

Leg. Finance - Finance Comte Files (1971-72) 8879

HB 1, 4, 21, 24, 35



# RECORDS CERTIFICATION



I, the undersigned, an employee of the State of Alaska, do hereby certify that the microfilm images on this microform are accurate reproductions of the original records of the State of Alaska as accumulated during the regular course of business, and that it is the established policy and practice of this State to microfilm its records and to dispose of the original records after microfilm reproductions have been made.

James Smith  
Signature of Camera Operator

4/4/89  
Date

Introduced: 1/12/71  
Referred: Health, Welfare  
and Education and Finance

1 IN THE HOUSE

BY BRADNER

2 HOUSE BILL NO. 1

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act creating the Alaska higher education aid  
7 program."

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9 \* Section 1. AS 14 is amended by adding a new chapter to read:

10 CHAPTER 42. ALASKA HIGHER EDUCATION AID PROGRAM.

11 Sec. 14.42.010. ESTABLISHMENT OF PROGRAM. There is created in  
12 the Department of Education and under its administration the Alaska  
13 higher education aid program to provide grants and loans to Alaskans  
14 pursuing advanced degrees.

15 Sec. 14.42.020. SELECTION COMMITTEE. (a) The program created  
16 in sec. 10 of this chapter shall be under the direction of a six-  
17 member selection committee composed of the chairman of the State Board  
18 of Education, the chairman of the State-operated School Board, the  
19 commissioner of education, and one member each appointed by the Board  
20 of Regents of the University of Alaska, the trustees of Sheldon Jackson  
21 College, and the trustees of Alaska Methodist University. Appointed  
22 members serve at the pleasure of their appointers. The chairman of the  
23 State Board of Education shall serve as chairman of the selection  
24 committee.

25 (b) Members of the selection committee serve without compensation  
26 but are entitled to per diem and travel expenses authorized by law for  
27 boards and commissions.

28 (c) The selection committee shall make an annual report to the  
29 governor reviewing the work of the committee.

COMMITTEE COPY

1 (d) The selection committee shall meet at least once a year. The  
2 meetings shall be held at the call of the chairman or upon petition of  
3 two members.

4 Sec. 14.42.030. APPLICATIONS. (a) Applicants shall be recom-  
5 mended by the appropriate body within each Alaska institution charged  
6 with the supervision of students seeking advanced degrees, and the  
7 application shall be submitted to the selection committee through the  
8 institution's representative on the committee. Applicants who are  
9 Alaska residents attending institutions outside the state and applicants  
10 who are not attending institutions shall apply directly to the  
11 commissioner of education.

12 (b) No grant or loan may be awarded to a person who is not a  
13 resident of the state and who has not resided in the state for the  
14 three years before application, but the time spent in military service  
15 or in attendance at institutions of higher learning outside the state  
16 counts as time in the state. Preference shall be given to graduates  
17 of Alaska high schools or colleges.

18 (c) Loans and grants may be approved for applicants to attend  
19 institutions outside of the state when the selection committee deter-  
20 mines that the specialty sought is not readily available in the state.

21 (d) A person whose application is not recommended to the committee  
22 by the body described in (a) of this section may appeal to the selection  
23 committee through the commissioner of education, and the committee shall  
24 consider the application.

25 Sec. 14.42.040. GRANTS AND LOANS. (a) Aid shall be given in the  
26 form of loans.

27 (b) A portion of the loan shall be considered a grant if, within  
28 a reasonable period after the advanced degree is received, the grantee  
29 spends at least two years employed in the state. The portion of the

1 loan which shall be regarded as a grant shall be the following  
2 percentages of the total loan received:

- |   |                            |     |
|---|----------------------------|-----|
| 3 | (1) 2 - 3 years residency  | 10% |
| 4 | (2) 3 - 4 years residency  | 20% |
| 5 | (3) 4 - 5 years residency  | 30% |
| 6 | (4) over 5 years residency | 40% |

7 (c) A combined grant and loan to an applicant may not be more  
8 than \$6,000 in any one year, or ever total more than \$20,000 except  
9 that if an applicant specifically applies for an exclusion based on  
10 the unavailability of a degree being obtainable in the state, and the  
11 selection committee determines that the obtaining of the degree is in  
12 the public interest, the allowable amounts are \$10,000 in any one year  
13 and \$30,000 total.

