

**SB**

**142**

# SENATE COMMITTEE REPORT

## First Committee of Referral

DATE: 3/19/97

FURTHER: Finance

Date of 5-Day Notice: 5/2/97  
 (in accordance with Uniform Rule 23)  
 (24-hr rule in effect)

DATE TURNED  
 IN TO OFFICE: 5/7/97

Health, Education and Social Services Committee considered

SENATE BILL NO. 142

"An Act relating to formation of and taxation in regional educational attendance areas; and providing for an effective date."

and recommends:

- be replaced with \_\_\_\_\_ CS \_\_\_\_\_
- adopt previous \_\_\_\_\_ CS \_\_\_\_\_
- attached amendment(s)
- adopt Letter of Intent by \_\_\_\_\_ Committee
- further referral to the \_\_\_\_\_ Committee

- Senate Bill:**
- same title
  - new title
- House Bill:**
- same title
  - technical title
  - new: SCR# \_\_\_\_\_

| SIGNING DO PASS          | DP | OTHER RECOMMENDATIONS  | NR | DNP | AM |
|--------------------------|----|------------------------|----|-----|----|
| <i>Lyle Green</i>        | ✓  | <i>Loren D. Jensen</i> | ✓  |     |    |
|                          |    |                        |    |     |    |
|                          |    |                        |    |     |    |
|                          |    |                        |    |     |    |
|                          |    |                        |    |     |    |
|                          |    |                        |    |     |    |
| CHAIR: <i>Gov. Willa</i> | ✓  | CHAIR:                 |    |     |    |

**NEW FISCAL NOTE(S):**

| Department | Date          | Zero | Fiscal |
|------------|---------------|------|--------|
| C+RA       | <i>4/8/97</i> |      | ✓      |
| C+RA       | <i>4/8/97</i> | ✓    |        |
| DOE        | <i>4/9/97</i> | ✓    |        |
|            |               |      |        |
|            |               |      |        |

**PREVIOUS FISCAL NOTE(S):\***

| Department | Date | Zero | Fiscal |
|------------|------|------|--------|
|            |      |      |        |
|            |      |      |        |
|            |      |      |        |
|            |      |      |        |

APPROPRIATION -- no fiscal note

\*include fiscal notes accompanying Governor's bill

5/7/97

AMENDMENT

Offered in the Senate

By Senator Torgerson

TO: SB 142

1 Page 2, line 4:

2 delete:

3 "1999"

4

5 insert:

6 "2000"

7

8 Page 2, line 19:

9 delete:

10 "2000"

11

12 insert

13 "1999"

14

15

# FISCAL NOTE

STATE OF ALASKA  
1997 LEGISLATIVE SESSION

BILL NO. SB 142

Revision Date: \_\_\_\_\_ Dept. Affected: Education  
 Title: An Act relating to formation of and taxation in BRU: K-12 Support  
Regional education attendance areas; and providing ... Component: Foundation Program  
 Sponsor: Senator Torgerson, Phillips  
 Requester: \_\_\_\_\_ COMPONENT SERIAL NO. 141

**Expenditures/Revenues:** (Thousands of Dollars)

| OPERATING EXPENDITURES | FY98       | FY99       | FY00       | FY01         | FY02         | FY03         |
|------------------------|------------|------------|------------|--------------|--------------|--------------|
| PERSONAL SERVICES      |            |            |            |              |              |              |
| TRAVEL                 |            |            |            |              |              |              |
| CONTRACTUAL            |            |            |            |              |              |              |
| SUPPLIES               |            |            |            |              |              |              |
| EQUIPMENT              |            |            |            |              |              |              |
| LAND & STRUCTURES      |            |            |            |              |              |              |
| GRANTS, CLAIMS         | 0.0        | 0.0        | 0.0        | -22.1        | -22.1        | -22.1        |
| MISCELLANEOUS          |            |            |            |              |              |              |
| <b>TOTAL OPERATING</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>-22.1</b> | <b>-22.1</b> | <b>-22.1</b> |

|                             |  |  |  |  |  |  |
|-----------------------------|--|--|--|--|--|--|
| <b>CAPITAL EXPENDITURES</b> |  |  |  |  |  |  |
|-----------------------------|--|--|--|--|--|--|

|                            |  |  |  |  |  |  |
|----------------------------|--|--|--|--|--|--|
| <b>CHANGES IN REVENUES</b> |  |  |  |  |  |  |
|----------------------------|--|--|--|--|--|--|

