

SB

34



Alaska State Legislature

Senator Con Bunde
District P

Member : Senate Labor & Commerce Committee
Member : Senate State Affairs Committee
Member : Joint Legislative Committee on Ethics

During Session:
State Capitol
Juneau, AK 99801-1182
(907) 485-4843

During Interim:
718 W. Fourth Avenue
Anchorage, AK 99501-2133
(907) 269-0181

MEMORANDUM

DATE: Wednesday, March 28, 2007

TO: Senator Donny Olson, Chair, Senate Community & Regional Affairs Committee

FROM: Senator Con Bunde *Con*

RE: Hearing Request for Senate Bill 34 Tax on Residents/Employees in REAA: Grants

I respectfully request a hearing for SB 34 Tax on Residents/Employees in REAA: Grants, at your earliest convenience.

SB 34 provides an equal opportunity to all residents of Alaska to support education. Currently, there are 19 Regional Education Attendance Areas (REAs) in Alaska that do not have local taxes to provide funding for local schools. SB 34 imposes an annual tax on residents living in REAs that have no local tax authority to help support their schools.

SB 34 would establish an REAA grant program and allows the Legislature to appropriate the tax for grants to REAs.

Enclosed you will find SB 34, sponsor statement fact sheet, and supporting documents. Please contact Jane Alberts, 465-3623, in my office, if you have questions or need additional documents.

25-LS0261VC
Bullock
2/12/07

**SPONSOR SUBSTITUTE FOR SENATE BILL NO. 34
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-FIFTH LEGISLATURE - FIRST SESSION**

BY SENATORS BUNDE, Wilken

Introduced:

Referred:

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to a tax on residents of and individuals employed in regional
2 educational attendance areas; relating to permanent fund dividend applications;
3 relating to regional educational attendance area grants; and providing for an effective
4 date."

5 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

6 * **Section 1.** The uncodified law of the State of Alaska is amended by adding a new section
7 to read:

8 **LEGISLATIVE INTENT.** It is the intent of the legislature that the proceeds of the tax
9 imposed in sec. 4 of this Act provide an additional source of revenue that can be used by the
10 legislature to provide additional funding for regional educational attendance areas beyond
11 existing state and federal contributions.

12 * **Sec. 2.** AS 14.08 is amended by adding a new section to read:

13 **Sec. 14.08.154. Regional educational attendance area grants.** (a) There is
14 established a regional educational attendance area grant program.

1 (b) The department shall annually distribute money appropriated by the
2 legislature for grants under this section to each regional educational attendance area,
3 allocating the money according to each regional educational attendance area's district
4 adjusted ADM, as that term is defined in AS 14.17.990.

5 * **Sec. 3.** AS 43.23.015(b) is amended to read:

6 (b) The department shall prescribe and furnish an application form for
7 claiming a permanent fund dividend. The application must include notice of the
8 penalties provided for under AS 43.23.035 and contain a statement of eligibility and a
9 certification of residency. The department shall require an applicant to supply a
10 physical address as well as a mailing address.

11 * **Sec. 4.** AS 43 is amended by adding a new chapter to read:

12 **Chapter 45. Regional Educational Attendance Area Tax.**

13 **Sec. 43.45.011. Tax imposed.** (a) There is imposed a tax of \$70 each year on
14 an individual

15 (1) who is at least 18 years of age but not more than 64 years of age on
16 January 1 of the tax year; and

17 (2) who

18 (A) resides in a regional educational attendance area on
19 January 1 of the tax year; or

20 (B) is employed during the tax year in a regional educational
21 attendance area.

22 (b) The following are exempt from the tax imposed under (a) of this section:

23 (1) an individual who is a member of a family with an income during
24 the tax year equal to or less than the federal poverty guidelines for the tax year for
25 Alaska set by the United States Department of Health and Human Services;

26 (2) a disabled veteran, as the term is defined in AS 29.45.030(i);

27 (3) the owner of real property located in a municipality that levies a
28 property tax, if the taxes on the property were not delinquent at any time during the tax
29 year.

30 **Sec. 43.45.021. Collection of tax.** (a) The tax imposed under AS 43.45.011
31 shall be paid before April 1 of the calendar year following the year for which the tax is

1 imposed. An individual who is subject to the tax and has not had the tax withheld
2 during the tax year by an employer from the individual's salary or other compensation
3 shall file a return and pay the tax on a form and in a manner prescribed by the
4 department.

5 (b) Each employer of an individual subject to tax under this chapter shall
6 deduct and withhold \$35 from the employee's first regular payroll during the tax year
7 and \$35 from the immediately following regular payroll. The employer shall hold the
8 tax withheld in trust and remit it to the department with a return prescribed by the
9 department not later than the 15th day of the month following the end of each calendar
10 quarter or any month during which the cumulative unpaid withholding by the
11 employer exceeds \$500, whichever is earlier. Taxes withheld under this subsection are
12 not subject to garnishment or attachment and, in the event of lien, judgment, or
13 bankruptcy proceedings, are not considered assets of the employer. An employer who
14 fails to deduct and withhold the tax from the compensation of an employee or to remit
15 the tax to the department by the date required under this section is liable to the
16 department for the tax.

17 (c) An employer is not required to withhold the tax from the salary or other
18 compensation of an individual if the employer reasonably believes, based on the
19 attestation of the individual, that the individual

20 (1) owns real property located in a municipality that levies a property
21 tax;

22 (2) was less than 18 years of age or over 64 years of age on January 1
23 of the tax year; or

24 (3) has had the full tax due under AS 43.45.011 for that tax year
25 withheld by another employer.

