municipal Assistance Program. The "hold harmless" provision creates wide variations among

(continued on page 3)

AML Joint Insurance Association Distributes \$300,000 to Municipalities

At its January meeting, the Trustees for the AML/JIA approved \$300,000 be distributed back to its members for the FY 90 policy year. Unlike big insurance companies, the value of a member-owned insurance pool is that the members benefit if the program is successful. The AML/JIA presently has 115 members. For more information on the distribution, call Steve Wells at 1-800-337-3682.

"Safe Communities"

(continued from page 1)

funding for communities and is no longer relevant.

4. Advances the payment date for Municipal Assistance from February 1 to July 31, which is the same date Revenue Sharing payments are made. This provision creates the internal equity in the bill.

Last session, the "Safe Communities" bill (SB20) passed the Senate unanimously and passed the House with 38 affirmative votes, but failed to receive a concurrence vote in the Senate in the final minutes of the legislative session.

Over the past ten years, municipal revenue sharing has been cut nearly 70%. In the past two years, it has been cut 15%. A further cut in municipal revenue sharing is simply an increased tax burden to local taxpayers. The "Safe Communities" bill is an excellent vehicle to create a permanent and stable revenue sharing program.

If you have any questions on the bill, please call Kevin Ritchie or Julie Krafft at 586-1325.

National League of Cities Seeks Volunteers

The National League of Cities (NLC) is seeking volunteers to serve on a conference planning committee to help plan the 1997 NLC Congress of Cities conference.

The committee will meet in Philadelphia, Pennsylvania, on April 18 and 19.

If you are interested in serving on the conference planning committee, please call Kevin Ritchie at 586-1325.

"State of Municipalities" Address

(continued from page 1)

property taxes must and if we are to continue building the economies of our communities. This is a greater challenge for the many communities that are facing the loss or partial loss of primary industries.

2. Repair and improvement of state and local public infrastructure such as roads, schools, harbors, airports, and jails. The Alaska Conference of Mayors and the Alaska Municipal League are deeply concerned that state budget cuts to maintenance and repair of critical public infrastructure is beginning to threaten the economic potential of our communities. More important, failure to maintain and repair our public facilities is simply mortgaging Alaska's future.

The Alaska Conference of Mayors and the Alaska Municipal League pledged to work hand in hand with the Legislature and the Governor to creatively solve these challenges.

The primary presenters were Alaska Conference of Mayors President Mayor Carolyn Floyd; AML President Rosemary Hagevig; and George Wuerch, Assembly Member from the Municipality of Anchorage.

They were supported by:

- Karen Parr, Assembly, Fairbanks North Star Borough
- Mayor Jerome Selby, Kodiak Island Borough
- Mayor Dennis Egan, Juneau
- Mayor Alaire Stanton, Ketchikan
- Mayor Willie Thomas, Buckland
- Mayor Sarah Palin, Wasilla
- Roger Clark, Assembly, Northwest Arctic Borough
- Mayor Henry Guinotte, Palmer
- Mayor Ken Lancaster, Soldotna
- Mayor Jack Shay, Ketchikan Gateway Borough
- Mayor Sioux Plummer, Skagway
- Vice Mayor Tom Quick, Ouzinkie
- Michael O'Brien, Bethel
- Mayor Edwin Anderson, Bristol Bay Borough
- Mayor John Gonzales, Denali Borough
- Mayor John Williams, Kenai
- Mayor Robert Knight, Nenana
- Mayor Tim Volstad, Seldovia
- Rose Chandler, Scammon Bay

An eight-page report was made available to the press and attendees, which outlined in greater detail the municipal message. A copy of the report will be sent to AML members. Video tapes of the thirty-five minute presentation are available from the Alaska Municipal League at 586-1325.

EFFECTS OF SB29 ON FY 97 SRS/MA PAYMENTS (NO BASE AMOUNT HOLD HARMLESS - \$40,000 OVERALL MINIMUM ENTITLEMENT)