14 (d) Interest on a loan given under this chapter shall be at the  
15 rate of four per cent while the person receiving the loan is a resident  
16 of the state, and at the rate of eight per cent while he is no longer  
17 a resident of the state. Time spent in military service and attendance  
18 at institutions of higher learning outside the state are considered  
19 Alaska residency for the purpose of interest payments.

20 Sec. 14.42.050. REPAYMENT OF LOANS. The selection committee  
21 is authorized to establish repayment terms on an individual basis. The  
22 board shall consider the present and prospective income of the  
23 recipient, his military status, and any other matters which may bear  
24 upon the recipient's financial ability to repay the loan.

25 Sec. 14.42.060. FUND CREATED. There is created a higher education  
26 aid fund as an account in the general fund to be used to make loans  
27 and grants under this chapter.

28 Sec. 14.42.070. LIMITATION ON LOANS. No person who receives  
29 proceeds under a loan of the provisions of this chapter is eligible

1 to receive concurrently a loan under any other educational loan  
2 program established by the state and no person who receives proceeds  
3 of a loan under any other educational loan program of the state is  
4 eligible for a concurrent loan under this chapter.

5 Sec. 14.42.080. REGULATIONS. The selection committee shall  
6 promulgate, under the Administrative Procedure Act (AS 44.62), the  
7 regulations necessary to carry out the purposes of this chapter.  
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**ALASKA STATE LEGISLATURE**

SEVENTH Legislature FIRST Session

HOUSE BILL NO. 1

By BRADNER

"An Act creating the Alaska higher education aid program."

Higher education aid program

Introduced in the House 11/2, 1971

**HISTORY IN THE HOUSE**

1971

Read first time and referred to Committee on

Reported back with recommendation that

Read second time and

Read third time and

PASS Yeas Nays Absent Excused

Effective Date

PASS Yeas Nays Absent Excused

Reported correctly engrossed Signed by Speaker Sent to Senate

CHIEF CLERK OF THE HOUSE

**HISTORY IN THE SENATE**

19

Read first time and referred to Committee on

Reported back with recommendation that

Read second time and

Read third time and

PASS Yeas Nays Absent Excused

Effective Date

PASS Yeas Nays Absent Excused

Reported correctly engrossed Signed by President Returned to House

SECRETARY OF THE SENATE

**HISTORY IN THE HOUSE**

19

Received from Senate

Reported correctly enrolled

Sent to Governor

By Governor

Filed with Secy. State

Chapter No.

### Committee Report

HOUSE OF REPRESENTATIVES

FINANCE

1/12/71

Feb. 16, 1971 Date

Mr. Speaker:

The Committee on Health, Welfare & Education has had HB 1 under consideration. A majority of the members of the Committee

- recommends it do pass
- recommends it do not pass
- recommends it do pass with attached amendment(s)
- recommends it be replaced with CS for \_\_\_\_\_ and that CS for \_\_\_\_\_ do pass
- (and) recommends it be referred to the \_\_\_\_\_ committee
- reports it back without recommendation
- (other) \_\_\_\_\_

MEMBERS SIGNING THE MAJORITY REPORT:

Paul Wattler \_\_\_\_\_  
Carl E. Moss \_\_\_\_\_  
Ed Naughton \_\_\_\_\_  
Genie Chance \_\_\_\_\_  
Martin B. Mone \_\_\_\_\_

MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

Keith Spiekering recommends: Do not pass  
 \_\_\_\_\_ recommends:  
 \_\_\_\_\_ recommends:  
 \_\_\_\_\_ recommends:  
 \_\_\_\_\_ recommends:

Genie Chance  
 CHAIRMAN

"An Act creating the Alaska higher education aid program."

### Committee Report

HOUSE OF REPRESENTATIVES

2/17/71

\_\_\_\_\_ Date

Mr. Speaker:

The Committee on FINANCE has had HB 1 under consideration. A majority of the members of the Committee

- recommends it do pass
- recommends it do not pass
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- (other) \_\_\_\_\_

MEMBERS SIGNING THE MAJORITY REPORT:

_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

\_\_\_\_\_ recommends:

\_\_\_\_\_ recommends:

\_\_\_\_\_ recommends:

\_\_\_\_\_ recommends:

\_\_\_\_\_ recommends:

\_\_\_\_\_ CHAIRMAN

The Legislature of the State of Alaska  
FISCAL NOTE

- COPIES: 1 THE CHAIRMAN OF THE COMMITTEE MAKING THE REQUEST  
 1 THE HOUSE FINANCE COMMITTEE STAFF  
 1 THE SENATE FINANCE COMMITTEE STAFF  
 1 THE DIVISION OF BUDGET & MANAGEMENT  
 3 RETAIN A COPY FOR YOUR FILES