26 (d) If the tax is not deducted under (b) of this section from the salary or other
27 compensation of an individual subject to the tax, and the individual has not filed a
28 return and paid the tax under (a) of this section, notwithstanding AS 09.35, the
29 department may make a return under AS 43.05.050.

30 (e) An employer required to withhold tax under (b) of this section shall file a
31 report not later than January 31 following each tax year showing the total withholding

1 for each employee during the tax year. The report shall be filed in a form and manner
2 prescribed by the department. An employer who fails to file a report under this section
3 is subject to a penalty of \$50 a day not to exceed \$2,500.

4 (f) If the full amount required under (b) of this section has been deducted and
5 withheld from each payroll of an employee employed in a regional educational
6 attendance area but not residing in a regional educational attendance area on January 1
7 of the tax year, the department shall consider the employee's tax obligation satisfied,
8 and the employee is not required to file a return under (a) of this section, even if the
9 total amount deducted and withheld was less than \$70.

10 **Sec. 43.45.031. Record of withholding.** An employer who withholds tax
11 under AS 43.45.021 shall furnish to the employee on request a record of the amount of
12 tax withheld from the employee. The department shall provide a form for that purpose.

13 **Sec. 43.45.041. Refunds.** An individual who has paid more than the amount of
14 tax due under this chapter for a calendar year may claim a refund under AS 43.05.275.
15 A claim for a refund under this section may only be filed during the calendar year
16 following the tax year for which the refund is claimed and on a form and in the
17 manner prescribed by the department. The department is not required to issue a refund
18 to an employer.

19 **Sec. 43.45.051. Disposition of tax proceeds.** (a) The tax collected under
20 AS 43.45.021 shall be deposited into the general fund and accounted for separately.

21 (b) The legislature may appropriate the estimated amounts to be collected and
22 separately accounted for under (a) of this section for grants to regional educational
23 attendance areas under AS 14.08.154.

24 (c) The deposit required and appropriation authorized by this section are not
25 intended to create a dedication in violation of art. IX, sec. 7, Constitution of the State
26 of Alaska.

27 **Sec. 43.45.099. Definitions.** In this chapter,

28 (1) "family" means persons who are related by blood, marriage, or
29 adoption and who live in the same household on a permanent basis;

30 (2) "regional educational attendance area" means those portions of a
31 regional educational attendance area, as that term is defined in AS 14.60.010, that are

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outside of a home rule or first class city;

(3) "tax year" means the calendar year for which the tax levied in AS 43.45.011 is imposed.

* Sec. 5. This Act takes effect January 1, 2008.



25th ALASKA STATE LEGISLATURE

SENATE REPUBLICAN CAUCUS

SENATOR GENE THERRIAULT, MINORITY LEADER
STATE CAPITOL, ROOM 427, 465-4797 (FAX 465-3884)

www.aksenateminority.com

SENATOR CON BUNDE
SENATOR FRED DYSON
SENATOR TOM WAGONER
SENATOR GARY WILKEN

Fact Sheet for: Senate Bill 34

Contact: Jane Alberts, 465-4843

Bill Version: SB 34

Sponsor: Senator Con Bunde

Short Title: TAX ON RESIDENTS/EMPLOYEES IN REAA;GRANTS

Summary:

- Imposes an annual tax in Regional Education Attendance Areas (REAs) to pay operating costs of local schools within the area.
- Levies a flat tax rate of \$70 per person per year on persons 18 years of age, or older, who reside in an REA on January 1.
- Exempts senior citizens, those with income below federal poverty guidelines, disabled vets and those paying a property tax in another area of the state.
- Intent language specifies that the revenue collected is to be returned to REAs as additional funding, not supplanting state or federal funds.
- Establishes a regional educational attendance area grant program and allows the legislature to appropriate the REA tax for grants to REAs.

Benefits:

- Provides schools in REAs a new source of revenue to increase school funding.

Background:

- Currently, residents in Alaska who reside in organized boroughs pay a local tax that helps fund the capital and operating costs of schools. Residents of REAs do not currently contribute to the costs of schools on a local level. SB 34 ensures that all Alaska residents contribute on a local level to the costs of creating and maintaining high quality education in our state. The REA grant program language was added when similar legislation was under consideration last year at the request of a legislator whose district encompasses REAs. The language helps ensure the money goes to those areas.

SKILLED

RESPONSIBLE

CONSERVATIVE



Senator Con Bunde
Senate District P
Alaska State Legislature

Member: Senate State Affairs Committee
Member: Senate Labor & Commerce Committee
Member: Joint Legislative Committee on Ethics

Sponsor Statement for Senate Bill 34
Tax on Residents/Employees in REAA

Currently, residents who live in organized, home-rule and first class cities all contribute some amount of local revenue for the operations and capital projects of their schools. This local contribution is an important aspect of education funding, both by expressing a real desire to contribute to the quality of education for Alaskan students and by aiding in the ever-increasing cost of providing an adequate education.

SB 34 provides an equal opportunity to all residents of Alaska to support education. Currently, there are 19 Regional Education Attendance Areas (REAA) in Alaska that do not have local taxes to provide funding for local schools. SB 34 imposes an annual tax on residents living in REAAs that have no local tax authority to help support their schools. The Alaska Department of Labor estimates residents living in unorganized boroughs earned an income of \$680 million dollars in fiscal year 2006. This bill allows schools and Alaska's children to benefit from this earned income.