**FUNDING:** (Thousands of Dollars)

|                          |            |            |            |              |              |              |
|--------------------------|------------|------------|------------|--------------|--------------|--------------|
| 1002 Federal Receipts    |            |            |            |              |              |              |
| 1003 GF Match            |            |            |            |              |              |              |
| 1004 GF                  | 0.0        | 0.0        | 0.0        | -22.1        | -22.1        | -22.1        |
| 1005 GF/Program Receipts |            |            |            |              |              |              |
| Other:                   |            |            |            |              |              |              |
| <b>TOTAL</b>             | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>-22.1</b> | <b>-22.1</b> | <b>-22.1</b> |

Estimate of current year (FY97) cost: \$ \_\_\_\_\_ \$0

**POSITIONS:**

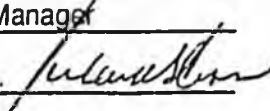
|           |  |  |  |  |  |  |
|-----------|--|--|--|--|--|--|
| FULL-TIME |  |  |  |  |  |  |
| PART-TIME |  |  |  |  |  |  |
| TEMPORARY |  |  |  |  |  |  |

**ANALYSIS:** (Attach a separate page if necessary)

This fiscal note assumes that following school districts will be combined.

- 1) Alaska Gateway and Delta Greely School Districts
- 2) Lower Kuskokwim and Yup'it School Districts
- 3) Lower Yukon and Kashunaniut School Districts

This fiscal note does not address other potential consolidations of school districts or borough formations.

Prepared by: Eddy Jeans  
 Division: Educaiton Support Services, School Finance Manager  
 Approved by Commissioner: Shirley J. Holloway, Ph.D.   
 Agency: Department of Education

Phone: 465-8679  
 Date: 4/9/97  
 Date: 4/9/97

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# FISCAL NOTE

Revision Date: \_\_\_\_\_ Dept. Affected: Community & Regional Affairs  
 Title: An Act relating to formation of and BRU: Local Gov't Assistance  
taxation in regional attendance areas ... Component: State Assessor  
 Sponsor: Sen. Torgerson, Phillips  
 Requestor: Senate HESS Committee COMPONENT SERIAL NO. 673

Expenditures/Revenues: (Thousands of Dollars)

| OPERATING              | FY 98        | FY 99        | FY 00        | FY 01        | FY 02        | FY 03        |
|------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| PERSONAL SERVICES      | 302.0        | 302.0        | 302.0        | 302.0        | 302.0        | 302.0        |
| TRAVEL                 | 30.0         | 22.5         | 15.6         | 15.6         | 15.6         | 15.6         |
| CONTRACTUAL            |              |              |              |              |              |              |
| SUPPLIES               | 3.0          | 3.0          | 3.0          | 1.5          | 1.5          | 1.5          |
| EQUIPMENT              | 10.5         | 10.5         | 2.5          | 2.0          | 2.0          | 2.0          |
| LAND & STRUCTURES      |              |              |              |              |              |              |
| GRANTS, CLAIMS         |              |              |              |              |              |              |
| MISCELLANEOUS          |              |              |              |              |              |              |
| <b>TOTAL OPERATING</b> | <b>345.5</b> | <b>338.0</b> | <b>323.1</b> | <b>321.1</b> | <b>321.1</b> | <b>321.1</b> |
| <b>CAPITAL</b>         | <b>0.0</b>   | <b>0.0</b>   | <b>0.0</b>   | <b>0.0</b>   | <b>0.0</b>   | <b>0.0</b>   |

|                      |  |  |  |  |  |  |
|----------------------|--|--|--|--|--|--|
| REVENUE FUND SOURCE: |  |  |  |  |  |  |
|----------------------|--|--|--|--|--|--|

FUNDING: (Thousands of Dollars)

|                          |              |              |              |              |              |              |
|--------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| 1002 Federal Receipts    |              |              |              |              |              |              |
| 1003 GF Match            |              |              |              |              |              |              |
| 1004 GF                  | 345.5        | 338.0        | 323.1        | 321.1        | 321.1        | 321.1        |
| 1005 GF/Program Receipts |              |              |              |              |              |              |
| 1006 GF/MHTIA            |              |              |              |              |              |              |
| Other                    |              |              |              |              |              |              |
| <b>TOTAL</b>             | <b>345.5</b> | <b>338.0</b> | <b>323.1</b> | <b>321.1</b> | <b>321.1</b> | <b>321.1</b> |

