

**HB**

**431**



# ALASKA STATE HOUSE OF REPRESENTATIVES

Representative Carl Morgan, Chair  
Representative Kelly Wolf, Vice Chair  
Representative Tom Anderson  
Representative Ralph Samuels  
Representative Pete Kott  
Representative Sharon Cissna  
Representative Albert Kookesh



Alaska State Capital, Room 408  
Juneau, AK 99801-1182  
Telephone: (907) 465-3882  
Fax: (907) 465-4527  
representative\_carl\_morgan@legis.state.ak.us

## HOUSE COMMITTEE ON COMMUNITY AND REGIONAL AFFAIRS Representative Carl Morgan, Chairman

### COMMITTEE SCHEDULE For the week of February 23 to 27, 2004

State Capital Room 124  
8:00 am – 10:00 am

#### Tuesday, February 24<sup>th</sup>

No meeting scheduled

#### Thursday, February 26<sup>th</sup>

+\* HB 431 Municipal Dividend Program

Bills Previously Heard/Scheduled

- \* First hearing in first committee of referral
- + Teleconferenced
- = Bill was previously heard/scheduled

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## HOUSE COMMITTEE ON COMMUNITY AND REGIONAL AFFAIRS Representative Carl Morgan, Chair

### AGENDA

State Capital 124  
February 26, 2004  
8:00 am – 10:00 am

- Call to Order
- HB 431 - MUNICIPAL DIVIDEND PROGRAM
- Next meeting announcements
- Adjourn

<b>Sponsor and/or Committee Name</b>			<b>Date</b>
HC&RA – Rep. Carl Morgan, Chair			2-26-04
<b>Start/End Time</b>	<b>Chairing site</b>	<b>Juneau Room</b>	<b>Testimony</b>
8:00 – 10:00 am	Juneau	Cap 124	Yes X__ No __ Invitational __
<b>Contact Person and</b>	<b>Phone Number</b>	<b>Other sites may add?</b>	<b>Testimony Limit</b>
Mary	465-3882	yes	5 minutes

**Subject of meeting and/or Bills on agenda**

HB 431 Municipal Dividend Program

<b>Sites - LIOs</b>		<b>Sites - Offnets</b>	<b>Phone #</b>
Anchorage	X		
Barrow	X		
Bethel	X		
Cordova	X		
Delta Junction	X		
Dillingham	X		
Fairbanks	X		
Glennallen	X		
Homer	X		
Juneau	X		
Kenai	X		
Ketchikan	X		
Kodiak	X		
Kotzebue	X		
Matsu	X		
Nome	X		
Petersburg	X		
Seward	X		
Sitka	X		
Tok	X		
Valdez	X		
Wrangell	X		

**Notes**

I anticipate lots of interest from rural communities.

**COMMITTEE: House  
Community and Regional  
Affairs Standing Committee**

**SUBJECT:**  
HB 431-MUNICIPAL DIVIDEND PROGRAM



DATE: February 26, 2004

**PLEASE SIGN IN**

**PLEASE PRINT:** **NAME & TITLE** **ADDRESS** **PHONE** **REPRESENTING** **DO YOU WANT TO TESTIFY?**  
(No acronyms unless for a state agency, please)

Kevin Ritchie	217 2nd St	6-1325	AK Num League	yes
E-mail address:				
Bruce Botelho	153 S. Seward Jean	6-5270	City of Anchorage	yes
E-mail address:				
Gary Lewis	Wrangell	874 2914	City of Wrangell	
E-mail address:				
E-mail address:				
E-mail address:				
E-mail address:				
E-mail address:				



ALASKA STATE LEGISLATURE  
HOUSE BILL NO. 431

**HISTORY IN THE HOUSE**

2004  
2/4

**Read first time and referred to:**  
CRA STA FIN

\_\_\_\_\_ RPT CS( ) \_\_\_\_\_ New Title  
\_\_\_\_\_ DP \_\_\_\_\_ DNP \_\_\_\_\_ NR \_\_\_\_\_ AM  
\_\_\_\_\_ FN \_\_\_\_\_ OFN / Prev: \_\_\_\_\_ FN \_\_\_\_\_ OFN

\_\_\_\_\_ RPT CS( ) \_\_\_\_\_ New Title  
\_\_\_\_\_ DP \_\_\_\_\_ DNP \_\_\_\_\_ NR \_\_\_\_\_ AM  
\_\_\_\_\_ FN \_\_\_\_\_ OFN / Prev: \_\_\_\_\_ FN \_\_\_\_\_ OFN

\_\_\_\_\_ RPT CS( ) \_\_\_\_\_ New Title  
\_\_\_\_\_ DP \_\_\_\_\_ DNP \_\_\_\_\_ NR \_\_\_\_\_ AM  
\_\_\_\_\_ FN \_\_\_\_\_ OFN / Prev: \_\_\_\_\_ FN \_\_\_\_\_ OFN

\_\_\_\_\_ RPT CS( ) \_\_\_\_\_ New Title  
\_\_\_\_\_ DP \_\_\_\_\_ DNP \_\_\_\_\_ NR \_\_\_\_\_ AM  
\_\_\_\_\_ FN \_\_\_\_\_ OFN / Prev: \_\_\_\_\_ FN \_\_\_\_\_ OFN

**Read second time**  
 CS( ) Adopted  New Title  
 Amended  
 \_\_\_\_\_ Advanced

**Read third time**  
 Title Amendment  
 Return to second for: \_\_\_\_\_

Passed Y \_\_\_\_\_ N \_\_\_\_\_ E \_\_\_\_\_ A \_\_\_\_\_  
 EFD same or Y \_\_\_\_\_ N \_\_\_\_\_ E \_\_\_\_\_ A \_\_\_\_\_  
 CRT same or Y \_\_\_\_\_ N \_\_\_\_\_ E \_\_\_\_\_ A \_\_\_\_\_  
 CBR same or Y \_\_\_\_\_ N \_\_\_\_\_ E \_\_\_\_\_ A \_\_\_\_\_  
 \_\_\_\_\_

**Reconsideration**  
**Reconsideration not taken up**  
 Title Amendment  
 Return to second for: \_\_\_\_\_

Passed/Rec Y \_\_\_\_\_ N \_\_\_\_\_ E \_\_\_\_\_ A \_\_\_\_\_  
 EFD same or Y \_\_\_\_\_ N \_\_\_\_\_ E \_\_\_\_\_ A \_\_\_\_\_  
 CRT same or Y \_\_\_\_\_ N \_\_\_\_\_ E \_\_\_\_\_ A \_\_\_\_\_  
 CBR same or Y \_\_\_\_\_ N \_\_\_\_\_ E \_\_\_\_\_ A \_\_\_\_\_  
 \_\_\_\_\_

**Engrossed, signed by the Speaker, and transmitted to the Senate**

\_\_\_\_\_  
Chief Clerk of the House

**HISTORY IN THE SENATE**

20

**Read first time and referred to:**  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_ RPT SCS( ) \_\_\_\_\_ New Title  
\_\_\_\_\_ DP \_\_\_\_\_ DNP \_\_\_\_\_ NR \_\_\_\_\_ AM  
\_\_\_\_\_ FN \_\_\_\_\_ OFN / Prev: \_\_\_\_\_ FN \_\_\_\_\_ OFN  
To: \_\_\_\_\_

\_\_\_\_\_ RPT SCS( ) \_\_\_\_\_ New Title  
\_\_\_\_\_ DP \_\_\_\_\_ DNP \_\_\_\_\_ NR \_\_\_\_\_ AM  
\_\_\_\_\_ FN \_\_\_\_\_ OFN / Prev: \_\_\_\_\_ FN \_\_\_\_\_ OFN  
To: \_\_\_\_\_