Potential Interest Earnings From Early SAFE Payment

Municipality	FY 97 SRS \$\$	FY 97 MA \$\$	FY 97 MA/SRS Total \$	SB29	SB29	FY 97 SB29	% Change From Current Programs	SB29	SB29	SB29	SB29	SB29	% Change From Current Programs	FY 97 SAFE \$	FY 97 SB29	% Change From Current Programs
				FY 97 SRS \$	FY 97 SAFE \$ (No Hold Harmless)	ERS/SAFE \$ Pre Min. Ent.		Minimum Ent. Add-On	Minimum Ent. Prorated	FY 97 SAFE \$ Prorated	FY 97 SAFE \$ Final Payment	SRS/SAFE \$ Total Payment		FY 97 SAFE \$ at 5.26% Interest for 6 Months	FY 97 SB29 SRS/SAFE \$ Plus Interest	
City of Akhtok	\$24,448	\$2,934	\$27,382	\$24,448	\$3,012	\$27,460	0.29%	\$12,540	\$12,441	\$2,908	\$15,429	\$39,877	45.63%	\$404	\$40,261	47.11%
City of Akliak	\$30,400	\$10,124	\$40,524	\$30,400	\$10,567	\$40,967	1.09%	\$0	\$0	\$10,484	\$10,484	\$40,884	0.89%	\$274	\$41,158	1.57%
City of Akutan	\$29,398	\$13,846	\$43,244	\$29,398	\$14,445	\$43,843	1.38%	\$0	\$0	\$14,331	\$14,331	\$43,729	1.12%	\$375	\$44,104	1.99%
City of Alakanuk	\$32,224	\$24,128	\$56,352	\$32,224	\$24,563	\$56,787	0.77%	\$0	\$0	\$24,370	\$24,370	\$56,594	0.43%	\$838	\$57,231	1.55%
City of Aleknagik	\$29,094	\$6,140	\$35,234	\$29,094	\$6,362	\$35,456	0.63%	\$4,544	\$4,508	\$6,312	\$10,820	\$39,814	13.28%	\$263	\$40,197	14.09%
Aleutians East Borough	\$68,808	\$10,420	\$79,228	\$68,808	\$10,005	\$78,813	-0.52%	\$0	\$0	\$9,928	\$9,928	\$78,734	-0.82%	\$260	\$78,994	-0.30%
City of Afakaket	\$32,508	\$5,037	\$37,545	\$32,508	\$5,249	\$37,757	0.56%	\$2,245	\$2,228	\$5,207	\$7,435	\$39,941	6.39%	\$195	\$40,136	6.91%
City of Ambler	\$40,018	\$10,279	\$50,297	\$40,018	\$10,686	\$50,704	0.77%	\$0	\$0	\$10,592	\$10,592	\$50,600	0.80%	\$277	\$50,877	1.15%
City of Anaktuvuk Pass	\$31,317	\$9,218	\$40,535	\$31,317	\$9,624	\$40,941	1.00%	\$0	\$0	\$9,548	\$9,548	\$40,895	0.81%	\$250	\$41,145	1.43%
Municipality of Anchorage	\$8,460,847	\$12,964,382	\$21,425,229	\$8,460,847	\$12,938,606	\$21,399,453	-0.14%	\$0	\$0	\$12,834,673	\$12,834,673	\$21,295,620	-0.87%	\$335,987	\$21,631,607	1.08%
City of Anderson	\$32,920	\$20,811	\$53,731	\$32,920	\$21,873	\$54,793	1.45%	\$0	\$0	\$21,503	\$21,503	\$54,423	1.13%	\$563	\$54,986	2.18%
City of Angoon	\$23,047	\$21,718	\$44,765	\$23,047	\$22,333	\$45,380	1.37%	\$0	\$0	\$22,157	\$22,157	\$44,204	0.98%	\$580	\$44,784	2.28%
City of Aniak	\$51,479	\$21,380	\$72,859	\$51,479	\$21,945	\$73,424	0.78%	\$0	\$0	\$21,772	\$21,772	\$73,251	0.54%	\$570	\$73,821	1.32%
City of Anvik	\$32,438	\$3,100	\$35,538	\$32,438	\$3,228	\$35,666	0.38%	\$4,338	\$4,302	\$3,203	\$7,504	\$39,940	12.39%	\$196	\$40,137	12.95%
City of Atna	\$30,518	\$3,131	\$33,649	\$30,518	\$3,260	\$33,778	0.38%	\$8,222	\$8,172	\$3,235	\$9,407	\$39,925	18.65%	\$246	\$40,172	19.38%
City of Akkasuk	\$38,888	\$24,571	\$63,459	\$38,888	\$23,518	\$62,406	-1.71%	\$0	\$0	\$23,333	\$23,333	\$60,221	-2.01%	\$611	\$60,831	-1.02%
City of Barrow	\$98,829	\$168,185	\$267,014	\$98,829	\$160,269	\$259,098	1.60%	\$0	\$0	\$159,008	\$159,008	\$257,835	1.11%	\$4,182	\$261,997	2.71%
City of Bethel	\$308,083	\$228,151	\$536,234	\$308,083	\$230,241	\$538,324	0.39%	\$0	\$0	\$228,427	\$228,427	\$534,510	0.05%	\$5,980	\$540,490	1.17%
City of Bettles	\$33,467	\$1,577	\$35,044	\$33,467	\$1,584	\$35,051	0.02%	\$4,949	\$4,910	\$1,572	\$6,482	\$39,940	14.00%	\$170	\$40,118	14.48%
City of Brevig Mission	\$31,848	\$8,445	\$40,293	\$31,848	\$8,807	\$40,655	0.90%	\$0	\$0	\$8,738	\$8,738	\$40,586	0.73%	\$229	\$40,815	1.26%
Bristol Bay Borough	\$82,056	\$54,718	\$136,774	\$82,056	\$55,448	\$137,504	0.83%	\$0	\$0	\$55,011	\$55,011	\$137,087	0.25%	\$1,440	\$138,527	1.49%
City of Buckland	\$42,048	\$13,358	\$55,406	\$42,048	\$13,813	\$55,861	1.01%	\$0	\$0	\$13,804	\$13,804	\$55,852	0.81%	\$361	\$56,213	1.46%
City of Chelmok	\$28,865	\$12,138	\$41,003	\$28,865	\$12,618	\$41,483	1.15%	\$0	\$0	\$12,518	\$12,518	\$41,183	0.91%	\$328	\$41,511	1.70%
City of Chevak	\$28,983	\$21,528	\$50,511	\$28,983	\$22,476	\$51,459	1.84%	\$0	\$0	\$22,299	\$22,299	\$50,299	1.60%	\$584	\$50,883	2.83%
City of Chitina	\$28,555	\$4,730	\$33,285	\$28,555	\$4,904	\$33,459	0.51%	\$5,541	\$5,498	\$4,865	\$10,363	\$39,918	18.43%	\$271	\$40,189	17.22%
City of Chuathbaluk	\$32,053	\$4,230	\$36,283	\$32,053	\$4,381	\$36,434	0.42%	\$3,568	\$3,538	\$4,347	\$7,884	\$39,937	10.07%	\$206	\$40,144	10.64%
City of Colman Cove	\$52,008	\$8,035	\$60,043	\$52,008	\$8,388	\$60,396	0.58%	\$0	\$0	\$8,322	\$8,322	\$60,330	0.48%	\$218	\$60,547	0.84%
City of Cold Bay	\$30,593	\$10,973	\$41,566	\$30,593	\$10,957	\$41,550	-0.04%	\$0	\$0	\$10,871	\$10,871	\$41,464	-0.25%	\$285	\$41,749	0.44%