Subject: Higher Education Aid HB #1 SB  
 requested by \_\_\_\_\_  
 referred to \_\_\_\_\_ date of request \_\_\_\_\_  
 completion date requested \_\_\_\_\_ date received \_\_\_\_\_

EXPENDITURE DETAIL	FY 72	FY	FY
100 PERSONAL SERVICES	\$	\$	\$
200 TRAVEL	2,600		
300 CONTRACTUAL SERVICES	300		
400 COMMODITIES	100		
500 EQUIPMENT			
600 LAND AND STRUCTURE			
700 GRANTS, CLAIMS & SHARED REVENUE	150,000		
TOTAL	\$ 153,000	\$	\$
FUNDING DETAIL			
FEDERAL RECEIPTS	\$	\$	\$
SPECIAL FUNDS			
UNRESTRICTED GENERAL FUND RECEIPTS	153,000		

Man Months  
 Permanent Positions  
 Temporary Positions

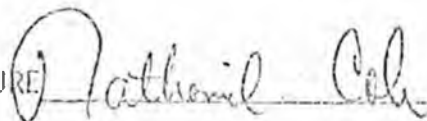
FISCAL ANALYSIS

- 200: Travel of Selection Committee estimated on 2 meetings per year at 2 days per meeting, including travel time, approximately \$2,600.  
 Per Diem: 24 days @ \$35/day = \$840  
 Transportation: 2 round trips per member @ \$150/round trip, 2 x 6 x \$150 = \$1,800
- 300: Contractual Services for preparation and printing of report - \$300.
- 400: Paper, materials, supplies, etc. - \$100.
- 700: 25 loans @ \$6,000 per loan = \$150,000.

The Department of Education received 21 inquiries or applications for loans for graduate study for the FY-71 year under the existing scholarship loan program for undergraduates from people who thought the program included graduate studies. Based on these inquiries, it is estimated that a minimum of 25 Alaskans would apply for graduate study under HB #1.

DATE 1/27/71

SIGNATURE



NAME & TITLE Nathaniel H. Cole, Director, Administrative Serv

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BY BRADNER

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3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - FIRST SESSION

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20 of Regents of the University of Alaska, the trustees of Sheldon Jackson  
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# RECORDS CERTIFICATION



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James D. Smith  
Signature of Camera Operator

4/4/89  
Date

Original sponsor: M. Miller and  
Harris

Offered: 4/13/71  
Referred: Finance

BY THE HEALTH, WELFARE AND  
EDUCATION COMMITTEE

1 IN THE HOUSE

2 CS FOR HOUSE BILL NO. 4

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to certain taxes; and providing for  
7 an effective date."

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9 \* Section 1. AS 43.45 is repealed.

10 \* Sec. 2. AS 43.50.190(a) is repealed and re-enacted to read:

11 (a) There is levied an excise tax of 40 per cent of the wholesale  
12 selling price on all tobacco, cigars, cigarettes and snuff imported or  
13 acquired in this state.

14 \* Sec. 3. This Act takes effect July 1, 1971.

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COMMITTEE COPY

Introduced: 1/12/71  
Referred: Health, Welfare and  
Education and Finance

1 IN THE HOUSE

BY M. MILLER

*and Harris*

2 HOUSE BILL NO. 4

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act repealing the so-called school tax; and pro-  
7 viding for an effective date."

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9 \* Section 1. AS 43.45 is repealed.

10 \* Sec. 2. This Act takes effect July 1, 1971.

ALASKA STATE LEGISLATURE

SEVENTH Legislature FIRST Session

HOUSE BILL NO. 4

By M. MILLEN and others

"An Act repealing the so-called school tax; and providing for an effective date."

Repeal school tax

Introduced in the House 1-12, 1921

HISTORY IN THE HOUSE

19 21

Read first time and referred to Committee on Education

Reported back with recommendation that

Read second time and

Read third time and

PASS Yeas Nays Absent Excused

Effective Date

PASS Yeas Nays Absent Excused

Reported correctly engrossed Signed by Speaker Sent to Senate

CHIEF CLERK OF THE HOUSE

HISTORY IN THE SENATE

19

Read first time and referred to Committee on Education

Reported back with recommendation that

Read second time and

Read third time and

PASS Yeas Nays Absent Excused

Effective Date

PASS Yeas Nays Absent Excused

Reported correctly engrossed Signed by President Returned to House

SECRETARY OF THE SENATE

HISTORY IN THE HOUSE

19

Received from Senate

Reported correctly enrolled

Sent to Governor

By Governor

Filed with Secy. State

Chapter No.