\_\_\_\_\_ RPT SCS( ) \_\_\_\_\_ New Title  
\_\_\_\_\_ DP \_\_\_\_\_ DNP \_\_\_\_\_ NR \_\_\_\_\_ A  
\_\_\_\_\_ FN \_\_\_\_\_ OFN / Prev: \_\_\_\_\_ FN \_\_\_\_\_ OFN  
To: \_\_\_\_\_

**Read second time**  
 SCS( ) Adopted  New Title  
 Amended SCR No. \_\_\_\_\_  
 \_\_\_\_\_ Advanced

**Read third time**  
 Title Amendment  
 Return to second for: \_\_\_\_\_

Passed Y \_\_\_\_\_ N \_\_\_\_\_ E \_\_\_\_\_ A \_\_\_\_\_  
 EFD same or Y \_\_\_\_\_ N \_\_\_\_\_ E \_\_\_\_\_ A \_\_\_\_\_  
 CRT same or Y \_\_\_\_\_ N \_\_\_\_\_ E \_\_\_\_\_ A \_\_\_\_\_  
 CBR same or Y \_\_\_\_\_ N \_\_\_\_\_ E \_\_\_\_\_ A \_\_\_\_\_  
 \_\_\_\_\_

**Reconsideration**  
**Reconsideration not taken up**  
 Title Amendment  
 Return to second for: \_\_\_\_\_

Passed/Rec Y \_\_\_\_\_ N \_\_\_\_\_ E \_\_\_\_\_ A \_\_\_\_\_  
 EFD same or Y \_\_\_\_\_ N \_\_\_\_\_ E \_\_\_\_\_ A \_\_\_\_\_  
 CRT same or Y \_\_\_\_\_ N \_\_\_\_\_ E \_\_\_\_\_ A \_\_\_\_\_  
 CBR same or Y \_\_\_\_\_ N \_\_\_\_\_ E \_\_\_\_\_ A \_\_\_\_\_  
 \_\_\_\_\_

**Engrossed, signed by the President, and to the House**

\_\_\_\_\_  
Secretary of the Senate

# FISCAL NOTE

**STATE OF ALASKA**  
**2004 LEGISLATIVE SESSION**

Fiscal Note Number: \_\_\_\_\_  
Bill Version: HB 431  
( ) Publish Date: \_\_\_\_\_

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: DCED  
Title Municipal Dividend Program RDU State Revenue Sharing (217)  
Component Municipal Dividend Program  
Sponsor Representative Moses  
Requester House Community & Regional Affairs Component No. N/A

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

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims	157,195.0	158,996.7	160,819.1	162,662.5	164,527.1	166,413.1
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>157,195.0</b>	<b>158,996.7</b>	<b>160,819.1</b>	<b>162,662.5</b>	<b>164,527.1</b>	<b>166,413.1</b>

<b>CAPITAL EXPENDITURES</b>						
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<b>CHANGE IN REVENUES ( )</b>						
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**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Municipal Dividend Fund)	157,195.0	158,996.7	160,819.1	162,662.5	164,527.1	166,413.1
<b>TOTAL</b>	<b>157,195.0</b>	<b>158,996.7</b>	<b>160,819.1</b>	<b>162,662.5</b>	<b>164,527.1</b>	<b>166,413.1</b>

Estimate of any current year (FY2004) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2005 budget proposal:

**POSITIONS**

Full-time						
Part-time						
Temporary						

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

This legislation establishes a new Municipal Dividend Fund within the Department funded from the earnings reserve account of the Permanent Fund. After transferring income from the earnings reserve account for Permanent Fund Dividends (AS 37.13.145(b)) and Inflation Proofing (AS 37.13.145(c)), the Permanent Fund Corporation shall transfer to the municipal dividend fund the amount needed to fully fund municipal dividends for the next fiscal year, or the balance of the earnings reserve account, whichever is less. The Department shall pay each municipality a dividend equal to \$250 for each person residing in the municipality, while providing for a minimum dividend of \$40,000. If the amount appropriated is not sufficient to fully fund the municipal dividends for a fiscal year, the dividends shall be reduced on a pro-rata basis. The Department estimates an annual municipal population growth of approximately 1.15%.

Prepared by: Gene Kane, Director Phone (907) 269-4578  
Division Community Advocacy Date/Time 2/25/04 12:00 PM  
Approved by: Edgar Blatchford, Commissioner Date 2/25/2004  
Agency Department of Community and Economic Development

# FISCAL NOTE

**STATE OF ALASKA**  
**2004 LEGISLATIVE SESSION**

Fiscal Note Number: 1  
 Bill Version: HB 431  
 () Publish Date: \_\_\_\_\_

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: Revenue  
 Title Municipal Dividend Program RDU AK Permanent Fund Corporation  
 Component AK Permanent Fund Corporation  
 Sponsor Representative Moses  
 Requester Community and Regional Affairs Component No. 109

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

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
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 EXPENDITURES</b>						
-----------------------------	--	--	--	--	--	--

<b>CHANGE IN REVENUES ( )</b>						
-------------------------------	--	--	--	--	--	--

**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
<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>

Estimate of any current year (FY2004) cost: 0.0  
 Mark this box (X) if funding for this bill is included in the Governor's FY 2005 budget proposal:

**POSITIONS**

Full-time						
Part-time						
Temporary						

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

The proposed legislation does not increase the cost of operations for the Alaska Permanent Fund Corporation. See the attached schedule for the annual amount estimated to be available for the municipal dividend.

Prepared by: Robert D. Storer, Executive Director Phone 465-2047  
 Division Alaska Permanent Fund Corporation Date/Time 2/26/04 1:34 AM  
 Approved by: Steve Porter, Deputy Commissioner Date 2/6/2004  
 Agency Department of Revenue



**Analysis of current statutory payout versus HB 431**  
**Alaska Permanent Fund Corporation**

*Based on December 2003 financial projections (\$ in millions, except per person dividend)*

	<u>FY04</u>	<u>FY05</u>	<u>FY06</u>	<u>FY07</u>	<u>FY08</u>	<u>FY09</u>	<u>FY10</u>	<u>FY11</u>	<u>FY12</u>	<u>FY13</u>	<u>FY14</u>	<u>FY15</u>	Totals FY04 - FY15
<b>Payout per HB 431</b>	<b>709</b>	<b>647</b>	<b>707</b>	<b>885</b>	<b>1,068</b>	<b>1,166</b>	<b>1,249</b>	<b>1,355</b>	<b>1,420</b>	<b>1,484</b>	<b>1,586</b>	<b>1,643</b>	<b>13,920</b>
Municipal Dividend (\$250 per PFD application)	148	149	150	150	151	152	153	154	154	155	156	157	1,829
Distribution for PFD Fund	561	498	558	735	917	1,014	1,096	1,202	1,266	1,329	1,430	1,487	12,091
<b>Payout - Current Dividend formula only</b>	<b>561</b>	<b>499</b>	<b>560</b>	<b>739</b>	<b>925</b>	<b>1,027</b>	<b>1,113</b>	<b>1,226</b>	<b>1,297</b>	<b>1,367</b>	<b>1,477</b>	<b>1,542</b>	<b>12,331</b>
<b>Difference in annual lump sum payout (HB 431 - Current statutes)</b>	<b>148</b>	<b>148</b>	<b>148</b>	<b>146</b>	<b>144</b>	<b>140</b>	<b>135</b>	<b>129</b>	<b>124</b>	<b>117</b>	<b>109</b>	<b>102</b>	<b>1,589</b>
Retain for Inflation - HB 431	0	613	635	657	680	703	727	751	776	801	828	855	8,026
Retain for Inflation - Status Quo	0	613	635	657	680	703	727	751	776	801	828	855	8,026
<b>AK Permanent Fund end of year value in 2015 - HB 431</b>												<b>45,644</b>	<b>45,644</b>
Reserved assets (Principal + Unrealized appreciation)												39,988	39,988
Realized earnings reserve												5,656	5,656
<b>AK Permanent Fund end of year value in 2015 - Current statutory formulas</b>												<b>48,165</b>	<b>48,165</b>
Reserved assets (Principal + Unrealized appreciation)												40,223	40,223
Realized earnings reserve												7,942	7,942
<b>Per Person Dividend HB 431</b>	<b>\$ 890</b>	<b>\$ 780</b>	<b>\$ 870</b>	<b>\$ 1,160</b>	<b>\$ 1,460</b>	<b>\$ 1,610</b>	<b>\$ 1,730</b>	<b>\$ 1,900</b>	<b>\$ 1,990</b>	<b>\$ 2,080</b>	<b>\$ 2,230</b>	<b>\$ 2,310</b>	<b>\$ 19,010</b>
<b>Per Person Dividend - current formulas</b>	<b>\$ 890</b>	<b>\$ 780</b>	<b>\$ 880</b>	<b>\$ 1,170</b>	<b>\$ 1,470</b>	<b>\$ 1,630</b>	<b>\$ 1,760</b>	<b>\$ 1,930</b>	<b>\$ 2,040</b>	<b>\$ 2,140</b>	<b>\$ 2,310</b>	<b>\$ 2,400</b>	<b>\$ 19,400</b>