City of Cordova	\$193,836	\$125,405	\$319,241	\$193,836	\$125,427	\$319,263	0.01%	\$0	\$0	\$124,439	\$124,439	\$318,275	-0.30%	\$3,258	\$321,533	0.72%
City of Crasie	\$81,339	\$65,741	\$147,080	\$81,339	\$68,101	\$149,440	1.88%	\$0	\$0	\$67,565	\$67,565	\$148,904	1.43%	\$1,789	\$150,693	2.82%
City of Deering	\$48,477	\$5,242	\$53,719	\$48,477	\$5,422	\$53,899	0.35%	\$0	\$0	\$5,379	\$5,379	\$50,856	0.27%	\$141	\$51,097	0.55%
City of Delta Junction	\$28,553	\$55,129	\$83,682	\$28,553	\$53,981	\$82,534	-1.40%	\$0	\$0	\$53,538	\$53,538	\$82,089	-1.90%	\$1,401	\$83,490	-0.23%
Jenell Borough	\$31,317	\$55,995	\$87,312	\$31,317	\$56,788	\$88,103	0.91%	\$0	\$0	\$56,339	\$56,339	\$87,658	0.39%	\$1,475	\$89,133	2.00%
City of Dillingham	\$78,474	\$97,188	\$175,662	\$78,474	\$98,196	\$176,670	0.58%	\$0	\$0	\$97,422	\$97,422	\$173,898	0.14%	\$2,550	\$176,447	1.60%
City of Diomede	\$31,317	\$5,896	\$37,213	\$31,317	\$5,108	\$36,425	-0.58%	\$3,575	\$3,547	\$5,088	\$8,615	\$39,932	10.27%	\$228	\$40,157	10.89%
City of Eagle	\$28,487	\$5,391	\$33,878	\$28,487	\$5,531	\$34,018	0.44%	\$7,982	\$7,919	\$5,487	\$13,407	\$39,894	25.14%	\$351	\$40,244	26.25%
City of Eek	\$30,882	\$9,117	\$39,999	\$30,882	\$9,495	\$40,377	0.95%	\$0	\$0	\$9,421	\$9,421	\$40,103	0.76%	\$247	\$40,349	1.36%
City of Egegik	\$31,864	\$5,360	\$37,224	\$31,864	\$5,491	\$37,355	0.35%	\$2,645	\$2,624	\$5,448	\$8,072	\$39,936	7.20%	\$211	\$40,147	7.85%
City of Elvuk	\$28,094	\$3,261	\$31,355	\$28,094	\$3,400	\$31,494	0.43%	\$7,508	\$7,447	\$3,374	\$10,822	\$39,914	23.36%	\$283	\$40,197	24.24%
City of Elim	\$32,849	\$9,131	\$41,980	\$32,849	\$9,501	\$42,350	0.88%	\$0	\$0	\$9,428	\$9,428	\$42,275	0.70%	\$247	\$42,522	1.29%
City of Emmonak	\$102,751	\$26,874	\$129,625	\$102,751	\$27,709	\$130,460	0.64%	\$0	\$0	\$27,490	\$27,490	\$130,241	0.48%	\$720	\$130,961	1.03%
City of Fairbanks	\$503,548	\$2,068,975	\$2,572,523	\$503,548	\$2,029,482	\$2,533,030	-1.48%	\$0	\$0	\$2,013,491	\$2,013,491	\$2,517,040	-2.08%	\$52,709	\$2,569,749	-0.03%
Fairbanks NSB	\$1,589,892	\$2,129,627	\$3,719,519	\$1,589,892	\$2,155,336	\$3,745,228	0.69%	\$0	\$0	\$2,138,353	\$2,138,353	\$3,728,245	0.23%	\$55,978	\$3,784,223	1.74%
City of False Pass	\$28,378	\$2,910	\$31,288	\$28,378	\$3,019	\$31,397	0.34%	\$7,603	\$7,544	\$2,995	\$10,538	\$39,918	23.83%	\$278	\$40,192	24.48%
City of Fort Yukon	\$88,709	\$27,407	\$116,116	\$88,709	\$27,810	\$116,519	0.42%	\$0	\$0	\$27,591	\$27,591	\$98,300	0.19%	\$722	\$99,022	0.94%
City of Galena	\$38,611	\$23,394	\$62,005	\$38,611	\$23,586	\$62,197	0.30%	\$0	\$0	\$23,400	\$23,400	\$61,911	0.01%	\$613	\$62,524	0.98%
City of Gambell	\$32,512	\$21,032	\$53,544	\$32,512	\$21,809	\$54,321	1.45%	\$0	\$0	\$21,637	\$21,637	\$54,149	1.13%	\$586	\$54,735	2.19%
City of Galovin	\$31,707	\$5,513	\$37,220	\$31,707	\$5,883	\$37,590	0.46%	\$2,610	\$2,590	\$5,838	\$8,228	\$39,935	7.29%	\$215	\$40,150	7.87%
City of Goodnews Bay	\$30,187	\$7,992	\$38,179	\$30,187	\$8,348	\$38,535	0.93%	\$1,465	\$1,453	\$8,282	\$9,738	\$39,923	4.57%	\$255	\$40,178	5.23%
City of Grayling	\$32,359	\$7,021	\$39,380	\$32,359	\$7,289	\$39,648	0.68%	\$352	\$345	\$7,232	\$7,581	\$39,940	1.42%	\$198	\$40,138	1.92%
City of Haines	\$45,345	\$83,572	\$128,917	\$45,345	\$83,945	\$129,290	0.34%	\$0	\$0	\$83,441	\$83,441	\$128,788	-0.12%	\$1,661	\$130,447	1.40%
Haines Borough	\$28,529	\$38,831	\$67,360	\$28,529	\$37,593	\$66,122	1.20%	\$0	\$0	\$37,297	\$37,297	\$65,828	0.74%	\$978	\$66,802	2.28%
City of Holy Cross	\$32,858	\$9,934	\$42,792	\$32,858	\$10,243	\$43,099	0.79%	\$0	\$0	\$10,163	\$10,163	\$43,019	0.60%	\$268	\$43,285	1.23%
City of Homer	\$141,966	\$191,037	\$332,003	\$141,966	\$191,938	\$333,904	0.27%	\$0	\$0	\$190,425	\$190,425	\$332,391	-0.18%	\$4,985	\$337,376	1.31%
City of Homer	\$86,205	\$35,189	\$121,394	\$86,205	\$35,909	\$122,114	0.59%	\$0	\$0	\$35,628	\$35,628	\$121,831	0.38%	\$933	\$122,764	1.13%
City of Hooper Bay	\$29,018	\$33,549	\$62,567	\$29,018	\$34,785	\$63,803	1.94%	\$0	\$0	\$34,491	\$34,491	\$63,507	1.51%	\$903	\$64,410	2.95%
City of Houston	\$33,262	\$31,490	\$64,752	\$33,262	\$32,714	\$65,976	1.89%	\$0	\$0	\$32,457	\$32,457	\$65,719	1.49%	\$850	\$66,568	2.80%
City of Hughes	\$32,232	\$2,515	\$34,747	\$32,232	\$2,619	\$34,851	0.30%	\$5,149	\$5,108	\$2,599	\$7,707	\$39,939	14.94%	\$202	\$40,141	15.52%
City of Huslia	\$33,501	\$8,811	\$42,312	\$33,501	\$9,920	\$43,421	0.73%	\$0	\$0	\$9,850	\$9,850	\$42,351	0.57%	\$232	\$42,583	1.12%