POSITIONS:

|           |   |   |   |   |   |   |
|-----------|---|---|---|---|---|---|
| FULL-TIME | 6 | 6 | 6 | 6 | 6 | 6 |
| PART-TIME |   |   |   |   |   |   |
| TEMPORARY |   |   |   |   |   |   |

Estimate of current (FY97) impact \$ none

**ANALYSIS:** (Attach a separate page if necessary)  
**Office of the State Assessor:**  
 Implementation of this legislation would have significant impact on the Office of the State Assessor. The above figures represent the department's preliminary assessment of the minimum impacts of this legislation. The department awaits further clarification of this legislation through the committee process. The department's final assessment of fiscal impacts could be much higher than the figures presented here. Details are discussed in the attached pages under the heading "Fiscal Impacts on the Office of the State Assessor."

Prepared by: Michael Cushing, Research Analyst Phone: 465-4751  
 Division: Municipal and Regional Assistance Division Date: 4/8/97  
 Approved by Commissioner: \_\_\_\_\_ Date: 4/8/97  
 Agency: Community & Regional Affairs

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## Attachment: Fiscal Note Analysis for Senate Bill 142

### Effects of SB 142

Under this legislation,

- ◆ DCRA is to divide the unorganized borough into educational service areas along the lines proposed in the 1995 "Model Borough Boundaries" report.
- ◆ The State Assessor's Office will be responsible for assessing value of taxable property, levying a property tax, and collecting the tax in each of these areas beginning January 1, 1999.
- ◆ DCRA is to develop a proposed method of levying and collecting taxes in these areas, including opportunity for public comment.
- ◆ DCRA is to prepare draft legislation reflecting above proposals by January 1, 2000.

### Anticipated Fiscal Impacts of SB 142 on DCRA

This proposal places substantial new demands on the department. The department believes that much of the effort can be performed by existing staff and resources; however, some additional staff would be needed. The incremental expenditures presented in this fiscal note reflect those demands that cannot be met by existing staffing and resources. With regard to this department, there are two areas for which fiscal impacts need to be discussed:

- State Assessor Office support
- Local Boundary Commission support

Fiscal Impacts on these areas are discussed below.

### Fiscal Impacts on the Office of the State Assessor<sup>4</sup>

This bill requires the State Assessor to complete Full Value Determinations for each of the educational service areas established under this legislation. Additionally, at least for two years, the Assessor is to assess property and collect taxes for these areas and perform the mandatory duties of a municipality, a board of equalization or a municipal official under AS 29.45.010-500.

The fiscal impacts on the Office of the State Assessor are difficult to ascertain. The imposition and operation of separate tax regimens in numerous areas of the unorganized borough are a huge and daunting tasks that would demand significant expenditures for new staff and/or contractual arrangements. Actual collection of taxes is well beyond any current

activities undertaken by the Office of the State Assessor. Consequently, the fiscal impacts presented here should be considered as preliminary and contingent upon further clarification of the requirements of the legislation through the legislative committee process.

Basic requirements for the full value determinations, and the implementation of tax levy will require at the very least the addition in FY 98 of an Assistant State Assessor (Range 20), two Appraisers (new job class, Range 18) and three clerical support positions (Administrative Clerk III, Range 10). This fiscal note provides for these six new positions as well as additional travel and contractual funding associated with minimum establishment and maintenance of taxation regimens in the proposed educational services areas.

There is a vast difference in preparing a full value determination for an area and completing an assessment roll for property assessment and taxation purposes. In order to prepare an assessment roll, a detailed, lengthy process must be undertaken just to discover property ownership and taxability. Only after this discovery process is completed can the valuation step be taken. In order to complete a full value, "typicals" are used. That is the "typical" percentage of exemptions for this or that type and classification of property. Then "typical" value ranges are used for the "typical" number of taxable properties. Therefore, while the full value can be estimated with a minimum number of staff, a completed assessment roll would take a very large number of individuals to reliably cover the unorganized areas. It is likely that the cost of carrying out a property taxation approach would in many areas not be cost effective.