Under SB 34, each working resident 18 years and older who resides in an REAA would be required to pay an annual tax of \$70.00 as a contribution to their schools. Individuals who pay property taxes in other areas of the state, who live at or below federal poverty guidelines, disabled veterans and senior citizens would be exempt from paying the tax. In addition, individuals (including non-residents) who work in an REAA are required to remit the tax.

SB 34 advances the State of Alaska twofold. First, the proposed tax would generate nearly 1.5 million dollars in the first year alone that would directly benefit Alaska's schools. Secondly, it would bring Alaska more in line with the ideals that the Constitution of the State is founded on. Article 1, Section 1, reads, in part "...that all persons are equal and entitled to equal rights, opportunities, and protection under the law; and that all persons have corresponding obligations to the people and the State".

I urge your support and passage of SB 34.

The Department of Education & Early Development
K-12 Public School Operating Fund and Selected Special Revenue Funds
Audited FY05 Revenue
(Alphabetical)

Type	School District	ADM	School District Revenue by Source					Revenue Source per Student (ADM)						
			Operating Fund				Special Revenue	Total	Operating Fund				Special Revenue	Grand Total
			Local	State	Federal	Other			Local	State	Federal	Other		
REAA	Alaska Gateway	443	-	5,018,543	416,903	262,015	1,334,273	7,231,734	-	11,323	941	591	3,483	16,324
REAA	Anchorage Region	46	-	1,078,970	240,013	35,236	112,857	1,468,076	-	23,478	5,218	766	2,453	31,915
CR	Anchorage East	269	1,134,005	3,437,975	1,288,552	908,418	501,066	7,270,017	4,218	12,771	4,790	3,377	1,883	27,028
CR	Anchorage West	49,182	133,412,722	227,594,776	14,793,863	4,673,696	47,807,619	428,282,678	2,713	4,628	301	95	972	8,708
REAA	Annette Island	298	-	1,317,720	3,578,141	217,318	643,406	5,754,585	-	4,422	12,000	729	2,159	19,311
REAA	Barrow City	1,898	-	16,637,273	11,124,986	3,392,015	4,974,368	36,128,642	-	9,792	6,548	1,996	2,928	21,264
CR	Barrow Bay	184	921,579	1,154,934	449,148	36,437	261,783	2,823,881	5,009	6,277	2,441	198	1,423	15,347
REAA	Chatham	195	-	2,032,365	713,734	222,071	1,016,841	3,985,011	-	10,422	3,660	1,139	5,215	20,436
REAA	Chukchik	219	-	1,910,930	136,485	287,067	1,790,073	4,123,585	-	8,728	819	1,311	8,174	18,822
REAA	Copper River	640	-	5,973,065	415,797	114,727	844,450	7,348,039	-	9,333	650	179	1,319	11,481
CR	Corodova	452	1,366,000	3,074,465	42,110	38,672	364,006	4,885,253	3,022	6,802	93	86	805	10,808
CR	Craig	657	-	3,670,510	522,716	294,631	1,375,924	6,836,482	1,479	5,587	796	448	2,094	10,424
REAA	Delta-Grady	1,188	-	7,968,269	76,314	162,031	2,062,549	10,269,163	-	6,707	64	138	1,736	8,644
CR	Denali	664	1,250,000	4,469,673	12,301	127,280	816,390	6,475,644	1,883	6,731	19	192	928	9,752
CR	Edburgh	532	1,000,000	4,161,486	850,792	243,701	1,400,875	7,656,654	1,880	7,822	1,599	458	2,633	14,392
CR	Embury	14,554	36,545,700	74,502,157	14,367,089	720,517	16,038,470	142,173,933	2,511	5,119	987	50	1,102	9,769
CR	Enclave	3,680	459,172	16,407,918	254,517	1,390,287	3,519,303	22,031,196	125	4,459	69	378	966	5,987
CR	Enclave	297	1,363,044	1,726,634	1,079	54,363	598,646	3,744,766	4,589	5,814	4	183	2,019	12,613
CR	Enclave	172	508,400	1,458,083	507,321	129,629	1,426,541	4,024,974	2,938	8,466	2,950	754	8,294	23,401
CR	Enclave	74	65,000	744,914	386,595	64,090	181,111	1,441,710	878	10,068	5,224	868	2,447	19,483
REAA	Enclave Area	345	-	4,287,600	734,151	362,130	1,126,013	6,509,934	-	12,428	2,128	1,050	3,264	18,829