**Assumptions:**

1. Callan Associates 2003 Capital Market Assumptions, APFC 2003 asset allocation, Fall 2003 revenue forecast (including impact of HB11), financial statements
2. These projections represent only our best estimate of the median case rate of return; actual annual performance will vary with market volatility.
3. Distributions shown for the annual permanent fund dividend and the Municipal dividend program are calculated and booked as payables at
4. Slight differences due to rounding.

Kott Samuel Wolf Cassia Mnsar

8:05

MAs. Communities buying, no incentives to encourage communities to merge. In verge of bankruptcy wants no strings attached. Should be part of long range fiscal plan.

Cassia - Why can't wastewater be privatized?  
Mnsar its not cost effective in some communities

Cassia - believes oil wealth is better directed to local government  
wants more discussion

Eng. \$ could offset taxes currently being paid by community members.

Unalaska = Suppat = Communities are just going to walk away & wont go through dissolution process

Ritchie Amc Mays - adopt POMU.  
all states do to some extent share \$ w/ communities  
1/3 of arch. jobs are serving rural ak & are critical to economy of state.

The public will accept a dividend to communities w/ spending decisions at the local level

Municipal grants program is slated for  
no funding

getting the greatest bang for buck

look at  
statehood  
act:

At statehood we accepted the rural nature of  
Alaska - look at it

Alaska - small towns are the placeholders

Kott - \$50/person or no less / community

AMC = would agree that there may be an ability to  
stair step payments.

17 communities were unable to hold elections  
33 of communities were planning to cut Rd  
& Police.

Insurance costs go up annually  
Pensions increased annually

Bruce Solhelo & Fannie Johnson  
support HB431

What Role should State government play in  
supporting local gov.

Because that is where they live.

Cisneros

Warrant has 7 & sales  
12 mil property tax

request rate / city  
in notes

Kott-

supports concept

concerns about the math.

don't like the minimum  $\Rightarrow$

encouragement for consolidation in the bill.

Send out which 17 communities didn't  
hold election.

(2)

Fed. Constitution State is fundamental  
Building - local community is Building block -  
People experience govt at the local level.  
At local level people look to have H<sub>2</sub>O, Sewer  
police fire protection, roads repair.

Relationship between state & local govt was never  
sharing. Local govt is the surrogate for the  
citizens

We have a fund.

Some local govt

taxes can't be if there isn't a fundamental  
service to collect taxes.

HB431 is a part of larger picture

Samuels - Should there be some <sup>financial</sup> ~~tax~~ <sup>connection</sup> -

Bauer - believes when there is an ability to pay they  
should.

panne prusa - Finance chair to CBT.

Early Lewis - Council -

talking about the services provided by local  
govt.

Kott - Should individual provide some form of payment  
H<sub>2</sub>O Sewer, fuel paid by local citizens

# Alaska State Legislature

Representative Carl E. Moses

House District 37



## MEMORANDUM

**DATE:** February 18, 2004

**TO:** Rep. Carl Morgan, Chairman  
House Community and Regional Affairs Committee

**FROM:** Rep. Carl E. Moses *CEM*  
House District 37

**SUBJ:** Request for Hearing – HB 431 (Municipal Dividend Program)

I respectfully request a committee hearing on HB 431, the measure to establish a Municipal Dividend Program. Uncertain state funding to municipalities has affected local ability to plan and budget properly, and more recently, has forced municipalities to absorb the brunt of many state budget cuts.

HB 431 would aid our beleaguered municipalities with a measure of unrestricted funds and would empower local governments by allowing them to decide how to best spend that money. Our municipalities provide the most direct critical services to the people and deserve control of a share of Alaska's funding resources.

The amount going to each municipality would be determined by population, at \$250 per PFD recipient, with a minimum of \$40,000 to each municipality. Distributions to municipalities would come only after Permanent Fund Dividends and inflation proofing are provided for.

I am attaching a copy of the bill and support material. We anticipate having letters of support or resolutions from a number of municipalities and boroughs to add to the packet within the next two weeks. Thank you for your consideration in hearing this bill.

### SESSION

State Capitol Building  
Juneau, AK 99801-1182  
Phone: (907) 465-4451  
Toll-Free: (800) 898-4451  
Fax: (907) 465-3445

Alaska Peninsula  
Aleutians  
Bristol Bay  
Pribilofs

### INTERIM

716 West 4<sup>th</sup> Avenue  
Anchorage, AK 99501-2133  
Phone: (907) 269-0275  
Toll-Free: (800) 898-4451  
Fax: (907) 269-0274

**Representative Carl E. Moses, House District 37**  
**(907) 465-4451 – Adam Berg, Staff**

**SPONSOR STATEMENT / SECTIONAL ANALYSIS**

**HB431 – Municipal Dividend Program**

The establishment of a Municipal Dividend program would aid municipalities with state appropriations allocated for unrestricted use by local governments in their greatest time of need. The sponsor intends to empower local officials by allowing them to decide how to best spend that money. Uncertain state funding has affected local governments ability to plan and budget properly, and more recently, to absorb the brunt of many state budget cuts.

This plan would provide approximately \$157 million annually to municipalities by accessing surplus earnings of the Permanent Fund. The distribution to municipalities would be made only after Permanent Fund Dividends and inflation proofing are provided for. Based on annual Permanent Fund earnings, if the amount appropriated were not sufficient to fully fund municipal dividends, the amount to each municipality would be reduced on a pro-rata basis.

Alaska's municipalities and local decision makers deliver the most direct and knowledgeable service, much of which is of a critical nature. Under HB 431, the amount going to each municipality would be determined by population and a per head allocation. Population criteria would be the number of local PFD recipients and the allocations would be \$250 per head, with a minimum to any municipality of \$40,000 annually.

**BILL SECTION 1:** Establishes the Municipal Dividend Fund. The amount of a Municipal Dividend is set at \$250 per eligible PFD recipient in each municipality. Borough populations are determined by subtracting the population of all cities within a borough from the borough's total population, thereby allowing boroughs to apply funding to their unincorporated communities. It sets a minimum dividend payment of \$40,000 to a municipality. There is a formula specified in the event the amount appropriated to the fund is insufficient to fully fund Municipal Dividends.