Regarding the long-term implications of this legislation, it is assumed that in the majority of these areas a property tax will not be an economically viable revenue generation alternative. It is conceivable, however, that it may be feasible to implement a property tax in several regions. Those regions which choose other revenue alternatives, such as sales tax, still require a full value determination by the Assessor. Consequently, the minimum requirements for additional positions outlined above would continue into the foreseeable future.

### **Fiscal Impacts on the Local Boundary Commission (LBC)**

The provisions in SB 142 as written do not require any substantial new effort on the part of the Local Boundary Commission staff and therefore no significant fiscal impacts are anticipated by the department. Section 1 of SB 142, which would take effect July 15, 1999, requires DCRA to divide the unorganized borough into regional educational attendance areas (REAs) using the Local Boundary Commission's model borough boundaries. The bill would result in the following boundary changes to existing REAs:

- merger of Yupiit REA with the Lower Kuskokwim REA;

- merger of Kashunamiut REAA with the Lower Yukon REAA;
- merger of the Alaska Gateway REAA with the Delta Greely REAA;
- creation of a Prince of Wales REAA (from a large portion of Southeast Island REAA)
- creation of a Wrangell-Petersburg area REAA (from a large portion of the Southeast Island REAA and a relatively small portion of the Chatham REAA);
- reconfiguration of the Chatham REAA to include most of Admiralty Island and portions of Kuiu Island and Kupreanof Island;
- creation of a Glacier Bay REAA from a large portion of the Chatham REAA;
- alteration of the boundaries of the Adak and Aleutian Region REAA.<sup>1</sup>

Additionally, the model borough boundaries identified five regions of the unorganized borough that should be annexed to existing organized boroughs. These consisted of portions of the:

- Southeast Island REAA in the model boundaries of the Ketchikan Gateway Borough;
- Chatham REAA in the model boundaries of the City and Borough of Juneau;
- Chatham REAA in the model boundaries of the Haines Borough;
- Yukon Flats REAA in the model boundaries of the Fairbanks North Star Borough;
- Yukon-Koyukuk REAA in the model boundaries of the Denali Borough.

SB 142 does not express any intent that those five areas should be annexed to the five existing boroughs.<sup>2</sup> Therefore, it is assumed for purposes of this fiscal note that DCRA will not initiate the annexation of those areas to the existing boroughs. It is further assumed that those areas will not be formed into separate REAAs, but rather will be included with other REAAs as noted below:

- the area in question within the model boundaries of the Ketchikan Gateway Borough will be included in the new Prince of Wales REAA;
- the area in question within the model boundaries of the City and Borough of Juneau will be included in the revised Chatham REAA;

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<sup>1</sup> The Local Boundary Commission drew model borough boundaries for the Aleutian region prior to the announcement of the closure of the Adak Naval base. The model boundaries divided the Aleutian region into two areas because of the then substantial military population. With the closure of the Adak base, DCRA no longer considers it appropriate to have separate school districts for the region. Ideally, SB 142 would allow the Local Boundary Commission to review and modify the boundaries before they are implemented. Such could be done in manner that results in little or no fiscal impact.

<sup>2</sup> In comparison, SB 30 which was also introduced by Senator Torgerson, expressed specific intent that those five areas would be annexed to existing boroughs.

- the area in question within the model boundaries of the Haines Borough will be included in the Glacier Bay REAA
- the area in question within the model boundaries of the Fairbanks North Star Borough will be included in the Yukon Flats REAA
- the area in question within the model boundaries of the Denali Borough will be included in the Yukon-Koyukuk REAA.

Since the bill does not consolidate city school districts with REAA school districts, some circumstances unintended by the Local Boundary Commission in drawing model boundaries may result. For example, Wrangell and Petersburg would continue to operate separate city school districts while schools, if any, within the remainder of the REAA would be operated by the REAA. Such could be addressed **without fiscal impact** if the bill allowed for the Local Boundary Commission to review and modify the boundaries before they are implemented.