CR	Enclave	5,304	18,835,000	24,145,976	37,678	215,735	6,669,963	49,904,342	3,530	4,551	7	41	1,257	9,465
CR	Enclave	142	280,000	1,222,888	607,48	66,812	209,046	2,385,794	1,972	8,612	4,275	471	1,472	16,801
REAA	Enclave	355	-	2,527,437	2,054,583	172,518	1,586	6,255,124	-	7,120	5,788	486	4,509	17,922
CR	Enclave Peninsula	9,527	33,744,607	48,467,673	212,193	951,400	8,990,090	88,365,963	3,541	4,777	22	100	734	9,275
CR	Enclave Peninsula	2,308	7,637,206	11,530,586	31,201	63,208	2,263,397	21,525,986	3,312	5,002	14	27	982	9,335
CR	Enclave Peninsula	160	297,009	1,321,041	598,286	60,821	316,068	2,593,225	1,856	8,257	3,738	581	1,975	16,258
CR	Enclave Peninsula	2,879	8,332,440	16,647,513	1,703,848	715,999	3,180,125	30,579,925	3,110	6,214	638	267	1,187	11,415
REAA	Enclave Peninsula	414	-	4,600,597	1,889,824	446,383	2,070,981	9,007,785	-	11,113	4,566	1,078	5,002	21,758
CR	Enclave Peninsula	390	869,253	6,203,712	1,862,257	875,991	1,574,068	11,386,263	2,179	15,548	4,687	2,155	3,945	28,535
REAA	Enclave Peninsula	3,832	-	38,826,869	15,911,300	2,908,184	10,721,687	68,388,040	-	10,182	4,152	759	2,798	17,841
REAA	Enclave Peninsula	2,017	-	18,045,372	10,136,342	1,447,571	4,613,974	34,243,259	-	8,947	5,025	718	2,288	16,977
CR	Enclave Peninsula	14,661	33,928,357	81,777,484	1,68,778	408,683	11,813,350	128,086,622	2,314	5,578	12	28	806	8,757
CR	Enclave Peninsula	718	73,183	4,233,854	-	420,474	2,568,130	7,296,641	102	5,813	-	587	3,587	10,129
CR	Enclave Peninsula	787	1,420,577	8,055,812	121,029	222,883	1,363,404	9,183,405	1,852	7,895	158	291	1,778	11,973
CR	Enclave Peninsula	1,691	23,555,878	9,216,266	6,182,313	378,246	6,887,587	46,220,310	13,930	5,450	3,656	224	4,073	27,333
CR	Enclave Peninsula	1,996	3,215,493	21,037,729	8,419,660	2,081,734	6,748,241	41,502,857	1,609	10,524	4,212	1,041	3,376	20,762
CR	Enclave Peninsula	11	52,121	409,151	2,000	11,412	85,478	560,162	4,738	37,196	182	1,037	7,771	50,524
CR	Enclave Peninsula	630	1,655,469	3,894,438	7,148	68,119	458,485	6,083,839	2,628	6,182	11	108	728	9,657
REAA	Enclave Peninsula	127	-	1,206,403	733,811	100,853	1,361,608	3,402,673	-	9,498	5,778	794	10,721	26,793
CR	Enclave Peninsula	155	20,689	1,861,327	1,508	55,886	490,457	2,429,861	133	12,009	10	361	3,164	15,677
CR	Enclave Peninsula	1,478	4,787,292	7,460,601	5,63,022	81,493	2,122,938	15,015,346	3,298	5,048	381	55	1,436	10,159
CR	Enclave Peninsula	109	841,452	839,911	2,000	10,477	505,274	2,199,114	7,720	7,706	18	96	4,636	20,175
REAA	Enclave Peninsula	212	-	3,082,833	300,109	272,746	612,137	4,267,825	-	14,542	1,416	1,287	2,887	20,131
REAA	Enclave Peninsula	706	-	6,768,631	3,266,829	1,485,775	3,565,587	15,086,822	-	9,687	4,627	2,104	5,050	21,369
CR	Enclave Peninsula	115	22,692	1,084,965	60,699	80,140	146,143	1,394,639	197	9,434	528	697	1,271	12,127
CR	Enclave Peninsula	399	2,280,801	2,461,996	22,179	49,619	623,049	5,437,644	5,716	6,170	56	124	1,562	13,628
CR	Enclave Peninsula	828	4,949,342	4,057,467	25,579	91,770	508,093	9,630,251	5,977	4,900	31	111	611	11,631
CR	Enclave Peninsula	375	891,007	2,291,279	454,969	61,481	605,848	4,304,584	2,378	6,110	1,213	164	1,616	11,475
CR	Enclave Peninsula	133	416,000	1,124,400	265,705	44,170	315,478	2,165,753	3,128	8,454	1,998	332	2,372	16,284
REAA	Enclave Peninsula	278	-	4,510,852	1,438,460	278,881	900,092	7,128,285	-	16,344	5,212	1,010	3,261	25,827
REAA	Enclave Peninsula	1,800	-	9,980,595	1,302,177	524,120	2,572,804	14,379,896	-	5,545	723	291	1,429	7,589
REAA	Enclave Peninsula	445	-	4,341,717	2,463,250	436,199	2,806,028	10,047,194	-	9,757	5,536	980	6,306	22,578
Total		130,560	\$ 327,100,182	\$ 737,844,327	\$ 111,768,430	\$ 28,826,239	\$ 176,485,498	\$ 1,381,011,684	2,606	5,652	858	221	1,344	10,678