**BILL SECTION 2:** Assures that the transfer of money from the earnings reserve account to the Municipal Dividend Fund happens only after Permanent Fund Dividends have been accounted for and inflation proofing has taken place. It also assures that the lesser amount of either the dollars needed to fully fund the program or the balance of the earnings reserve account be transferred.

**BILL SECTION 3:** Sets the effective date at June 30, 2004.

# DENALI BOROUGH

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P. O. Box 480 • Healy, Alaska 99743  
Phone (907) 683-1330 • Fax (907) 683-1340  
dbgovt@mlaonline.net  
www.denaliborough.govoffice.com



*David M. Talerico, Mayor*

To: Representative Morgan  
Fax: 907 465-2197  
Date: February 25, 2004

Re: Municipal Dividend Program, IIB 431

Representative Morgan:

Please allow this letter serve as my support for the Municipal Dividend Program, IIB 431. Municipal Dividend Funds will greatly enhance our revenue sharing opportunities. Our communities benefit significantly from these funds which are distributed throughout the borough.

We appreciate the work you do for us in the Legislature. Please feel free to contact me for any information that I might be able to provide you.

Sincerely:

  
Mayor David Talerico

# ALEUTIANS EAST BOROUGH

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SERVING THE COMMUNITIES OF

■ KING COVE ■ SAND POINT ■ AKUTAN ■ COLD BAY ■ FALSE PASS ■ NELSON LAGOON

February 19, 2004

Rep. Carl E. Moses  
House District 37  
State Capitol Building  
Juneau, Alaska 99811-1182

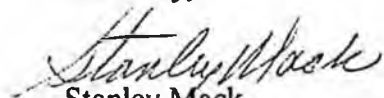
Re: Support of HB 431

Dear Rep. Moses,

The Aleutians East Borough supports HB 431. The Municipal Dividend Program would go a long way to restoring funding for municipalities to the levels of the early 1990s. I noted that under HB 431, the City of Sand Point would receive \$229,750. If my memory is correct, this is very close to the level of funding the City received under revenue sharing and municipal assistance when I was its Mayor in 1991! It is unfortunate that HB 431 does not take into consideration the inflation since then.

HB 431 is probably more important to the Cities of Cold Bay and False Pass. The minimum entitlement of \$40,000 would make life much more livable for these two cities in the Aleutians East Borough. These small cities were heavily impacted by the end of revenue sharing and safe community funding last year.

Sincerely,

  
Stanley Mack  
Mayor

---

CLERK/PLANNER  
P.O. BOX 349  
SAND POINT, AK 99661  
(907) 383-2699  
(907) 383-3496 FAX  
e-mail: AEBCLERK@aol.com

BOROUGH ADMINISTRATOR  
3380 C STREET, SUITE 205  
ANCHORAGE, AK 99503-3952  
(907) 274-7555  
(907) 276-7569 FAX  
e-mail: aebanc@gcl.net

FINANCE DIRECTOR  
P.O. BOX 49  
KING COVE, AK 99612  
(907) 497-2588  
(907) 497-2386 FAX  
e-mail: aebfinance@aol.com



# CITY OF NORTH POLE

*"Where the Spirit of Christmas Lives Year Round"*

125 Snowman Lane • North Pole, Alaska 99705-7708  
E-mail: [mayor@northpolealaska.com](mailto:mayor@northpolealaska.com) • Website: [www.northpolealaska.com](http://www.northpolealaska.com)

City Hall  
907-488-2281  
Fax: 907-488-3002

Police  
Department  
907-488-6902

Fire  
Department  
907-488-2232

Utilities  
907-488-6111

City Clerk  
907-488-2281

City Engineer  
907-488-2281

February 23, 2004

Honorable Representative Moses,

The City of North Pole supports HB 431 Establishing a Municipal Dividend Program. With the elimination of Municipal Assistance and Revenue Sharing a significant burden was shifted to local communities to fund services and programs at higher costs to local taxpayers or in some cases reduction or elimination of essential services.

A municipal dividend program would provide a stable revenue stream that municipalities could utilize to offset increasing operating expenses and decreasing revenues.

I thank you for your attention to this matter. Feel free to contact me if you have any questions.

Sincerely,

JEFFREY JAMES JACOBSON, Mayor



City of Point Hope  
P.O. Box 169  
Point Hope, Alaska 99766  
(907)368-2537/2836  
Fax: (907)368-2835  
e-mail: akphogov@hotmail.com

TO: Carl Moses, Representative  
Municipal Dividend Program

FROM: Martin Oktolik, Sr., Mayor *M.O.Sr.*  
City of Point Hope  
P. O. Box 169  
Point Hope, Alaska 99766

DATE: February 24, 2004

SUBJ: Letter of Support

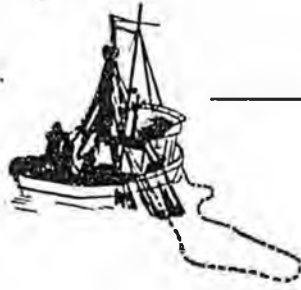
We are in support of the Municipal Dividend Program from the earnings reserve account of the Permanent Fund. Due to the Municipal hardships and low economy.

If you have any questions please do not hesitate to e-mail us at the above address or call directly at 1 (907) 368-2537.

Thank you for your time and consideration.

Cc: file  
City Council

MSO/ms



# City of False Pass

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P.O. Box 50 • False Pass, Alaska 99583-0050  
Telephone (907) 548-2319 • Fax (907) 548-2214

February 19, 2004

Representative Carl Moses  
State Capitol Building  
Juneau, Alaska 99801-1182

Dear Representative Moses:

I read with interest of your HB 431, which would establish a Municipal Dividend program. I understand that payouts from this program to municipalities and boroughs would be allocated for unrestricted use by local governments, and would have only a modest effect on personal dividends. This program would be helpful in light of the loss of the Revenue Sharing program last year, and I would like you to know that I support this bill. I will present a resolution to the City Council at our next meeting showing their support.

As you know the City of False Pass, like others in our region, is struggling to continue providing essential services to our residents with ever decreasing funds. In our case, we are now getting by with only about a third of the tax revenues we received a few years ago. The closure last year of a small processor in our community meant approximately 20% of the City's operating budget was gone due to the loss of sales tax, fish tax, and utilities sales. The other fish company in our community wants to sell or close down their retail sales of fuel, groceries, and hardware, which if closed will not only put our community in a difficult situation, but will also mean loss of even more sales tax. The loss of the Revenue Sharing program last year was also unfortunate.

Again, I support and appreciate your efforts on our behalf to secure this funding source for communities such as ours.

Sincerely,

A handwritten signature in cursive script that reads "John J. Nickels II". The signature is written in black ink and is positioned above the printed name and title.

John J Nickels II  
Mayor

# City of Sand Point



February 23, 2004

Representative Carl Moses  
State Capitol, Room 500  
Juneau, Alaska 99801-1182

Re: HB 431

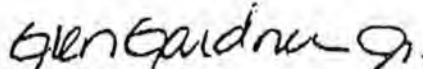
Dear Representative Moses:

The City of Sand Point fully supports your efforts to create a Municipal Dividend Program through HB 431. As you are well aware, Municipal Assistance and Revenue Sharing have been deleted from the state budget and this legislative action has been a tremendous financial blow to our community. We now struggle to maintain the minimal services that Sand Point residents deserve.

As we understand HB 431, a program would be created whereby a flat rate of \$250 per resident would be given to the City, paid from the earnings reserve account of the Permanent Fund after inflation-proofing and PFD's. This would potentially mean a \$200K infusion of state funds into our local economy to pay for local services, help match grants and loans and ease the financial burden that we now face.