EFFECTS OF SB29 ON FY 97 SRS/MA PAYMENTS (NO BASE AMOUNT HOLD HARMLESS - \$40,000 OVERALL MINIMUM ENTITLEMENT)

Potential Interest Earnings From Early SAFE Payment

Municipality	FY 97 SRS \$\$	FY 97 MA \$\$	FY 97 MA/SRS Total \$\$	SB29			% Change From Current Programs	SB29			% Change From Current Programs	FY 97 SAFE \$\$			% Change From Current Programs	
				FY 97 SRS \$\$	FY 97 SAFE \$\$ (No Hold Harmless)	FY 97 SRS/SAFE \$\$ Pre Min Ent		Minimum Ent Add-On	Minimum Ent Prorated	FY 97 SAFE \$\$ Prorated		FY 97 SAFE \$\$ Final Payment	SRS/SAFE \$\$ Total Payment	FY 97 SAFE \$\$ at 6.25% Interest for 6 Months		FY 97 SRS/SAFE \$\$ Plus Interest
City of Hyaburg	\$23,189	\$14,575	\$37,764	\$23,189	\$14,999	\$38,188	1.12%	\$1,812	\$1,798	\$14,801	\$16,679	\$39,868	5.57%	\$437	\$40,304	6.73%
City & Borough of Juneau	\$1,554,829	\$1,301,027	\$2,855,856	\$1,554,829	\$1,313,455	\$2,868,284	0.44%	\$0	\$0	\$1,303,108	\$1,303,108	\$2,857,935	0.07%	\$34,113	\$2,892,048	1.27%
City of Kachemak	\$24,203	\$13,100	\$37,303	\$24,203	\$13,624	\$37,827	1.43%	\$2,163	\$2,148	\$13,527	\$15,673	\$39,878	6.00%	\$410	\$40,288	8.00%
City of Kake	\$59,894	\$24,180	\$84,074	\$59,894	\$24,971	\$84,865	0.94%	\$0	\$0	\$24,774	\$24,774	\$84,688	0.71%	\$849	\$85,538	1.48%
City of Kaltovik	\$31,317	\$7,639	\$38,956	\$31,317	\$7,850	\$39,167	0.54%	\$633	\$628	\$7,789	\$8,615	\$39,932	2.50%	\$228	\$40,160	3.08%
City of Kalga	\$32,805	\$8,021	\$40,826	\$32,805	\$8,388	\$41,191	0.89%	\$0	\$0	\$8,320	\$8,320	\$41,125	0.73%	\$218	\$41,343	1.27%
City of Kasan	\$23,330	\$1,310	\$24,640	\$23,330	\$1,365	\$24,695	0.22%	\$15,305	\$15,184	\$1,355	\$16,539	\$39,889	61.80%	\$433	\$40,302	83.56%
City of Kani	\$201,103	\$364,828	\$565,931	\$201,103	\$362,889	\$563,992	-0.31%	\$0	\$0	\$380,030	\$380,030	\$581,133	-0.81%	\$9,428	\$570,558	0.85%
Kenai Peninsula Borough	\$1,873,983	\$1,227,349	\$3,101,332	\$1,873,983	\$1,239,592	\$3,113,575	0.42%	\$0	\$0	\$1,229,815	\$1,229,815	\$2,903,778	0.08%	\$32,194	\$2,935,972	1.19%
City of Ketchikan	\$353,961	\$475,988	\$829,949	\$353,961	\$471,416	\$825,378	-0.55%	\$0	\$0	\$487,701	\$487,701	\$821,662	-1.00%	\$12,244	\$833,905	0.48%
Ketchikan Gateway Borough	\$193,998	\$223,712	\$417,710	\$193,998	\$229,791	\$423,787	1.48%	\$0	\$0	\$227,981	\$227,981	\$421,977	1.02%	\$5,968	\$427,945	2.45%
City of Klana	\$32,658	\$14,370	\$47,028	\$32,658	\$14,853	\$47,509	1.03%	\$0	\$0	\$14,730	\$14,730	\$47,392	0.78%	\$388	\$47,778	1.60%
City of King Cove	\$38,708	\$29,278	\$67,986	\$38,708	\$30,377	\$69,085	1.62%	\$0	\$0	\$30,138	\$30,138	\$68,848	1.27%	\$789	\$69,635	2.43%
City of Kivalina	\$51,037	\$11,052	\$62,089	\$51,037	\$11,535	\$62,572	0.78%	\$0	\$0	\$11,444	\$11,444	\$62,481	0.83%	\$300	\$62,781	1.11%
City of Klawock	\$42,855	\$25,229	\$68,084	\$42,855	\$26,182	\$69,037	1.40%	\$0	\$0	\$25,978	\$26,976	\$69,931	1.10%	\$680	\$69,611	2.09%
City of Kobuk	\$33,049	\$2,533	\$35,582	\$33,049	\$2,843	\$35,892	0.31%	\$4,508	\$4,274	\$2,822	\$0,898	\$39,045	12.26%	\$181	\$40,128	12.77%
City of Kodiak	\$159,785	\$400,338	\$560,103	\$159,785	\$398,148	\$557,933	-0.39%	\$0	\$0	\$395,011	\$395,011	\$554,778	-0.95%	\$10,341	\$565,117	0.90%