# FISCAL NOTE

Revision Date: \_\_\_\_\_ Dept. Affected: Community & Regional Affairs  
 Title: An Act relating to formation of and BRU: Local Gov't Assistance  
taxation in regional attendance areas ... Component: Local Boundary Commission  
 Sponsor: Sen. Torgerson, Phillips  
 Requestor: Senate HESS Committee COMPONENT SERIAL NO. 674

Expenditures/Revenues: (Thousands of Dollars)

| OPERATING              | FY 98      | FY 99      | FY 00      | FY 01      | FY 02      | FY 03      |
|------------------------|------------|------------|------------|------------|------------|------------|
| PERSONAL SERVICES      |            |            |            |            |            |            |
| TRAVEL                 |            |            |            |            |            |            |
| CONTRACTUAL            |            |            |            |            |            |            |
| SUPPLIES               |            |            |            |            |            |            |
| EQUIPMENT              |            |            |            |            |            |            |
| LAND & STRUCTURES      |            |            |            |            |            |            |
| GRANTS, CLAIMS         |            |            |            |            |            |            |
| MISCELLANEOUS          |            |            |            |            |            |            |
| <b>TOTAL OPERATING</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> |
| <b>CAPITAL</b>         | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> |

REVENUE FUND SOURCE:

|  |  |  |  |  |  |  |
|--|--|--|--|--|--|--|
|  |  |  |  |  |  |  |
|--|--|--|--|--|--|--|

FUNDING: (Thousands of Dollars)

|                          |            |            |            |            |            |            |
|--------------------------|------------|------------|------------|------------|------------|------------|
| 1002 Federal Receipts    |            |            |            |            |            |            |
| 1003 GF Match            |            |            |            |            |            |            |
| 1004 GF                  |            |            |            |            |            |            |
| 1005 GF/Program Receipts |            |            |            |            |            |            |
| 1006 GF/MHTIA            |            |            |            |            |            |            |
| Other                    |            |            |            |            |            |            |
| <b>TOTAL</b>             | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> |

POSITIONS:

|           |  |  |  |  |  |  |
|-----------|--|--|--|--|--|--|
| FULL-TIME |  |  |  |  |  |  |
| PART-TIME |  |  |  |  |  |  |
| TEMPORARY |  |  |  |  |  |  |

Estimate of current (FY97) Impact \$ none

**ANALYSIS:** (Attach a separate page if necessary)

Office of the State Assessor:

Implementation of this legislation would have no significant impact on the Local Boundary Commission staff. Local Boundary Commission considerations are discussed in the attached pages under the heading "Fiscal Impacts on the Local Boundary Commission."

Prepared by: Michael Cushing, Research Analyst Phone: 465-4751  
 Division: Municipal and Regional Assistance Division Date: 4/8/97  
 Approved by Commissioner: \_\_\_\_\_ Date: 4/8/97  
 Agency: Community & Regional Affairs

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# 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 514  
Juneau, AK 99801-1182  
(907) 465-2828  
fax 465-4779

## Sponsor Statement

### SB 142 - Regional Education Attendance Areas

This legislation will (1) reduce school administration expenses by consolidation and (2) provide equity in local funding for Alaska's schools.

**Consolidation:** There are three types of school districts in Alaska: 18 Regional Education Attendance Areas (REAs) which serve the unorganized borough, 18 first class city districts which are located in the unorganized borough, and 15 borough and home rule municipality districts. This bill would consolidate the 18 REAs into 16 REAs. This bill does not affect the city districts or the borough districts.

The estimated savings through consolidation are shown on the attached spread sheet, entitled *REAA Consolidation Savings*, and total some \$1.6 million. The consolidation will conform to the Model Borough Boundaries, as established by the *Model Borough Boundary Report (MBBR)*.

The Division of Legislative Audit issued a report May 11, 1992, titled *Potential for Administrative Savings from School District Consolidation*. The letter of transmittal from that report, dated June 3, 1992, sets out one of the reasons for this bill.

"We conservatively estimate that consolidation could reduce school administrative costs by \$5.3 million. Our estimates represent potential savings that may be generated from economies of scale realized from the consolidation of 39 school districts and Rural Education Attendance Areas that currently operate in the State's unorganized borough."

While this bill does not completely consolidate the districts (it does not affect the City Districts), there are still savings to be realized through the concept of consolidation of the REAs.

The concept of utilizing the MBBR for these boundaries is a familiar one, and was used by the previously mentioned *Legislative Audit Report*, where they noted that REAs were established in response to the Alaska Supreme Court Molly Hootch decision in 1975 and stated in a foot note that "It should be noted that the factors specified in the formation of REAs (transportation, communications, language, culture, and socio-economic factors) are similar to the factors identified in the constitution as serving a basis for boroughs: population, geography, economy, transportation and other factors."