This report is provided in accordance with Alaska Statute 14.03.120(b)

- Definitions:**
- C/B** City or Borough School District (organized Alaska)
 - REAA** Regional Educational Attendance Area (unorganized Alaska)
 - ADM** Average daily student count taken during the month of October
 - Local** FY05 City/Borough Appropriations, including in-kind, as reported in audits
 - State** FY05 State Operating Fund Revenue as reported in audits
 - Federal** FY05 Federal revenues reported in the Operating Fund (Impact Aid & other minor Federal revenues)
 - Other** FY05 Earnings on Investments, E-rate and Other Local Revenue as listed in Audits
 - Special** All sources of revenues (Local, State, Federal, Other) in Special Revenue funds except Pupil Transportation, Food Service and Community Schools
 - NOTE:** This spreadsheet does not include Capital Project grants or Debt Service; this spreadsheet may be different from the department's annual reports to National Center for Education Statistics (NCES).

ALASKA DEPARTMENT OF EDUCATION
 FY2007 FOUNDATION PROGRAM AS 14.17.410

Updated 3/2/07

Abbreviations for chart

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		REQUIRED MILL EQUIV.	ALLOWABLE EXCESS MILL EQUIV.	AS 14.17.410(c) BUDGETED MILL EQUIV.	Education FULL VALUE DETERMINATION	FY2007 REQUIRED LOCAL	ALLOWABLE EXCESS	TOTAL ALLOWABLE LOCAL	AS 14.17.410(c) BUDGETED LOCAL	Amount under state cap	% below Allowable Excess
ALEUTIANS EAST =	AE	4.0	10.5	10.9	\$96,072,577	\$384,290	\$1,005,499	\$1,389,789	\$1,050,000	339,789	34.0%
ANCHORAGE =	AN	4.0	4.0	7.6	20,369,226,695	81,476,907	82,454,520	163,931,427	155,257,376	8,674,051	11.0%
BRISTOL BAY =	BB	4.0	4.5	6.6	132,182,200	528,729	593,234	1,121,963	873,811	248,152	42.0%
CORDOVA =	CO	4.0	5.8	8.2	171,246,460	684,986	988,237	1,673,223	1,398,036	275,187	28.0%
CRAIG =	CG	4.0	12.5	7.9	98,870,400	395,482	1,231,077	1,635,558	777,258	849,300	69.0%
DEVALU =	DE	1.0	7.9	9.6	141,048,550	564,194	1,107,795	1,671,989	1,350,000	321,989	29.0%
DILLINGHAM =	DI	4.0	9.4	7.9	142,547,300	570,189	1,343,247	1,913,436	1,125,000	788,436	59.0%
FAIRBANKS =	FB	4.0	4.8	7.2	5,586,566,255	22,346,265	26,730,587	49,076,852	40,022,700	9,054,152	34.0%
GALENA =	GA	4.0	227.2	31.5	18,285,800	73,143	4,154,249	4,227,392	575,761	3,651,631	88.0%
HAINES =	HA	4.0	3.3	6.4	221,622,500	886,490	727,703	1,614,193	1,419,044	195,149	27.0%
HOONAH =	HO	4.0	14.7	15.0	30,708,400	122,834	452,492	575,326	459,400	115,926	26.0%
HYDABURG =	HY	4.0	28.6	7.9	8,181,400	32,726	233,584	266,310	65,000	201,310	86.0%
JUNEAU =	JU	4.0	3.1	7.1	3,007,977,700	12,031,911	9,474,747	21,506,658	21,506,609	49	0.0%
KAKE =	KA	4.0	16.9	5.9	18,683,450	74,734	315,747	390,481	110,000	280,481	89.0%
KENAI =	KE	4.0	3.7	7.7	4,908,746,734	19,634,987	18,306,689	37,941,676	37,941,676	0	0.0%
KETCHIKAN =	KT	4.0	3.9	7.8	1,132,283,400	4,529,134	4,429,521	8,958,654	8,834,981	123,673	3.0%
KLAWDOCK =	KL	4.0	12.8	11.2	30,783,700	123,135	392,516	515,651	345,739	169,912	43.0%
KODIAK =	KO	4.0	5.5	8.5	1,016,111,750	4,064,447	5,599,049	9,663,496	8,671,260	992,236	18.0%
LAKE AND PENINS =	LP	4.0	36.2	17.5	53,513,000	214,052	1,935,640	2,149,692	935,394	1,214,298	63.0%
MAT-SU =	MS	4.0	6.0	8.8	4,514,596,288	18,058,385	27,165,768	45,224,153	39,580,405	5,643,748	21.0%
NEENANA =	NE	4.0	51.0	4.7	19,993,300	79,973	1,018,739	1,098,712	94,953	1,003,759	99.0%
NOME =	NO	4.0	9.0	8.1	206,605,300	826,421	1,865,331	2,691,752	1,676,850	1,014,902	54.0%
NORTH SLOPE 1/2 =	NS	0.9	2.0	2.3	10,359,130,075	9,764,523	20,718,260	30,482,783	23,979,343	6,503,440	31.0%
NORTHWEST ARC =	NW	4.0	18.3	9.3	381,662,650	1,526,651	6,992,436	8,519,087	3,541,589	4,977,498	71.0%
PELICAN =	PL	4.0	6.1	4.0	12,964,150	51,857	78,624	130,481	51,857	78,624	100.0%
PETERSBURG =	PT	4.0	4.9	7.5	272,936,000	1,091,744	1,342,740	2,434,484	2,053,319	381,165	28.0%
SANIT MARY'S =	SM	4.0	131.7	4.2	4,697,150	18,789	618,477	637,266	19,786	617,480	100.0%
SITKA =	SI	4.0	4.1	7.9	720,357,750	2,881,431	2,919,126	5,800,557	5,693,707	106,850	4.0%
SKAGWAY 1/2 =	SK	2.8	2.5	4.6	203,549,550	561,622	516,645	1,078,267	942,115	136,152	26.0%
TANANA =	TA	4.0	37.6	4.8	5,673,100	22,692	213,155	235,847	27,100	208,747	98.0%
TWILASKA =	UN	4.0	2.6	6.6	390,257,350	1,561,029	1,028,453	2,589,482	2,589,482	(0)	0.0%
VALDEZ 1/2 =	VA	2.8	2.3	5.1	1,089,034,465	3,056,824	2,458,851	5,515,675	5,514,717	958	0.0%
WFRANGELL =	WR	4.0	5.2	5.4	148,215,400	592,862	771,098	1,363,960	801,352	562,608	73.0%
YAKUTAT =	YA	4.0	6.9	10.1	48,181,000	192,724	333,999	526,723	488,000	38,723	12.0%
Average contribution in mills >>				8.4	\$55,562,511,799	\$189,026,160	\$229,517,636	\$418,543,996	\$369,773,620		