Kodiak Island Borough	\$445,842	\$231,112	\$676,954	\$445,842	\$239,007	\$684,849	1.17%	\$0	\$0	\$237,124	\$237,124	\$682,768	0.89%	\$6,207	\$688,973	1.31%
City of Kodiak	\$30,502	\$18,189	\$48,691	\$30,502	\$18,889	\$49,391	1.42%	\$0	\$0	\$18,741	\$18,741	\$49,243	1.11%	\$491	\$49,733	2.12%
City of Kotzebue	\$197,731	\$125,923	\$323,654	\$197,731	\$127,388	\$325,119	0.45%	\$0	\$0	\$128,384	\$128,384	\$324,115	0.14%	\$3,308	\$327,424	1.16%
City of Koyuk	\$32,079	\$8,983	\$41,062	\$32,079	\$9,338	\$41,417	0.81%	\$0	\$0	\$9,284	\$9,284	\$41,343	0.73%	\$243	\$41,586	1.33%
City of Koyukuk	\$31,772	\$4,348	\$36,120	\$31,772	\$4,488	\$36,260	0.39%	\$3,740	\$3,711	\$4,452	\$8,183	\$39,935	10.57%	\$214	\$40,149	11.16%
City of Kuparuk	\$23,311	\$749	\$24,060	\$23,329	\$783	\$24,112	0.14%	\$15,888	\$15,783	\$777	\$16,540	\$39,889	65.58%	\$433	\$40,302	67.38%
City of Kwethluk	\$30,481	\$22,889	\$53,370	\$30,481	\$23,752	\$54,233	1.62%	\$0	\$0	\$23,564	\$23,564	\$54,045	1.27%	\$817	\$54,862	2.42%
Lake and Peninsula Borough	\$172,345	\$41,600	\$213,945	\$172,345	\$41,913	\$214,258	0.14%	\$0	\$0	\$41,583	\$41,583	\$213,928	-0.01%	\$1,089	\$215,017	0.50%
City of Larsen Bay	\$24,203	\$4,057	\$28,260	\$24,203	\$4,242	\$28,445	3.68%	\$11,555	\$11,464	\$4,209	\$16,673	\$39,878	41.10%	\$410	\$40,288	42.55%
City of Lower Kachemak	\$31,393	\$9,821	\$41,214	\$31,393	\$10,241	\$41,634	1.02%	\$0	\$0	\$10,181	\$10,181	\$41,854	0.82%	\$268	\$42,122	1.47%
City of Manokotak	\$29,848	\$12,868	\$42,716	\$29,848	\$13,411	\$43,257	1.28%	\$0	\$0	\$13,305	\$13,305	\$43,151	1.03%	\$348	\$43,499	1.84%
City of Marshall	\$30,502	\$9,824	\$40,326	\$30,502	\$10,205	\$40,707	0.94%	\$0	\$0	\$10,124	\$10,124	\$40,628	0.74%	\$265	\$40,891	1.40%
City of Metlakatla	\$1,631,375	\$1,288,362	\$2,919,737	\$1,631,375	\$1,417,082	\$3,048,457	1.89%	\$0	\$0	\$1,405,917	\$1,405,917	\$3,037,292	1.32%	\$38,804	\$3,076,096	2.55%
City of McGrath	\$34,203	\$18,300	\$52,503	\$34,203	\$18,712	\$52,915	0.78%	\$0	\$0	\$18,564	\$18,564	\$52,787	0.60%	\$486	\$53,253	1.43%
City of Mekoryuk	\$30,827	\$8,852	\$39,679	\$30,827	\$7,134	\$37,961	0.75%	\$2,039	\$2,023	\$7,077	\$8,101	\$39,928	5.97%	\$238	\$40,166	6.80%
City of Mountain Village	\$31,240	\$25,971	\$57,211	\$31,240	\$26,861	\$58,101	1.68%	\$0	\$0	\$26,850	\$26,850	\$57,950	1.19%	\$898	\$58,848	2.41%
City of Napakiak	\$30,977	\$11,722	\$42,699	\$30,977	\$12,060	\$43,037	0.78%	\$0	\$0	\$11,985	\$11,985	\$42,942	0.57%	\$313	\$43,255	1.30%
City of Nappanook	\$30,502	\$12,624	\$43,126	\$30,502	\$13,188	\$43,690	1.33%	\$0	\$0	\$13,092	\$13,092	\$43,584	1.09%	\$343	\$43,927	1.88%
City of Nenana	\$50,827	\$27,828	\$78,655	\$50,827	\$27,521	\$78,348	-0.39%	\$0	\$0	\$27,304	\$27,304	\$77,831	-0.87%	\$715	\$78,546	0.24%
City of New Stuyahok	\$29,094	\$13,519	\$42,613	\$29,094	\$14,085	\$43,179	1.33%	\$0	\$0	\$13,974	\$13,974	\$43,088	1.07%	\$368	\$43,456	1.83%
City of Newhalen	\$28,398	\$5,517	\$33,915	\$28,398	\$5,741	\$34,139	0.64%	\$4,881	\$4,823	\$5,898	\$10,518	\$39,916	14.32%	\$275	\$40,192	11.28%