The report also noted that REAAs were intended to be a transitional form of government necessary to deliver education to the children in the unorganized areas. As a validation of the report's use of the MBBR for the consolidation, the report stated that:

"Since the transition of REAAs to boroughs is the next most logical phase in Alaska's regional local government structure, we have based our school consolidation analysis on these projected boroughs." /1

**Equity:** Residents living in incorporated areas (borough and city districts) are currently required to contribute for education, but residents in the unincorporated areas (REAAs) are not.

- **92% of Alaska's population live in boroughs and are required to pay a local contribution--they receive 79% of State foundation formula;**
- **8% of the population pay no taxes and receive 21% of the state's foundation formula.**

The Borough and City schools districts are required to provide local contributions for the operation of the schools and so have taxing authority. The REAAs do not provide local contributions nor do they have taxing authority. This bill will remedy that inequity, by requiring a local contribution from the REAAs, through the authority of the legislature via this bill. The estimated local contribution is shown on the attached spread sheets *REAA Local Contribution*.

As required by the bill, the state assessor performs the functions necessary to collect the taxes levied under this bill. The Department of Community and Regional Affairs shall then develop a proposed method of levying and collecting the taxes, and prepare draft legislation for submittal to the legislature by January 1, 2000.

SS S(HES): SB 142: 4/7/97: mj

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/1 The report utilized borough boundaries tentatively identified by the Local Boundary Commission when the Model Borough Boundary Study was still in progress. While there was some variance from those used and those finalized by the LBC Study, the report noted: "However, we are confident that the boundaries and preliminary designations used for our estimates will be substantially the same as those finally developed by the commission."

# REAA CONSOLIDATION SAVINGS

## SB 142 - S(HES)

| New REAA             | Current REAA     | /ADM    | S-Admin      | S-A/ADM     | D-Admin      | D-A/ADM     |
|----------------------|------------------|---------|--------------|-------------|--------------|-------------|
| Aleutian West        | Aleutian Region  | 34      | \$30,829     | \$906.74    | \$190,200    | \$5,594.12  |
| Annette Isl Reserve  | Annette          | 403     | \$273,166    | \$677.83    | \$556,896    | \$1,381.88  |
| Bering Strait        | Bering Strait    | 1706    | \$1,643,375  | \$963.29    | \$1,900,964  | \$1,114.28  |
| Prince William Sound | Chugach          | 157     | \$55,000     | \$350.32    | \$355,661    | \$2,265.36  |
| Copper River Basin   | Copper River     | 772.6   | \$409,290    | \$529.76    | \$492,132    | \$636.98    |
| Upper Tanana Basin   | Alaska Gateway   | 572.65  | \$470,805    | \$822.15    | \$543,620    | \$949.31    |
| " " "                | Delta/Greely     | 843.65  | \$576,960    | \$683.89    | \$641,358    | \$760.22    |
| Iditarod Region      | Iditarod         | 415.86  | \$648,304    | \$1,558.95  | \$642,374    | \$1,544.69  |
| Kuspuk               | Kuspuk           | 473.7   | \$389,232    | \$821.68    | \$635,844    | \$1,342.29  |
| Lower Kuskokwim      | Lower Kuskokwim  | 3371.53 | \$3,760,000  | \$1,115.22  | \$2,524,600  | \$748.80    |
| " " "                | Yupit            | 401     | \$428,471    | \$1,068.51  | \$733,146    | \$1,828.29  |
| Lower Yukon          | Lower Yukon      | 1735.95 | \$1,591,432  | \$916.75    | \$1,523,473  | \$877.60    |
| Pribilof Islands     | Pribilof         | 197.2   | \$119,280    | \$604.87    | \$423,400    | \$2,147.06  |
| Southwest Region     | Southwest Region | 700.8   | \$606,733    | \$865.77    | \$796,499    | \$1,136.56  |
| Yukon Flats          | Yukon Flats      | 444     | \$128,780    | \$290.05    | \$491,689    | \$1,107.41  |
| Yukon-Koyukuk        | Yukon/Koyukuk    | 555.6   | \$198,858    | \$357.92    | \$1,030,938  | \$1,855.54  |
| Prince of Wales Isl. | SouthEast Island | 325.55  | \$120,287    | \$369.49    | \$507,425    | \$1,558.67  |
| Chatham              | Chatham          | 334.3   | \$189,519    | \$566.91    | \$317,213    | \$948.89    |
| Sub-Total            |                  | 13444.4 | \$11,640,321 | \$13,470.08 | \$14,307,432 | \$27,797.93 |
| Averages             |                  |         |              | \$748.34    |              | \$1,544.33  |
| TOTAL ADMIN EXP      |                  |         | \$25,947,753 |             |              |             |
| Total ADM/Total Adm  |                  |         | \$1,930      |             |              |             |