We applaud your efforts and if there is anything we can do to help, please do not hesitate to ask. The future of Alaska's small, local governments depends on a fiscal plan that includes some type of financial assistance to each community in our great State.

Sincerely,

  
Glen Gardner, Jr.  
Mayor

Sand Point City Council

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City Office:  
P.O. Box 249  
Sand Point, Alaska 99661  
(907) 383-2696  
(907) 383-2698 FAX

Administrator:  
3380 C Street, Suite 205  
Anchorage, Alaska 99503  
(907) 274-7561  
(907) 274-3540 FAX  
daypar72@gci.net

City of Mekoryuk  
P.O. Box 29  
Mekoryuk, AK 99630  
Phone: (907) 827-8314 Fax: (907) 827-8626

February 23, 2004

Representative Carl Moses  
State Capitol Building  
Juneau, Alaska 99801-1182

Dear Representative Moses;

The City of Mekoryuk supports HB 431, which would establish a Municipal Dividend program. I also understood that payouts from this program to municipalities would be allocated for unrestricted use by local governments. This program would be helpful in light of the loss of the Revenue Sharing program last year. I will present a resolution to the City Council at our next meeting showing their support.

In our case, our city is small and sales taxes are out. Again I support and appreciate your efforts on our and many other small communities behalves to secure this funding source.

Thank you.

Sincerely,

*for* *Elizabeth S. Olson - City Clerk*  
Larson King  
Mayor



## Lake and Peninsula Borough

P.O. Box 495  
King Salmon, Alaska 99613

Telephone: (907) 246-3421  
Fax: (907) 246-6602



February 23, 2004

House Community and Regional Affairs Committee  
State Capitol (MS 3100)  
Juneau, AK 99801-1182

RE: HB 431, Municipal Dividend Program

To Whom It May Concern:

The Lake and Peninsula Borough is pleased to provide continued support for Representative Carl Moses' Municipal Dividend Program, HB 431. We appreciate his foresight and his diligent efforts to advance this critically important bill.

Our 17 villages are suffering economically. Residents of the southern half of the borough have been out-migrating necessitated by the dire need to find work to feed their families. During an "average" fishing season villagers have typically been able to financially sustain their lifestyles. However, "average" fishing seasons have been few and far between for about a decade now.

Loss of this local revenue source means precious little money remains available in most bush communities for governmental operations. The State of Alaska's eradication of Revenue Sharing essentially eliminated funds that remained for at least some basic services. A Municipal Dividend Program which we hope can be designed to be applicable for organized and unorganized villages alike would provide sufficient financial support for numerous villages within the State to remain financially solvent.

Without the Municipal Dividend Program it is almost a certainty many incorporated bush communities will be forced to dissolve their local municipal governments, probably in the near term. In addition, the continued absence of a funding vehicle like the Municipal Dividend Program will put off villages from ever seeking incorporation. Why would they take on the additional expense when there are fewer and fewer "returns"? The potential outcome of not passing HB 431 bodes a question that must be considered. Just how much will it cost the State of Alaska if several rural municipalities dissolve their incorporated status?

The Municipal Dividend Program is a sound proposal more pertinent now perhaps, than it was 9 years ago when first introduced by Rep. Moses. The Borough urges your support of HB 431.

Sincerely,

  
Glen Alsworth Sr.  
Mayor

**HB 431 Municipal Dividend Estimates**

**Distribution Formula: Municipal Population X \$250 With a Minimum Entitlement of \$40,000**

**Borough Populations: Borough Arcawide Population Less City Populations in Borough**

<b>Municipalities</b>	<b>2002 Population</b>	<b>Population X \$250</b>	<b>Minimum Entitlement Add-On</b>	<b>Municipal Dividend Payment</b>
Adak	149	\$37,250	\$2,750	\$40,000
Akhiok	48	\$12,000	\$28,000	\$40,000
Akiak	346	\$86,500	\$0	\$86,500
Akutan	748	\$187,000	\$0	\$187,000
Alakanuk	659	\$164,750	\$0	\$164,750
Aleknagik	213	\$53,250	\$0	\$53,250
Aleutians East Borough	73	\$18,250	\$21,750	\$40,000
Allakaket	97	\$24,250	\$15,750	\$40,000
Ambler	295	\$73,750	\$0	\$73,750
Anaktuvuk Pass	302	\$75,500	\$0	\$75,500
Anchorage	269,070	\$67,267,500	\$0	\$67,267,500
Anderson	592	\$148,000	\$0	\$148,000
Angoon	542	\$135,500	\$0	\$135,500
Aniak	539	\$134,750	\$0	\$134,750
Anvik	109	\$27,250	\$12,750	\$40,000
Atka	102	\$25,500	\$14,500	\$40,000
Atkasuk	231	\$57,750	\$0	\$57,750
Barrow	4,434	\$1,108,500	\$0	\$1,108,500
Bethel	5,736	\$1,434,000	\$0	\$1,434,000
Bettles	36	\$9,000	\$31,000	\$40,000
Brevig Mission	307	\$76,750	\$0	\$76,750
Bristol Bay Borough	1,159	\$289,750	\$0	\$289,750
Buckland	426	\$106,500	\$0	\$106,500
Chefornak	419	\$104,750	\$0	\$104,750
Chevak	854	\$213,500	\$0	\$213,500
Chignik	77	\$19,250	\$20,750	\$40,000
Chuathbaluk	98	\$24,500	\$15,500	\$40,000
Clark's Point	65	\$16,250	\$23,750	\$40,000
Coffman Cove	161	\$40,250	\$0	\$40,250
Cold Bay	116	\$29,000	\$11,000	\$40,000
Cordova	2,434	\$608,500	\$0	\$608,500
Craig	1,227	\$306,750	\$0	\$306,750
Deering	129	\$32,250	\$7,750	\$40,000
Delta Junction	856	\$214,000	\$0	\$214,000
Denali Borough	1,294	\$323,500	\$0	\$323,500
Dillingham	2,475	\$618,750	\$0	\$618,750
Diomedede	128	\$32,000	\$8,000	\$40,000
Eagle	150	\$37,500	\$2,500	\$40,000
Eek	291	\$72,750	\$0	\$72,750
Egegik	88	\$22,000	\$18,000	\$40,000