City of Nighthuts	\$30,187	\$5,919	\$36,106	\$30,187	\$6,185	\$36,372	0.74%	\$3,628	\$3,599	\$6,136	\$9,738	\$39,923	10.57%	\$255	\$40,178	11.28%
City of Nikolai	\$31,829	\$3,916	\$35,744	\$31,828	\$4,092	\$35,920	0.49%	\$4,080	\$4,048	\$4,080	\$8,108	\$39,936	11.73%	\$212	\$40,148	12.32%
City of Nome	\$279,273	\$177,407	\$456,680	\$279,273	\$178,814	\$458,087	0.31%	\$0	\$0	\$177,405	\$177,405	\$456,678	0.00%	\$4,644	\$461,322	1.02%
City of Nondalton	\$31,425	\$7,824	\$39,249	\$31,425	\$8,126	\$39,551	0.77%	\$448	\$445	\$8,062	\$8,507	\$39,932	1.74%	\$223	\$40,155	2.31%
City of Noorvik	\$78,353	\$19,883	\$98,236	\$78,353	\$20,412	\$98,765	0.73%	\$0	\$0	\$20,251	\$20,251	\$98,514	0.57%	\$539	\$99,053	1.11%
City of North Pole	\$27,348	\$82,808	\$110,156	\$27,348	\$82,641	\$109,989	-0.15%	\$0	\$0	\$81,990	\$81,990	\$109,938	-0.74%	\$2,148	\$111,484	7.21%
North Slope Borough	\$343,215	\$1,283,832	\$1,627,047	\$343,215	\$1,191,198	\$1,534,433	-5.69%	\$0	\$0	\$1,181,882	\$1,181,882	\$1,525,017	-8.27%	\$30,937	\$1,555,955	-4.37%
Northwest Arctic Borough	\$241,805	\$24,378	\$266,183	\$241,805	\$24,574	\$266,379	0.07%	\$0	\$0	\$24,380	\$24,380	\$266,185	0.00%	\$638	\$266,824	0.24%
City of Nulato	\$31,317	\$12,828	\$44,143	\$31,317	\$13,405	\$44,722	1.31%	\$0	\$0	\$13,300	\$13,300	\$44,617	1.07%	\$348	\$44,965	1.86%
City of Nulik	\$32,891	\$11,854	\$44,745	\$32,891	\$12,311	\$45,202	1.02%	\$0	\$0	\$12,214	\$12,214	\$45,105	0.81%	\$320	\$45,425	1.52%
City of Nunapituk	\$43,582	\$14,545	\$58,127	\$43,582	\$15,187	\$58,769	1.07%	\$0	\$0	\$15,048	\$15,048	\$58,610	0.88%	\$394	\$59,004	1.54%
City of Old Harbor	\$24,599	\$10,028	\$34,627	\$24,599	\$10,440	\$35,039	1.19%	\$4,081	\$4,027	\$10,358	\$15,280	\$39,879	15.17%	\$400	\$40,279	18.32%
City of Ouzide	\$8,415	\$24,902	\$33,317	\$8,415	\$9,756	\$33,243	1.04%	\$6,757	\$6,704	\$8,687	\$15,391	\$39,878	21.20%	\$403	\$40,281	22.43%
City of Palmer	\$228,460	\$183,282	\$411,742	\$228,460	\$184,834	\$413,294	0.38%	\$0	\$0	\$183,378	\$183,378	\$409,838	0.02%	\$4,800	\$414,638	1.20%
City of Pelican	\$24,527	\$9,428	\$33,955	\$24,527	\$9,493	\$34,020	0.18%	\$5,980	\$5,937	\$9,418	\$9,878	\$39,878	17.44%	\$402	\$40,280	18.63%
City of Petersburg	\$222,723	\$148,204	\$370,927	\$222,723	\$149,465	\$372,188	0.34%	\$0	\$0	\$148,287	\$148,287	\$371,010	0.02%	\$3,882	\$374,892	1.07%
City of Pilot Point	\$44,732	\$3,378	\$48,110	\$44,732	\$3,476	\$48,208	0.20%	\$0	\$0	\$3,448	\$3,448	\$48,180	0.15%	\$80	\$48,260	0.33%
City of Pilot Station	\$30,709	\$16,589	\$47,298	\$30,709	\$17,319	\$48,028	1.52%	\$0	\$0	\$17,183	\$17,183	\$47,892	1.23%	\$450	\$48,341	2.18%
City of Platinum	\$31,388	\$1,889	\$33,277	\$31,388	\$1,911	\$33,299	0.07%	\$6,701	\$6,641	\$1,896	\$8,544	\$39,932	20.00%	\$224	\$40,156	20.67%
City of Point Hope	\$31,317	\$26,021	\$57,338	\$31,317	\$26,770	\$58,087	1.31%	\$0	\$0	\$26,559	\$26,559	\$57,878	0.94%	\$685	\$58,571	2.15%
City of Port Alexander	\$23,329	\$3,728	\$27,055	\$23,329	\$3,858	\$27,187	0.49%	\$12,313	\$12,711	\$3,828	\$16,540	\$39,889	47.38%	\$433	\$40,302	48.98%