### Consolidation Savings: District Administrative Costs

|                       |                 |         |             |            |             |            |
|-----------------------|-----------------|---------|-------------|------------|-------------|------------|
| Upper Tanana Basin    | Alaska Gateway  | 572.65  | \$470,805   | \$822.15   | \$543,620   | \$949.31   |
| " " "                 | Delta/Greely    | 843.65  | \$576,960   | \$683.89   | \$641,358   | \$760.22   |
| Sub-Total             |                 |         |             |            | \$1,184,978 |            |
| MAX (Average +25%)    |                 |         |             |            | \$740,611   |            |
| <b>SAVINGS</b>        |                 |         |             |            | \$444,367   |            |
| Lower Kuskokwim       | Lower Kuskokwim | 3371.53 | \$3,760,000 | \$1,115.22 | \$2,524,600 | \$748.80   |
| " " "                 | Yupit           | 401     | \$428,471   | \$1,068.51 | \$733,146   | \$1,828.29 |
| Sub-total             |                 |         |             |            | \$3,257,746 |            |
| MAX (Average+25%)     |                 |         |             |            | \$2,036,091 |            |
| <b>SAVINGS</b>        |                 |         |             |            | \$1,221,655 |            |
| <b>Total Savings:</b> |                 |         |             |            | \$1,666,022 |            |

## REAA Local Contribution

| <b>New REAA</b>      | <b>Current REAA</b> | <b>1994 Value<br/>not in Local<br/>Tax Jurisdiction</b> | <b>1994 O&amp;G<br/>not in Local<br/>Tax Jurisdiction</b> | <b>Added local<br/>at 4.5 mills<br/>not in local</b> |
|----------------------|---------------------|---------------------------------------------------------|-----------------------------------------------------------|------------------------------------------------------|
| Aleutian West        | Aleutian Region     | 3,535,000                                               |                                                           | \$15,908                                             |
| Annette Isl Reserve  | Annette             | 0                                                       |                                                           | \$0                                                  |
| Bering Strait        | Bering Strait       | 102,171,500                                             |                                                           | \$459,772                                            |
| Prince William Sound | Chugach             | 34,184,700                                              |                                                           | \$153,831                                            |
| Copper River Basin   | Copper River        | 64,425,000                                              | 604,440,000                                               | \$3,009,893                                          |
| Upper Tanana Basin   | Alaska Gateway      | 146,755,700                                             | 407,340,000                                               | \$2,493,431                                          |
| " " "                | Delta/Greely        |                                                         |                                                           | \$0                                                  |
| Iditarod Region      | Iditarod            | 30,600,000                                              |                                                           | \$137,700                                            |
| Kuspuk               | Kuspuk              | 31,950,000                                              |                                                           | \$143,775                                            |
| Lower Kuskokwim      | Lower Kuskokwim     | 339,446,800                                             |                                                           | \$1,527,511                                          |
| " " "                | Yupiit              |                                                         |                                                           | \$0                                                  |
| Lower Yukon          | Lower Yukon         | 89,547,500                                              |                                                           | \$402,964                                            |
| Pribilof Islands     | Pribilof            | 59,525,400                                              |                                                           | \$267,864                                            |
| Southwest Region     | Southwest Region    | 40,108,000                                              |                                                           | \$180,486                                            |
| Yukon Flats          | Yukon Flats         | 29,475,000                                              | 405,600,000                                               | \$1,957,838                                          |
| Yukon-Koyukuk        | Yukon/Koyukuk       | 44,400,000                                              | 446,760,000                                               | \$2,210,220                                          |
| Prince of Wales Isl. | SouthEast Island    | 54,600,000                                              |                                                           | \$245,700                                            |
| Chatham              | Chatham             | 17,175,000                                              |                                                           | \$77,288                                             |
| <b>Total</b>         |                     | <b>1,087,899,600</b>                                    | <b>1,864,140,000</b>                                      | <b>\$13,284,178</b>                                  |
| (4.5 mills on O & G) |                     |                                                         | <b>8,388,630</b>                                          |                                                      |