Selected 2000 Census Characteristics and 2006 Estimates for Boroughs/Census Areas

	April 1, 2000 Census				DOLWD 2006	
	Total Population	Age 18+ % of Pop	Age 21+ % of Pop	Population Estimate	Estimated* 2006 Population Age 21+	
Organized Boroughs						
Aleutians East	2,697	2,243 83.2	2,136 79.2	2,643	2,093	
Anchorage	260,283	184,212 70.8	173,564 66.7	282,813	188,588	
Bristol Bay	1,258	864 68.7	825 65.6	1,060	695	
Denali	1,893	1,443 76.2	1,398 73.9	1,795	1,326	
Fairbanks North Star	82,840	57,921 69.9	53,732 64.9	87,849	56,981	
Haines	2,392	1,779 74.4	1,719 71.9	2,241	1,610	
Juneau	30,711	22,294 72.6	21,153 68.9	30,650	21,111	
Kenai Peninsula	49,691	34,832 70.1	33,091 66.6	51,350	34,196	
Ketchikan Gateway	14,070	10,106 71.8	9,594 68.2	13,174	8,983	
Kodiak Island	13,913	9,390 67.6	8,901 64	13,506	8,641	
Lake & Peninsula	1,823	1,131 62.2	1,043 57.2	1,557	891	
Mat-Su	59,322	40,212 67.8	37,938 64	77,174	49,355	
North Slope	7,385	4,566 61.8	4,229 57.3	6,807	3,898	
Northwest Arctic	7,208	4,218 58.5	3,881 53.8	7,334	3,949	
Sitka	8,835	6,436 72.8	6,063 68.6	8,833	6,062	
Yakutat	808	581 71.9	560 69.3	634	439	

	April 1, 2000 Census				DOLWD 2006	
	Total Population	Age 18+ % of Pop	Age 21+ % of Pop	Population Estimate	Estimated* 2006 Population Age 21+	
Unorganized Borough						
Aleutians West	5,465	4,526 82.8	4,374 80	4,810	3,850	
Bethel	16,006	9,629 60.2	8,909 55.7	17,031	9,480	
Dillingham	4,922	3,045 61.9	2,871 58.3	4,796	2,798	
Nome	9,196	5,780 62.9	5,405 58.8	9,535	5,604	
Prince of Wales-Outer Ketchikan	6,146	4,243 69	4,024 65.5	5,477	3,586	
Skagway-Hoonah-Angoon	3,436	2,516 73.2	2,397 69.8	3,020	2,107	
Southeast Fairbanks	6,174	4,150 67.2	3,925 63.6	6,772	4,305	
Valdez-Cordova	10,195	7,176 70.4	6,824 66.9	9,755	6,529	
Wade Hampton	7,028	3,754 53.4	3,416 48.6	7,553	3,671	
Wrangell-Petersburg	6,684	4,699 70.3	4,530 67.8	6,024	4,083	
Yukon-Koyukuk	6,551	4,257 65	3,972 60.6	5,860	3,553	

Source: 2000 Census of Population and Housing, Demographic Profiles and Alaska Department of Labor and Workforce Development, Research and Analysis Section, Demographics Unit
 *Estimated by applying the respective proportion age 21+ on the 2000 Census to the 2006 DOLWD Population Estimate
 3/27/2007

Selected 2000 Census Characteristics and 2006 Estimates for Home Rule and First Class Cities with less than 250 Resident Students Enrolled

Home Rule and First Class Cities	April 1, 2000 Census				DOLWD 2006	
	Total Population	Age 18+ % of Pop	Age 21+ % of Pop	Population Estimate	Estimated* 2006 Population Age 21+	
Total						
Pelican	163	123 75.5	120 73.6	106	78	
Tanana	308	201 65.3	185 60.1	261	157	
Hydaburg	382	248 64.9	235 61.5	352	217	
Skagway	862	685 79.5	671 77.8	854	665	
St. Mary's	500	302 60.4	281 56.2	551	310	
Klawock	854	597 69.9	562 65.8	776	511	
Kake	710	470 66.2	452 63.7	536	341	
Hoonah	860	609 70.8	562 65.3	829	542	
Nenana	402	291 72.4	279 69.4	359	249	
Galena	675	422 62.5	392 58.1	636	369	

Selected 2000 Census Characteristics & 2004 Estimates for Home Rule & First Class Cities with more than 250 Resident Students Enrolled

Home Rule and First Class Cities	April 1, 2000 Census				DOLWD 2006	
	Total Population	Age 18+ % of Pop	Age 21+ % of Pop	Population Estimate	Estimated* 2006 Population Age 21+	
Craig	1,397	952 68.1	907 64.9	1,420	922	
Wrangell	2,308	1,630 70.6	1,574 68.2	1,911	1,303	
Unalaska	4,283	3,659 85.4	3,549 82.9	3,940	3,265	
Cordova	2,454	1,768 72	1,677 68.3	2,211	1,511	
Dillingham	2,466	1,612 65.4	1,538 62.4	2,397	1,495	
Petersburg	3,224	2,263 70.2	2,177 67.5	3,129	2,113	
Nome	3,505	2,387 68.1	2,268 64.7	3,540	2,291	
Valdez	4,036	2,838 70.3	2,702 66.9	3,690	2,470	