EFFECTS OF SB29 ON FY 97 SRS/MA PAYMENTS (NO BASE AMOUNT HOLD HARMLESS - \$40,000 OVERALL MINIMUM ENTITLEMENT)

Potential Interest Earnings From Early SAFE Payment

Municipality	FY 97 SRS \$\$	FY 97 MA \$\$	FY 97 MA/SRS Total \$\$	SB29			% Change From Current Programs	SB29			% Change From Current Programs	Potential Interest Earnings From Early SAFE Payment				
				FY 97 SRS \$\$	FY 97 SAFE \$\$(No Hold Harmless)	FY 97 SRS/SAFE \$\$(Pre Min Ent.)		Minimum Ent. Add-On	Minimum Ent. Prorated	FY 97 SAFE \$\$(Prorated)		FY 97 SAFE \$\$(Final Payment)	SRS/SAFE \$\$(Total Payment)	FY 97 SAFE \$\$ at 5.25% Interest for 6 Months	FY 97 SRS/SAFE \$\$(Plus Interest)	% Change From Current Programs
City of Port Heiden	\$31,998	\$4,171	\$36,169	\$31,998	\$4,330	\$36,328	0.44%	\$3,672	\$3,643	\$4,298	\$7,939	\$39,937	10.42%	\$208	\$40,145	10.99%
City of Port Lions	\$24,542	\$8,541	\$33,083	\$24,542	\$8,888	\$33,430	1.05%	\$6,570	\$6,518	\$8,818	\$15,338	\$39,878	20.54%	\$401	\$40,280	21.75%
City of Quinhagak	\$30,823	\$17,828	\$48,651	\$30,823	\$18,551	\$49,374	1.49%	\$0	\$0	\$18,405	\$18,405	\$49,228	1.19%	\$482	\$49,710	2.18%
City of Ruby	\$32,318	\$7,321	\$39,639	\$32,318	\$7,558	\$39,876	0.60%	\$124	\$123	\$7,498	\$7,621	\$39,939	0.76%	\$206	\$40,139	1.28%
City of Russian Mission	\$30,234	\$9,252	\$39,486	\$30,234	\$9,687	\$39,921	1.05%	\$99	\$98	\$9,591	\$9,889	\$39,923	1.11%	\$254	\$40,177	1.75%
City of Sand Point	\$49,848	\$35,312	\$84,960	\$49,848	\$36,360	\$86,008	1.23%	\$0	\$0	\$36,074	\$36,074	\$85,722	0.90%	\$944	\$86,666	2.01%
City of Savoonga	\$84,701	\$21,192	\$105,893	\$84,701	\$21,862	\$106,563	0.78%	\$0	\$0	\$21,690	\$21,690	\$106,391	0.58%	\$568	\$106,959	1.24%
City of Sarman	\$22,798	\$13,874	\$36,672	\$22,798	\$14,154	\$36,952	1.32%	\$3,048	\$3,024	\$14,043	\$17,066	\$39,884	9.30%	\$447	\$40,311	10.53%
City of Scammon Bay	\$29,840	\$14,097	\$44,037	\$29,840	\$14,889	\$44,609	1.30%	\$0	\$0	\$14,564	\$14,564	\$44,494	1.04%	\$381	\$44,875	1.90%
City of Selavik	\$78,152	\$21,276	\$99,428	\$78,152	\$22,111	\$100,263	0.84%	\$0	\$0	\$21,937	\$21,937	\$100,089	0.68%	\$574	\$100,663	1.24%
City of Selkovia	\$25,458	\$15,881	\$41,339	\$25,458	\$16,918	\$41,377	0.09%	\$0	\$0	\$15,793	\$15,793	\$41,251	-0.21%	\$413	\$41,665	0.79%
City of Seward	\$273,127	\$140,327	\$413,454	\$273,127	\$140,981	\$414,108	0.16%	\$3,829	\$3,799	\$4,818	\$8,618	\$39,932	10.88%	\$228	\$40,167	11.81%
City of Shageluk	\$31,317	\$4,863	\$36,980	\$31,317	\$4,854	\$36,171	0.53%	\$1,405	\$1,394	\$8,541	\$7,935	\$39,937	4.22%	\$208	\$40,145	4.76%
City of Shaktolik	\$32,002	\$8,319	\$38,321	\$32,002	\$8,593	\$38,595	0.71%	\$4,390	\$4,355	\$3,381	\$9,739	\$39,923	12.81%	\$255	\$40,178	13.53%
City of Sheldon Point	\$30,187	\$5,201	\$35,388	\$30,187	\$5,423	\$35,610	0.63%	\$0	\$0	\$5,527	\$18,237	\$39,382	1.08%	\$477	\$39,859	2.04%
City of Shishmaref	\$32,145	\$17,699	\$49,844	\$32,145	\$18,382	\$50,527	1.37%	\$0	\$0	\$18,962	\$18,962	\$42,893	0.41%	\$235	\$43,128	0.96%
City of Shungnak	\$33,731	\$8,789	\$42,520	\$33,731	\$9,033	\$42,764	0.57%	\$0	\$0	\$41,785	\$41,785	\$82,505	-0.10%	\$10,937	\$83,987	1.23%
City and Borough of Sitka	\$407,285	\$418,690	\$825,975	\$407,285	\$421,103	\$828,388	0.30%	\$0	\$0	\$45,951	\$45,951	\$75,392	-1.23%	\$1,203	\$76,595	0.34%
City of Skagway	\$29,441	\$48,892	\$78,333	\$29,441	\$48,318	\$75,757	-0.76%	\$0	\$0	\$223,200	\$223,200	\$352,971	-1.22%	\$5,843	\$358,814	4.02%
City of Soldotna	\$129,771	\$227,554	\$357,325	\$129,771	\$224,973	\$354,744	-0.72%	\$0	\$0	\$8,438	\$8,438	\$54,813	0.39%	\$169	\$54,982	0.70%
City of St. George	\$48,175	\$8,223	\$56,398	\$48,175	\$8,489	\$56,664	0.49%	\$0	\$0	\$18,070	\$18,070	\$112,913	0.45%	\$421	\$113,334	0.82%
City of St. Mary's	\$98,843	\$15,587	\$114,430	\$98,843	\$16,198	\$115,041	0.56%	\$0	\$0	\$14,787	\$14,787	\$46,923	0.08%	\$737	\$47,311	0.91%