**HB 431 Municipal Dividend Estimates**

**Distribution Formula: Municipal Population X \$250 With a Minimum Entitlement of \$40,000**

**Borough Populations: Borough Areawide Population Less City Populations in Borough**

<b>Municipalities</b>	<b>2002 Population</b>	<b>Population X \$250</b>	<b>Minimum Entitlement Add-On</b>	<b>Municipal Dividend Payment</b>
Ekwok	114	\$28,500	\$11,500	\$40,000
Elim	339	\$84,750	\$0	\$84,750
Emmonak	745	\$186,250	\$0	\$186,250
Fairbanks	29,670	\$7,417,500	\$0	\$7,417,500
Fairbanks North Star Borough	53,438	\$13,359,500	\$0	\$13,359,500
False Pass	79	\$19,750	\$20,250	\$40,000
Fort Yukon	581	\$145,250	\$0	\$145,250
Galena	713	\$178,250	\$0	\$178,250
Gambell	639	\$159,750	\$0	\$159,750
Golovin	148	\$37,000	\$3,000	\$40,000
Goodnews Bay	234	\$58,500	\$0	\$58,500
Grayling	192	\$48,000	\$0	\$48,000
Haines Borough	2,360	\$590,000	\$0	\$590,000
Holy Cross	232	\$58,000	\$0	\$58,000
Homer	4,721	\$1,180,250	\$0	\$1,180,250
Hoonah	868	\$217,000	\$0	\$217,000
Hooper Bay	1,075	\$268,750	\$0	\$268,750
Houston	1,279	\$319,750	\$0	\$319,750
Hughes	69	\$17,250	\$22,750	\$40,000
Huslia	285	\$71,250	\$0	\$71,250
Hydaburg	364	\$91,000	\$0	\$91,000
Juneau	30,981	\$7,745,250	\$0	\$7,745,250
Kachemak	419	\$104,750	\$0	\$104,750
Kake	700	\$175,000	\$0	\$175,000
Kaktovik	306	\$76,500	\$0	\$76,500
Kaltag	223	\$55,750	\$0	\$55,750
Kasaan	55	\$13,750	\$26,250	\$40,000
Kenai	7,166	\$1,791,500	\$0	\$1,791,500
Kenai Peninsula Borough	31,835	\$7,958,750	\$0	\$7,958,750
Ketchikan	7,845	\$1,961,250	\$0	\$1,961,250
Ketchikan Gateway Borough	5,431	\$1,357,750	\$0	\$1,357,750
Kiana	399	\$99,750	\$0	\$99,750
King Cove	794	\$198,500	\$0	\$198,500
Kivalina	383	\$95,750	\$0	\$95,750
Klawock	848	\$212,000	\$0	\$212,000
Kobuk	106	\$26,500	\$13,500	\$40,000
Kodiak	6,544	\$1,636,000	\$0	\$1,636,000
Kodiak Island Borough	6,484	\$1,621,000	\$0	\$1,621,000
Kotlik	633	\$158,250	\$0	\$158,250
Kotzebue	3,107	\$776,750	\$0	\$776,750

**HB 431 Municipal Dividend Estimates**  
**Distribution Formula: Municipal Population X \$250 With a Minimum Entitlement of \$40,000**  
**Borough Populations: Borough Areawide Population Less City Populations in Borough**

<b>Municipalities</b>	<b>2002 Population</b>	<b>Population X \$250</b>	<b>Minimum Entitlement Add-On</b>	<b>Municipal Dividend Payment</b>
Koyuk	329	\$82,250	\$0	\$82,250
Kcyukuk	101	\$25,250	\$14,750	\$40,000
Kupreanof	23	\$5,750	\$34,250	\$40,000
Kwethluk	730	\$182,500	\$0	\$182,500
Lake & Peninsula Borough	929	\$232,250	\$0	\$232,250
Larsen Bay	107	\$26,750	\$13,250	\$40,000
Lower Kalskag	260	\$65,000	\$0	\$65,000
Manokotak	404	\$101,000	\$0	\$101,000
Marshall	364	\$91,000	\$0	\$91,000
Matanuska-Susitna Borough	52,460	\$13,115,000	\$0	\$13,115,000
McGrath	407	\$101,750	\$0	\$101,750
Mekoryuk	204	\$51,000	\$0	\$51,000
Mountain Village	757	\$189,250	\$0	\$189,250
Napakiak	351	\$87,750	\$0	\$87,750
Napaskiak	408	\$102,000	\$0	\$102,000
Nenana	519	\$129,750	\$0	\$129,750
New Stuyahok	479	\$119,750	\$0	\$119,750
Newhalen	156	\$39,000	\$1,000	\$40,000
Nightmute	224	\$56,000	\$0	\$56,000
Nikolai	120	\$30,000	\$10,000	\$40,000
Nome	3,493	\$873,250	\$0	\$873,250
Nondalton	207	\$51,750	\$0	\$51,750
Noorvik	677	\$169,250	\$0	\$169,250
North Pole	1,683	\$420,750	\$0	\$420,750
North Slope Borough	2,434	\$608,500	\$0	\$608,500
Northwest Arctic Borough	717	\$179,250	\$0	\$179,250
Nuiqsut	443	\$110,750	\$0	\$110,750
Nulato	345	\$86,250	\$0	\$86,250
Nunam Iqua	204	\$51,000	\$0	\$51,000
Nunapitchuk	512	\$128,000	\$0	\$128,000
Old Harbor	229	\$57,250	\$0	\$57,250
Ouzinkie	189	\$47,250	\$0	\$47,250
Palmer	5,159	\$1,289,750	\$0	\$1,289,750
Pelican	115	\$28,750	\$11,250	\$40,000
Petersburg	3,146	\$786,500	\$0	\$786,500
Pilot Point	76	\$19,000	\$21,000	\$40,000
Pilot Station	546	\$136,500	\$0	\$136,500
Platinum	37	\$9,250	\$30,750	\$40,000
Point Hope	709	\$177,250	\$0	\$177,250
Port Alexander	72	\$18,000	\$22,000	\$40,000

**HB 431 Municipal Dividend Estimates**

**Distribution Formula: Municipal Population X \$250 With a Minimum Entitlement of \$40,000**

**Borough Populations: Borough Areawide Population Less City Populations in Borough**

<b>Municipalities</b>	<b>2002 Population</b>	<b>Population X \$250</b>	<b>Minimum Entitlement Add-On</b>	<b>Municipal Dividend Payment</b>
Port Heiden	108	\$27,000	\$13,000	\$40,000
Port Lions	251	\$62,750	\$0	\$62,750
Quinhagak	572	\$143,000	\$0	\$143,000
Ruby	195	\$48,750	\$0	\$48,750
Russian Mission	328	\$82,000	\$0	\$82,000
Saint George	147	\$36,750	\$3,250	\$40,000
Saint Mary's	549	\$137,250	\$0	\$137,250
Saint Michael	390	\$97,500	\$0	\$97,500
Saint Paul	533	\$133,250	\$0	\$133,250
Sand Point	919	\$229,750	\$0	\$229,750
Savoonga	686	\$171,500	\$0	\$171,500
Saxman	394	\$98,500	\$0	\$98,500
Scammon Bay	491	\$122,750	\$0	\$122,750
Selawik	778	\$194,500	\$0	\$194,500
Seldovia	308	\$77,000	\$0	\$77,000
Seward	2,794	\$698,500	\$0	\$698,500
Shageluk	145	\$36,250	\$3,750	\$40,000
Shaktoolik	218	\$54,500	\$0	\$54,500
Shishmaref	589	\$147,250	\$0	\$147,250
Shungnak	249	\$62,250	\$0	\$62,250
Sitka	8,894	\$2,223,500	\$0	\$2,223,500
Skagway	841	\$210,250	\$0	\$210,250
Soldotna	3,944	\$986,000	\$0	\$986,000
Stebbins	586	\$146,500	\$0	\$146,500
Tanana	278	\$69,500	\$0	\$69,500
Teller	247	\$61,750	\$0	\$61,750
Tenakee Springs	98	\$24,500	\$15,500	\$40,000
Thorne Bay	503	\$125,750	\$0	\$125,750
Togiak	804	\$201,000	\$0	\$201,000
Toksook Bay	549	\$137,250	\$0	\$137,250
Unalakleet	725	\$181,250	\$0	\$181,250
Unalaska	4,051	\$1,012,750	\$0	\$1,012,750
Upper Kalskag	248	\$62,000	\$0	\$62,000
Valdez	4,171	\$1,042,750	\$0	\$1,042,750
Wainwright	543	\$135,750	\$0	\$135,750
Wales	159	\$39,750	\$250	\$40,000
Wasilla	6,343	\$1,585,750	\$0	\$1,585,750
White Mountain	210	\$52,500	\$0	\$52,500
Whittier	170	\$42,500	\$0	\$42,500
Wrangell	2,144	\$536,000	\$0	\$536,000

