

**HB**

**180**

<target><bill>HB 180</bill><subject>HB  
180</subject><comm>HFIN26</comm></target>

2.23.10

During Session:  
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**Alaska State Legislature**  
**REPRESENTATIVE REGGIE JOULE**

**SPONSOR STATEMENT FOR HB 180**

A.S. 14.11.008(b) establishes the required participating share for a municipal school district for a construction or maintenance grant project based on the district's full value per average daily membership (ADM). The ADM is calculated by dividing the full and true value of the taxable real and personal property in the district by the district ADM. In 2008, HB 373 passed the legislature near the end of the session. The House passed HB 373 on March 18. The Senate passed out a committee substitute to HB 373 on April 11, the House concurred the same day. The committee substitute made changes to Section 1 of the bill effectively reducing the participating share for some local governments depending upon their full value per ADM calculation breaking it into 4 categories at 5, 10, 30 and 35%. However, the new participating share levels created an undue burden when some of the local governments moved from the 10% to 30% participating share portion since there is no stair-stepping to a 20% participating share level. HB 180 proposes to amend Section 1 by adding a provision that would stair-step the local share from 10% to 20% instead of the large increase from 10% to 30% for these districts. The comparison of the existing and proposed revision is as follows:

Full Value Per ADM	District Participating Share
\$1 - \$150,000	5 percent
150,001 - 275,000	10 percent
275,001 - <u>500,000</u> [800,000]	20 [30] percent
<u>500,001 - 800,000</u>	<u>30 percent</u>
over 800,000	35 percent.

If the 20% participating share level is retroactive to April 1<sup>st</sup> 2008, the fiscal impact will be **\$2,664,859** and is broken down as follows:

Projects funded in FY2009 under AS 14.11.007 and .006 (Major Maintenance and School Construction List) include the following:

- Nome-Belz Jr./Sr High Buildings D and E Roof Replacement \$214,731
- Shungnak K-12 School Improvements, Phase 5 \$486,973
- Deering K-12 School Improvements, Phase 2 \$124,456
- Kobuk K-12 Renovation/Addition \$1,083,427
- Hoonah Pool and Boiler Room Roof Replacement \$132,877

Projects funded in FY2010 under AS 14.11.007 (Major Maintenance List) include the following:

- Kodiak Schools Seismic Mitigation Project \$ 462,307
- Evergreen Elementary School Playground Safety Upgrades \$110,100
- False Pass K-12 School Siding Replacement, Recovery of Funds \$13,148
- Cold Bay K-12 Heating System Upgrade \$10,827
- Sand Point K-12 School Window Replacement, Recovery of Funds \$9,706

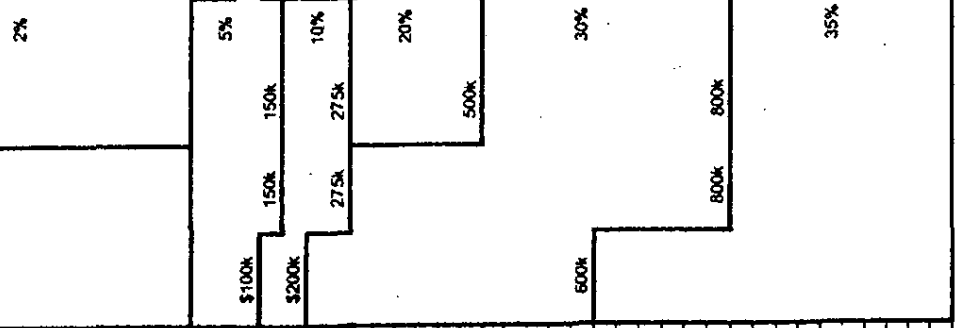
Projects funded in FY2011 under AS 14.11.007 (Major Maintenance List) include the following:

- Nome Beltz Fire Alarm Replacement – \$12,049
- Nome Beltz Generator Switching – \$4,259

Districts that would have a 20% local share under HB180 using FY2011 population and assessment information are as follows:

Kake  
Dillingham  
Northwest Arctic  
Klawock  
Nome  
Kodiak

Distict	FY 2009 Full Values	2009 ADM	FY 2008 Local Share %	FY 2009 Local Share %	Local Share % (modifying FY2009 Local Share)	HB 373 (2011) levels	HB 373 (2008) levels	HB 180 (2011) levels
Alaska Gateway	\$ 303,26	\$ -	2	2	2			
Aleutian Region	\$ 37,00	\$ -	2	2	2			
Annette Island	\$ 267,55	\$ -	2	2	2			
Bering Strait	\$ 1,652,95	\$ -	2	2	2			
Chatham	\$ 151,75	\$ -	2	2	2			
Chugach	\$ 224,80	\$ -	2	2	2			
Copper River	\$ 502,90	\$ -	2	2	2			
Delta/Greely	\$ 1,077,44	\$ -	2	2	2			
Iditarod Area	\$ 280,43	\$ -	2	2	2			
Kashuanukut	\$ 312,50	\$ -	2	2	2			
Kuspiuk	\$ 339,65	\$ -	2	2	2			
Lower Kuskokwim	\$ 3,953,55	\$ -	2	2	2			
Lower Yukon	\$ 2,031,10	\$ -	2	2	2			
Pribilof Island	\$ 109,65	\$ -	2	2	2			
Southwest Island	\$ 167,20	\$ -	2	2	2			
Southwest Region	\$ 633,50	\$ -	2	2	2			
Yukon Flats	\$ 270,80	\$ -	2	2	2			
Yukon-Koyukuk	\$ 1,267,98	\$ -	2	2	2			
Yupik	\$ 444,75	\$ -	2	2	2			
Galena	\$ 30,397,300	\$ 8,329	5	5	5			
Nenana City	\$ 26,080,800	\$ 1,061,66	5	5	5			
Saint Marys	\$ 12,933,000	\$ 73,150	5	5	5			
Craig City	\$ 105,587,400	\$ 723,32	10	10	10			
Lake & Peninsula	\$ 73,323,700	\$ 368,68	10	10	10			
Hydaburg City	\$ 14,036,300	\$ 66,63	10	10	10			
Tanana City	\$ 8,947,400	\$ 39,15	5	5	5			
Keke City	\$ 27,592,100	\$ 93,35	10	10	10			
Dillingham City	\$ 177,004,500	\$ 500,45	30	30	30			
Northwest Arctic	\$ 681,749,730	\$ 1,857,30	30	30	30			
Glennview City	\$ 53,607,400	\$ 125,10	30	30	30			
Nome City	\$ 314,755,100	\$ 673,71	30	30	30			
Kodiak Island	\$ 1,288,364,300	\$ 2,597,87	30	30	30			
Mat-Su Borough	\$ 8,929,096,710	\$ 16,480,83	30	30	30			
Yakutat City	\$ 66,929,700	\$ 121,25	30	30	30			
Denali Borough	\$ 230,334,500	\$ 407,79	30	30	30			
Heenah City	\$ 70,798,300	\$ 123,45	30	30	30			
Wrangell City	\$ 186,045,900	\$ 323,73	30	30	30			
Cordova	\$ 224,318,160	\$ 368,40	30	30	30			
Aleutians East	\$ 156,158,100	\$ 248,75	30	30	30			
Fairbanks	\$ 9,268,836,820	\$ 14,147,57	30	30	30			
Petersburg City	\$ 362,376,900	\$ 517,17	30	30	30			
Anchorage	\$ 35,128,863,600	\$ 48,227,36	30	30	30			
Ketchikan	\$ 1,606,849,700	\$ 2,126,83	30	30	30			
Juneau City Borough	\$ 4,335,282,900	\$ 4,972,69	35	35	35			
Kenai Peninsula	\$ 8,133,669,680	\$ 9,255,77	35	35	35			
Sitka City Borough	\$ 1,178,401,100	\$ 1,316,21	35	35	35			
Pelican City	\$ 13,667,200	\$ 14,55	35	35	35			
Haines	\$ 327,494,200	\$ 305,25	35	35	35			
Unalaska City	\$ 498,432,000	\$ 402,35	35	35	35			
Bristol Bay Borough	\$ 243,019,900	\$ 144,65	35	35	35			
Valdez City	\$ 2,321,728,750	\$ 691,60	35	35	35			
Seward City	\$ 330,245,100	\$ 94,55	35	35	35			
North Slope Borough	\$ 14,988,085,125	\$ 9,481,929	35	35	35			



## Local Share Comparison Chart Department of Education

2-23-10

2-23-10

# FISCAL NOTE

STATE OF ALASKA  
2010 LEGISLATIVE SESSION

Fiscal Note Number: \_\_\_\_\_  
Bill Version: HB180  
( ) Publish Date: \_\_\_\_\_

Identifier (file name): HB180-EED-ESS-2-22-10  
Title: An Act amending the percentages to be paid by a municipal school district receiveing a school construction...  
Sponsor: Representative Joule  
Requester: House Finance  
Dept. Affected: Education & Early Development  
RDU: Education Support Services  
Component: School Fininace & Facilities  
Component Number: 2737

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

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

	Appropriation Required	Information						
		FY 2011	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
<b>OPERATING EXPENDITURES</b>								
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>0.0</b>	<b>0.0</b>

<b>CAPITAL EXPENDITURES</b>	<b>16.3</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	16.3		***	***	***	***	***
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
<b>TOTAL</b>	<b>16.3</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 (FY2010) cost: 2,371.9

**POSITIONS**

Full-time							
Part-time							
Temporary							

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

Section 1 of HB 180 amends the participating share table in AS 14.11.008(b) by adding a 20% participating share level to the table that currently steps from 10% to 30%. Participating share is calculated based on the district's assessed property value per Average Daily Membership (ADM). Section 3 of the bill will require \$2,664,859 to be appropriated in the FY2010 budget for additional participating share on projects funded by the legislature in FY09, FY10, and \$16,307 added to HB 301 (p5, lns 8-9 & 10-11) for the Nome Beltz Fire Alarm replacement project and Nome generator switch replacement project.

\*\*\*Due to the unknown future level of funding for either the School Construction list or Major Maintenance list, for districts impacted by the changes in HB 180, it is not possible to assign an amount to the fiscal note for any year beyond FY 11, therefore the out years are indeterminate.

Prepared by: Sam Kito, III  
Division: School Finance  
Approved by: Larry LeDoux  
Commissioner

Phone 465-6906  
Date/Time 2/22/10 12:00 AM  
Date 2/22/2010