City of St. Michael	\$32,138	\$14,750	\$46,888	\$32,138	\$14,905	\$47,041	0.33%	\$0	\$0	\$25,290	\$25,290	\$198,232	0.43%	\$682	\$198,894	0.77%
City of St. Paul	\$170,842	\$24,442	\$195,284	\$170,842	\$25,490	\$198,332	0.54%	\$0	\$0	\$15,868	\$15,868	\$48,390	1.10%	\$410	\$48,801	1.95%
City of Stubbins	\$32,724	\$15,142	\$47,866	\$32,724	\$15,791	\$48,515	1.36%	\$0	\$0	\$13,416	\$13,416	\$57,955	0.37%	\$351	\$58,306	0.97%
City of Tanana	\$44,539	\$13,204	\$57,743	\$44,539	\$13,522	\$58,061	0.55%	\$0	\$0	\$9,027	\$9,027	\$40,819	0.75%	\$238	\$41,057	1.34%
City of Teller	\$31,592	\$8,724	\$40,316	\$31,592	\$9,099	\$40,691	0.93%	\$0	\$0	\$4,868	\$18,540	\$39,869	41.44%	\$433	\$40,302	42.98%
City of Tonkaa Springs	\$23,329	\$4,858	\$28,187	\$23,329	\$4,905	\$28,234	0.17%	\$11,768	\$11,074	\$0	\$22,070	\$49,440	1.25%	\$578	\$50,018	2.53%
City of Thome Bay	\$27,370	\$21,414	\$48,784	\$27,370	\$22,248	\$49,618	1.70%	\$0	\$0	\$28,945	\$28,945	\$57,311	1.05%	\$705	\$58,017	2.29%
City of Toolik	\$30,388	\$26,350	\$56,738	\$30,388	\$27,159	\$57,547	1.43%	\$0	\$0	\$17,658	\$17,658	\$48,180	1.10%	\$462	\$48,642	2.07%
City of Toksook Bay	\$30,502	\$17,132	\$47,634	\$30,502	\$17,798	\$48,300	1.40%	\$0	\$0	\$28,474	\$28,474	\$61,101	0.88%	\$745	\$61,846	2.11%
City of Unalakleet	\$32,827	\$27,944	\$60,771	\$32,827	\$28,700	\$61,527	1.25%	\$0	\$0	\$139,018	\$139,018	\$377,890	1.09%	\$2,839	\$380,729	2.07%
City of Unalakleet	\$238,972	\$134,929	\$373,901	\$238,972	\$140,122	\$379,094	1.39%	\$0	\$0	\$8,815	\$8,815	\$39,932	4.18%	\$226	\$40,157	4.74%
City of Upper Kalskag	\$31,317	\$7,021	\$38,338	\$31,317	\$7,800	\$39,117	0.41%	\$1,503	\$1,491	\$7,123	\$480,782	\$682,932	-3.79%	\$12,585	\$695,517	-2.02%
City of Valdez	\$202,170	\$507,697	\$709,867	\$202,170	\$484,581	\$686,751	-3.26%	\$0	\$0	\$17,240	\$17,240	\$40,257	1.23%	\$470	\$40,727	2.19%
City of Wainwright	\$31,317	\$17,344	\$48,661	\$31,317	\$18,083	\$49,400	1.52%	\$0	\$0	\$8,290	\$8,290	\$39,934	7.80%	\$217	\$40,151	8.39%
City of Wales	\$31,644	\$5,400	\$37,044	\$31,644	\$5,846	\$37,490	0.66%	\$2,710	\$2,689	\$5,602	\$199,822	\$338,905	0.19%	\$5,231	\$344,136	1.73%
City of Wasilla	\$139,083	\$199,198	\$338,281	\$139,083	\$201,409	\$340,492	0.65%	\$0	\$0	\$8,794	\$8,011	\$39,938	3.79%	\$210	\$40,148	4.34%
City of White Mountain	\$31,925	\$6,553	\$38,478	\$31,925	\$6,848	\$38,773	0.77%	\$1,227	\$1,218	\$10,888	\$13,137	\$39,898	7.08%	\$344	\$40,242	8.01%
City of Whittier	\$26,759	\$10,498	\$37,257	\$26,759	\$10,770	\$37,529	0.73%	\$2,471	\$2,451	\$0	\$124,730	\$338,925	-0.05%	\$3,265	\$342,190	0.91%
City of Wrangell	\$212,195	\$124,815	\$337,010	\$212,195	\$125,721	\$337,916	0.24%	\$0	\$0	\$38,898	\$38,898	\$69,710	-0.41%	\$1,013	\$70,723	1.03%
City and Borough of Yakutat	\$31,014	\$38,986	\$70,000	\$31,014	\$39,003	\$70,017	0.02%	\$0	\$0	\$29,089,208	\$29,089,208	\$52,987,728	0.00%	\$767,583	\$53,755,309	N/A
	\$23,668,844	\$29,320,882	\$52,989,726	\$23,668,844	\$29,320,882	\$52,989,726	0.00%	\$233,516	\$231,676	\$29,089,208	\$29,320,882	\$52,987,728	0.00%			

\$195,900 moves from certain communities to other communities as a result of change in MA Base Amount (i.e., base not held harmless) (this represents .34 of 1% of all SRS/MA appropriation)

= Minimum Entitlement Make-Up \$\$ All communities share in making up this \$233,516 (this represents .43 of 1% of all SRS/MA appropriation)

Note: Two communities were not included in the above table. Their estimated allocations are listed below.

	FY97 SRS	FY97 MA	Total 97 SRS/MA	97 SAFE	Total SRS/SAFE	Difference	
Aktavik	\$7,091	\$79,118	\$86,209	\$79,249	\$86,340	(\$69)	Aktavik participates in SRS as an unincorporated community, and MA as a municipality
Clark's Point	\$0	\$1,998	\$1,998	\$2,084	\$2,084	\$86	Clark's Point did not qualify for a SRS payment in FY97