**HB 431 Municipal Dividend Estimates**

**Distribution Formula: Municipal Population X \$250 With a Minimum Entitlement of \$40,000**

**Borough Populations: Borough Arcawide Population Less City Populations in Borough**

<b>Municipalities</b>	<b>2002 Population</b>	<b>Population X \$250</b>	<b>Minimum Entitlement Add-On</b>	<b>Municipal Dividend Payment</b>
Yakutat	724	\$181,000	\$0	\$181,000
<b>Totals</b>	<b>626,680</b>	<b>\$156,670,000</b>	<b>\$525,000</b>	<b>\$157,195,000</b>



**Analysis of current statutory payout versus HB 431**  
**Alaska Permanent Fund Corporation**

*Based on December 2003 financial projections (\$ in millions, except per person dividend)*

	<u>FY04</u>	<u>FY05</u>	<u>FY06</u>	<u>FY07</u>	<u>FY08</u>	<u>FY09</u>	<u>FY10</u>	<u>FY11</u>	<u>FY12</u>	<u>FY13</u>	<u>FY14</u>	<u>FY15</u>	Totals FY04 - FY15
<b>Payout per HB 431</b>	<b>709</b>	<b>647</b>	<b>707</b>	<b>885</b>	<b>1,068</b>	<b>1,166</b>	<b>1,249</b>	<b>1,355</b>	<b>1,420</b>	<b>1,484</b>	<b>1,586</b>	<b>1,643</b>	<b>13,920</b>
Municipal Dividend (\$250 per PFD application)	148	149	150	150	151	152	153	154	154	155	156	157	1,829
Distribution for PFD Fund	561	498	558	735	917	1,014	1,096	1,202	1,266	1,329	1,430	1,487	12,091
Payout - Current Dividend formula only	561	498	560	739	925	1,027	1,113	1,226	1,297	1,367	1,477	1,542	12,331
Difference in annual lump sum payout (HB 431 - Current statutes)	148	148	148	146	144	140	135	129	124	117	109	102	1,189
Retain for Inflation - HB 431	0	613	635	657	680	703	727	751	776	801	828	855	8,026
Retain for Inflation - Status Quo	0	613	635	657	680	703	727	751	776	801	828	855	8,025
<b>AK Permanent Fund end of year value in 2015 - HB 431</b>												<b>45,644</b>	<b>45,644</b>
Reserved assets (Principal + Unrealized appreciation)												39,988	39,988
Realized earnings reserve												5,656	5,656
<b>AK Permanent Fund end of year value in 2015 - Current statutory formulas</b>												<b>48,165</b>	<b>48,165</b>
Reserved assets (Principal + Unrealized appreciation)												40,223	40,223
Realized earnings reserve												7,942	7,942
Per Person Dividend HB 431	\$ 890	\$ 780	\$ 870	\$ 1,160	\$ 1,460	\$ 1,610	\$ 1,730	\$ 1,900	\$ 1,990	\$ 2,080	\$ 2,230	\$ 2,310	\$ 19,010
Per Person Dividend - current formulas	\$890	\$780	\$880	\$1,170	\$1,470	\$1,630	\$1,760	\$1,930	\$2,040	\$2,140	\$2,310	\$2,400	\$ 19,400

**Assumptions:**

1. Callan Associates 2003 Capital Market Assumptions, APFC 2003 asset allocation, Fall 2003 revenue forecast (including impact of HB11), financial statements
2. These projections represent only our best estimate of the median case rate of return; actual annual performance will vary with market volatility.
3. Distributions shown for the annual permanent fund dividend and the Municipal dividend program are calculated and booked as payables at
4. Slight differences due to rounding.

*Provided by municipal league.*

Revenue Sharing makes up over a 25% of the operating budget for a Quarter of our Municipalities, it Averages 16% of all Municipal Operating Budgets.  
(Data from DCED, Missions and Measures, 2003)

Revenue sharing is so large a percent of municipal budgets that large cuts will result in many small municipalities becoming dysfunctional and the state will have to directly provide services, if tribal governments cannot afford to take a more prominent role. Legislative constituents/taxpayers in larger municipalities suffer as well. Anchorage local taxpayers, for example, face an additional \$10.4 million shortfall on top of the loss of capital matching grants, a huge new PERS/TRS debt, new DOT highway

Municipality	FY 03 Budget	FY 03 Revenue	
		Sharing Total	% of Oper Budget
City of Manokotak	\$35,200	\$33,175	94.25%
City of Bettles	\$41,533	\$30,239	72.81%
City of Atkasuk	\$64,267	\$40,565	63.12%
City of White Mountain	\$55,982	\$30,982	55.34%
City of Kupreanof	\$41,400	\$22,821	55.12%
City of Port Heiden	\$59,992	\$30,383	50.65%
City of Napakiak	\$78,751	\$32,804	41.66%
City of Napaskiak	\$80,585	\$32,941	40.88%
City of Chefornak	\$83,560	\$33,320	39.88%
City of Ekwok	\$75,061	\$28,229	37.61%
City of Kasaan	\$65,781	\$22,821	34.69%
City of Chuathbaluk	\$87,046	\$29,829	34.27%
City of Selawik	\$275,036	\$93,963	34.16%
City of Newhalen	\$85,800	\$28,741	33.50%
City of Kivalina	\$167,493	\$52,466	31.32%
City of Tenakee Springs	\$73,875	\$22,821	30.89%
City of Teller	\$103,731	\$31,813	30.67%
City of Anderson	\$126,633	\$38,394	30.32%
City of Aniak	\$147,680	\$43,541	29.48%
City of Koyukuk	\$99,201	\$29,115	29.35%
City of Grayling	\$108,770	\$31,537	28.99%
City of Buckland	\$132,102	\$37,864	28.66%
City of Hughes	\$101,945	\$29,174	28.62%
City of Point Hope	\$246,223	\$70,085	28.46%
City of Fort Yukon	\$151,500	\$42,954	28.35%
City of Eagle	\$89,900	\$25,461	28.32%
City of Akhiok	\$80,610	\$22,821	28.31%
City of Holy Cross	\$119,026	\$32,990	27.72%
City of Allakaket	\$109,319	\$30,211	27.64%
City of Upper Kalskag	\$132,756	\$36,332	27.37%

Municipality	FY 03 Budget	Sharing Total	% of Oper Budget
City of Quinhagak	\$136,511	\$37,349	27.36%
City of Noorvik	\$260,622	\$66,852	25.65%
City of Anaktuvuk Pass	\$124,342	\$31,704	25.50%
City of Huslia	\$137,665	\$34,730	25.23%
City of Russian Mission	\$130,893	\$31,539	24.10%
City of Mekoryuk	\$129,985	\$30,292	23.30%
City of Ambler	\$161,531	\$35,964	22.26%
City of Ruby	\$142,044	\$31,522	22.19%
City of Nunam Iqua	\$132,992	\$29,358	22.08%
City of Nunapitchuk	\$176,981	\$39,061	22.07%
City of Shageluk	\$132,948	\$29,063	21.86%
City of Goodnews Bay	\$136,643	\$29,806	21.81%
City of Nulato	\$160,648	\$34,776	21.65%
City of Nondalton	\$150,944	\$32,113	21.27%
City of Egegik	\$147,300	\$31,321	21.26%
City of McGrath	\$183,413	\$38,968	21.25%
City of Nightmute	\$141,685	\$29,396	20.75%
City of Anvik	\$144,065	\$29,879	20.74%
City of Houston	\$220,204	\$45,501	20.66%
City of Eek	\$155,049	\$31,378	20.24%
City of Larsen Bay	\$113,130	\$22,821	20.17%
City of New Stuyahok	\$168,340	\$33,545	19.93%
City of Deering	\$176,812	\$34,243	19.37%
City of Savoonga	\$204,700	\$39,297	19.20%
City of Akiak	\$172,171	\$31,593	18.35%
City of Kachemak	\$155,600	\$28,465	18.29%
City of Port Lions	\$142,686	\$25,701	18.01%
City of Scammon Bay	\$195,319	\$34,911	17.87%
City of Shishmaref	\$212,461	\$37,676	17.73%
City of Kobuk	\$173,422	\$30,635	17.67%
City of Ouzinkie	\$142,373	\$25,096	17.63%
City of Wales	\$172,768	\$29,748	17.22%
City of Shaktoolik	\$189,030	\$31,586	16.71%
City of Port Alexander	\$138,257	\$22,820	16.51%
City of Marshall	\$201,672	\$32,512	16.12%
City of Emmonak	\$390,459	\$62,861	16.10%
City of Tanana	\$234,975	\$37,237	15.85%
City of Kaltag	\$205,840	\$32,452	15.77%
City of Brevig Mission	\$205,303	\$32,251	15.71%
City of Koyuk	\$213,927	\$32,932	15.39%
City of Chignik	\$176,656	\$26,998	15.28%
City of Hydaburg	\$184,063	\$27,743	15.07%
City of Kwethluk	\$268,773	\$39,612	14.74%