Source: 2000 Census of Population and Housing, Demographic Profiles

and Alaska Department of Labor and Workforce Development, Research and Analysis Section, Demographics Unit

*Estimated by applying the respective proportion age 21+ on the 2000 Census to the 2006 DOLWD Population Estimate

3/27/2007

3 The 50 Largest Local government entities in Alaska, 2005

Rank		Annual Average Employment 2005	Annual Payroll 2005
1	Municipality of Anchorage	3,013	\$160,482,121
2	Fairbanks North Star Borough School District	2,128	\$76,970,296
3	Matanuska-Susitna Borough School District	1,872	\$72,987,952
4	Kenai Peninsula Borough School District	1,286	\$52,939,400
5	Lower Kuskokwim School District	1,062	\$34,453,961
6	Juneau School District	720	\$30,591,810
7	North Slope Borough	718	\$39,527,193
8	City and Borough of Juneau	662	\$26,045,239
9	Bering Strait School District	556	\$16,487,735
10	Kodiak Island Borough School District	441	\$15,971,489
11	Fairbanks North Star Borough	437	\$18,195,543
12	Bartlett Regional Hospital	412	\$18,777,388
13	Kenai Peninsula Borough	388	\$15,599,534
14	City of Ketchikan	346	\$17,201,525
15	Ketchikan Gateway Borough School District	325	\$13,843,880
16	Matanuska-Susitna Borough	313	\$11,010,927
17	Sitka School District	241	\$8,276,278
18	Central Council Tlingit & Haida Indian Tribes of Alaska	219	\$8,424,487
19	Southwest Region School District	218	\$6,639,575
20	Mellakata Indian Community	216	\$7,664,030
21	City of Fairbanks	181	\$11,819,112
22	City and Borough of Sitka	179	\$7,429,627
23	City of Unalaska	178	\$9,075,966
24	Yukon-Koyukuk School District	171	\$5,869,231
25	City of Kodiak	159	\$5,600,240
26	Ketchikan Gateway Borough	159	\$5,353,058
27	Delta/Greely School District	141	\$5,336,854
28	Valdez City School District	138	\$6,252,127
29	Kuspuk School District	137	\$4,293,080
30	City of Valdez	136	\$5,495,562
31	City of Wasilla	129	\$4,237,447
32	Copper River School District	123	\$3,623,540
33	Alaska Gateway School District	118	\$3,369,400
34	Sitka Community Hospital	116	\$4,254,979
35	Yup'it School District	116	\$4,197,649
36	City of Kenai	115	\$5,519,126
37	City of Homer	110	\$5,377,725
38	City of Petersburg	107	\$3,709,192
39	City of Seward	106	\$4,073,403
40	Kenaitze Indian Tribe	104	\$3,430,801

Source: Alaska Department of Labor & Workforce Development, Research and Analysis Section

all average for all jobs. But for many years, wage growth in local government has lagged behind most other industries. After adjusting for inflation, local government's average monthly earnings have fallen from \$3,809 in 1994 to \$3,006 in 2005.

Education dominates local government

Education represents the largest slice of local government both from a budgetary and employment standpoint. More than half of all employment in local government (56 percent) is tied to education. (See Exhibit 8.) The remainder includes tribal government (10 percent) and the rest of local government (34 percent), which includes the cities and boroughs around the state. A more detailed discussion of the educational side will follow later in this article.

Cities, boroughs and tribal government employ a lot of Alaskans

Together, noneducational entities employ about 17,800 workers, or 44 percent of all local government employees. Unlike the rest of the nation, Alaska isn't entirely organized at the regional level into counties (or in Alaska's case, boroughs, the equivalent of counties). While roughly 87 percent of Alaskans live in the state's 16 organized boroughs, the boroughs cover only 43 percent of Alaska's geographic area. The area outside the boroughs is divided into 11 census areas, which are areas designated by the U.S. Census Bureau. There is no census-area-level of local government.

Some Alaska communities have borough, city and tribal governments that overlap. For instance, Barrow residents live in the North Slope Borough, the City of Barrow and the Barrow Native Village – and all three entities have employees.

Other communities have a variation of the three – a borough government and a city government (the Kenai Peninsula Borough and the City of Homer, for example), a city government and a tribal government (the City of Allakaket and Allakaket Village), only a tribal government (the Native Village of Chitina) or no government below the state level (Chicken and Hollis).

**Employment and Payroll by REAA 0/
FY 2006 (July 05-June 06)**

School District	Wage Type	Average Reporting Units (establishments)	Average Monthly Employment	Wages Paid
Adak Region School	Govt.	5	85	635,318
Adak Region School	Private	13	108	5,248,113
Adak Region School	Total	18	193 \$	5,883,431
Alaska Gateway	Govt.	47	291	10,003,915
Alaska Gateway	Private	59	388	10,016,997
Alaska Gateway	Total	106	679 \$	20,020,912
Aleutian Region 1/	Govt.	4	24	413,817
Aleutian Region 1/	Private	10	32	797,340
Aleutian Region 1/	Total	14	56 \$	1,211,157
Annette Island	Govt.	5	314	11,758,859
Annette Island	Private	19	192	3,746,099
Annette Island	Total	24	506 \$	15,504,958
Bering Strait	Govt.	70	1,099	23,593,400
Bering Strait	Private	88	517	9,481,047
Bering Strait	Total	158	1,616 \$	33,074,447
Canadian School Service Area 2/	Govt.	3	51	2,564,757
Canadian School Service Area 2/	Private	7	9	101,891
Canadian School Service Area 2/	Total	10	60 \$	2,666,648
Chatham/Hoonah City/Pelican City 3/	Govt.	40	365	12,206,475
Chatham/Hoonah City Pelican City 3/	Private	91	351	8,000,190
Chatham/Hoonah City/Pelican City 3/	Total	131	716 \$	20,206,665
Chugach	Govt.	13	87	2,646,135
Chugach	Private	30	296	9,903,863
Chugach	Total	43	383 \$	12,549,998
Copper River	Govt.	43	336	12,209,864
Copper River	Private	116	746	27,139,464
Copper River	Total	159	1,082 \$	39,349,328
Delta-Greely	Govt.	19	398	21,106,477
Delta-Greely	Private	132	1,457	85,095,563
Delta-Greely	Total	151	1,855 \$	106,202,040
Floating Processor	Private	2	313	12,928,144
Floating Processor	Total	2	313 \$	12,928,144
Iditarod	Govt.	37	233	6,913,311

Iditarod	Private	36	134	2,751,721
Iditarod	Total	73	367 \$	9,665,032
Kuspuk	Govt.	29	291	7,424,836
Kuspuk	Private	22	132	4,430,483
Kuspuk	Total	51	423 \$	11,855,319
Lower Kuskokwim/Yupitt 5/	Govt.	104	2,899	80,707,435
Lower Kuskokwim/Yupitt 5/	Private	218	3,533	117,155,545
Lower Kuskokwim/Yupitt 5/	Total	322	6,432 \$	197,862,980
Lower Yukon/Kashunamiut/St. Mary's 6/	Govt.	75	1,472	26,695,897
Lower Yukon/Kashunamiut/St. Mary's 6/	Private	72	684	16,241,964
Lower Yukon/Kashunamiut/St. Mary's 6/	Total	147	2,156 \$	42,937,861
Priblof Island	Govt.	8	153	5,193,015
Priblof Island	Private	11	97	3,571,315
Priblof Island	Total	19	250 \$	8,764,330
Southeast Island/Craig City/Klawock City 7	Govt.	42	474	15,167,882
Southeast Island/Craig City/Klawock City 7	Private	139	849	23,829,594
Southeast Island/Craig City/Klawock City 7	Total	181	1,323 \$	38,997,476
Southwest Region/Dillingham City School :	Govt.	58	878	25,194,283
Southwest Region/Dillingham City School :	Private	106	1,652	54,067,938
Southwest Region/Dillingham City School :	Total	164	2,530 \$	79,262,221
Yukon Flats	Govt.	23	311	6,927,723
Yukon Flats	Private	23	171	7,455,728
Yukon Flats	Total	46	482 \$	14,383,451
Yukon-Koyukuk 10/	Govt.	29	255	5,423,165
Yukon-Koyukuk 10/	Private	33	118	4,635,650
Yukon-Koyukuk 10/	Total	62	373 \$	10,058,815
Total City and REAA	Govt.	654	10,016	276,786,564
Total City and REAA	Private	1,227	11,779	406,598,649
Total City and REAA	Total	1,881	21,795	683,385,213

Source: Alaska Department of Labor and Workforce Development, Research & Analysis Section
C:\work\WilkinsFY2006.xls

NOTES:

Alaska Department of Labor and Workforce Development employment and payroll information is assigned to census Sub-Subareas (SSA) which may not coincide with Rural Education Attendance Areas (REAA) or school districts. Due to inconsistencies between REAA, school district and SSA boundaries, this is the best available report the Department of Labor and Workforce Development can produce for REAAs and city school districts. Where known, inconsistencies in boundaries are noted below.

Employment and wage data by location are reported voluntarily by employers. Lack of, or erroneous employment

and payroll reports by geographic area can significantly affect reported data. Employment and wage data of employers who do not report geographic breakdowns are assigned a location based upon the headquarters or largest known worksite. Employers with mobile worksites (for example floating seafood processors) are assigned a "statewide" or "unknown" area code. Wages from these employers are excluded from this report.

0/ Aleutian Region REAA and Unalaska City Schools adjusted so that Aleutian Region REAA employment and wages reported in Unalaska are moved to Aleutian Region REAA.

2/ Employment and wages are from Smeaton Bay SSA, which includes Hyder. Children in this area may attend Canadian schools

3/ Hoonah SSA includes Hoonah and Pelican employment and wages, which are part of Hoonah & Pelican City Schools.

4/ Galena SSA includes Kaltag, Koyukuk and Nulato employment and wages, which are part of the Yukon-Koyukuk REAA.

5/ Kuskokwim SSA includes Akiachak, Akiak, & Tuluskak employment and wages, which are part of Yupiit REAA.

6/ Scammon Bay SSA includes Chevak employment and wages, which is in Kushunamit REAA, and Saint Mary's SSA includes Saint Mary's employment and wages, which is in Saint Mary's REAA.

7/ Hollis SSA includes Craig and Klawock employment and wages, which is in Craig City Schools and Klawock City Schools.

8/ Employment and wages for Dillingham City Schools and Southwest Region Schools REAA areas are combined.

9/ Tanana SSA includes Ruby employment and wages, which are part of Yukon-Koyukuk REAA.

10/ Manley Hot Springs SSA includes Lake Minchumina employment and wages, which are part of Iditarod Area REAA.

Employment and wages for Kaltag, Koyukuk, Nulato and Ruby are excluded. Employment and wages for Kaltag, Koyukuk and Nulato are reported with Galena City Schools. Employment and wages for Ruby are reported with Tanana City Schools.