Municipality	FY 03 Budget	Sharing Total	% of Oper Budget
City of Nikolai	\$198,000	\$29,129	14.71%
City of Kiana	\$254,221	\$37,340	14.69%
City of Alakanuk	\$288,850	\$42,151	14.59%
City of Pilot Point	\$198,692	\$28,350	14.27%
City of Shungnak	\$241,561	\$34,318	14.21%
City of Pilot Station	\$258,826	\$36,449	14.08%
City of Stebbins	\$270,782	\$37,803	13.96%
City of Chevak	\$295,728	\$40,330	13.64%
City of Diomede	\$216,587	\$29,316	13.54%
City of Old Harbor	\$194,801	\$25,448	13.06%
City of Saint Michael	\$290,646	\$36,789	12.66%
City of Clark's Point	\$210,079	\$26,537	12.63%
City of Kake	\$286,395	\$35,223	12.30%
City of Toksook Bay	\$293,572	\$35,567	12.12%
City of Atka	\$239,696	\$28,508	11.89%
City of Aleknagik	\$246,099	\$28,943	11.76%
City of Wainwright	\$313,515	\$36,491	11.64%
City of Cold Bay	\$284,364	\$32,418	11.40%
City of Elim	\$301,668	\$34,334	11.38%
City of Lower Kalskag	\$42,892	\$4,791	11.17%
City of Kotlik	\$334,400	\$37,075	11.09%
City of Angoon	\$291,671	\$32,014	10.98%
City of Delta Junction	\$518,950	\$56,504	10.89%
City of Saxman	\$259,287	\$27,723	10.69%
City of Hooper Bay	\$515,643	\$54,426	10.55%
City of Gambell	\$415,930	\$40,262	9.68%
City of Mountain Village	\$444,758	\$41,835	9.41%
City of Nuiqsut	\$365,168	\$34,304	9.39%
City of False Pass	\$294,409	\$26,947	9.15%
City of Thorne Bay	\$368,940	\$32,716	8.87%
City of Unalakleet	\$499,200	\$44,044	8.82%
City of Seldovia	\$353,168	\$30,207	8.55%
City of Fairbanks	\$16,794,096	\$1,391,861	8.29%
City of Barrow	\$1,573,133	\$120,578	7.66%
City of Saint Mary's	\$564,779	\$42,651	7.55%
City of Nenana	\$596,850	\$44,188	7.40%
City of Hoonah	\$755,600	\$54,026	7.15%
City of Galena	\$670,600	\$44,829	6.68%
City of Pelican	\$431,776	\$25,523	5.91%
City of Kaktovik	\$557,400	\$32,456	5.82%
City of Togiak	\$800,289	\$42,206	5.27%
City of Golovin	\$614,394	\$31,650	5.15%
City of Bethel	\$5,900,000	\$302,836	5.13%

Municipality	FY 03 Budget	Sharing Total	% of Oper Budget
City of Kotzebue	\$4,187,861	\$199,688	4.77%
Lake and Peninsula Bor	\$2,271,084	\$106,854	4.70%
City of Akutan	\$821,979	\$38,226	4.65%
City of Klawock	\$814,390	\$35,871	4.40%
City of Haines	\$1,508,391	\$65,526	4.34%
City of Palmer	\$5,291,041	\$226,676	4.28%
Muni of Anchorage	\$248,390,990	\$10,403,815	4.19%
City of Saint George	\$744,519	\$29,685	3.99%
City of King Cove	\$1,055,000	\$40,930	3.88%
City of Kenai	\$7,980,423	\$302,982	3.80%
City of Sand Point	\$1,271,670	\$47,658	3.75%
City of Adak	\$991,000	\$35,853	3.62%
City of Coffman Cove	\$850,991	\$30,283	3.56%
City of Platinum	\$29,675	\$1,012	3.41%
City of Soldotna	\$5,874,850	\$190,413	3.24%
City of Cordova	\$5,450,311	\$175,465	3.22%
City of Homer	\$5,287,239	\$168,493	3.19%
Kenai Peninsula Bor	\$50,258,850	\$1,598,729	3.18%
City of Nome	\$7,065,869	\$218,051	3.09%
City of Whittier	\$910,010	\$27,493	3.02%
Denali Borough	\$2,053,700	\$61,389	2.99%
Matanuska-Susitna Bor	\$57,181,644	\$1,690,792	2.96%
City of Wrangell	\$5,716,151	\$166,553	2.91%
Kodiak Island Borough	\$10,818,950	\$291,868	2.70%
City of Petersburg	\$7,194,963	\$187,235	2.60%
Fairbanks North Star Bor	\$78,318,560	\$1,970,270	2.52%
City/Bor of Yakutat	\$1,784,375	\$44,556	2.50%
City of North Pole	\$2,799,058	\$69,062	2.47%
City of Seward	\$6,848,620	\$159,193	2.32%
City and Bor of Sitka	\$18,470,340	\$424,845	2.30%
City of Kodiak	\$11,926,675	\$267,018	2.24%
City of Craig	\$2,470,908	\$53,286	2.16%
City of Dillingham	\$5,158,448	\$106,959	2.07%
City of Wasilla	\$9,689,941	\$192,226	1.98%
Northwest Arctic Borough	\$8,031,921	\$158,084	1.97%
City of Saint Paul	\$2,200,873	\$39,100	1.78%
City of Skagway	\$2,818,195	\$49,423	1.75%
City of Valdez	\$22,425,096	\$381,529	1.70%
City of Ketchikan	\$27,957,840	\$425,618	1.52%
Ketchikan Gateway Bor	\$14,867,222	\$202,908	1.36%
Bristol Bay Borough	\$4,504,954	\$58,003	1.29%
Haines Borough	\$3,191,250	\$39,679	1.24%
City of Unalaska	\$20,193,196	\$185,314	0.92%

<b>Municipality</b>	<b>FY 03 Budget</b>	<b>Sharing Total</b>	<b>% of Oper Budget</b>
Aleutians East Borough	\$4,161,070	\$35,301	0.85%
City/Borough of Juneau	\$188,848,100	\$1,482,129	0.78%
North Slope Borough	\$289,420,015	\$902,462	0.31%
<b>Average Percent</b>			<b>15.80%</b>
<b>Highest Percent</b>			<b>94.25%</b>
<b>Lowest Percent</b>			<b>0.31%</b>
<b># &gt; 20%</b>			<b>51</b>