"An Act repealing the so-called school tax; and providing for an effective date.

### Committee Report

#### HOUSE OF REPRESENTATIVES

4/13/71

\_\_\_\_\_ Date

Mr. Speaker:

The Committee on FINANCE has had HB 4

under consideration. A majority of the members of the Committee

recommends it do pass

recommends it do not pass

recommends it do pass with attached amendment(s)

recommends it be replaced with CS for \_\_\_\_\_ and that  
CS for \_\_\_\_\_ do pass

(and) recom ends it be referred to the \_\_\_\_\_  
committee

reports it back without recommendation

(other) \_\_\_\_\_

#### MEMBERS SIGNING THE MAJORITY REPORT:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

#### MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

\_\_\_\_\_ recommends:

\_\_\_\_\_ recommends:

\_\_\_\_\_ recommends:

\_\_\_\_\_ recommends:

\_\_\_\_\_ recommends:

\_\_\_\_\_  
CHAIRMAN

"An Act repealing the so-called school tax; and providing for an effective date."

### Committee Report

HOUSE OF REPRESENTATIVES

FINANCE

1/12/71

12 April 1971  
Date

Mr. Speaker:

The Committee on HEALTH, WELFARE & EDUCATION has had HB 4 under consideration. A majority of the members of the Committee

recommends it do pass

recommends it do not pass

recommends it do pass with attached amendment(s)

recommends it be replaced with CS for HB 4 *with a new title* and that CS for HB 4 do pass "An Act relating to certain taxes; and providing for an effective date."

(and) recommends it be referred to the \_\_\_\_\_ committee *with attached amendment.*

reports it back without recommendation

(other) \_\_\_\_\_

MEMBERS SIGNING THE MAJORITY REPORT:

Genie Chance  
Ed Naughton  
Gene Wilkerson  
Carl E. Moses

MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

Mike Colletta recommends: No rec.  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_ recommends:  
\_\_\_\_\_ recommends:  
\_\_\_\_\_ recommends:  
\_\_\_\_\_ recommends:

Genie Chance  
CHAIRMAN

A M E N D M E N T

Offered in the HOUSE

By House HWE Comm

To: <sup>(HWE)</sup>  
CS HOUSE BILL NO. A  
SENATE BILL NO. \_\_\_\_\_

AMENDMENT: Page 1 Line 11

change "40" to "50"

STATE  
of ALASKA

MEMORANDUM

RECEIVED

JAN 19 1972

TO:  R. D. Stevensen  
Deputy Commissioner

DEPT. OF REVENUE  
STATE OF ALASKA  
JUNEAU

FROM: *Steffen Andersen*  
Steffen Andersen, Director  
Excise Tax Division

DATE: January 18, 1972

SUBJECT: Fiscal Note CSHB-4

With reference to Section 1, AS 43.45, following is the effect on Treasury if the effective date of the subject bill is January 1, 1973 for School Tax.

School Tax collections for the quarters ending 9/30/72 and 12/30/72 are estimated at \$407,000.00.

School Tax collection from Federal and self-employed people would be approximately \$210,000 collected at income tax time.

With the present estimated budget of \$1,455,300 the loss to Treasury would be \$617,000 or 42.40% for the fiscal year 1972-73. Future fiscal years would have no revenue due to the school tax repeal.

With reference to Sec. 2, AS 43.50.190(a) as re-enacted by CSHB-4 attached is a graph showing the effect on the Treasury General Fund.

CSHB-4 will create administrative problems for it will be necessary for the wholesaler to report on two bases for Section 10 - 180 is 2-1/2 mill tax on each cigarette and is dedicated to the so-called "school fund" and Section 2, AS 43.50.190 as changed by CSHB-4 taxes cigarettes and all tobacco products on 40% of the wholesale price. We will have double the desk audit work and increased field auditing. Under the present statute we can audit from the tobacco company's computer printouts on all cigarettes sold in Alaska. They do not have this data on other tobacco products so it would be necessary to go into the field for this information. CSHB-4 would also necessitate new reporting forms.

SA:dw

Attachment

EFFECT ON TREASURY GENERAL FUND BY CSHB-4

	FY - 1973	FY - 1974	FY - 1975	FY - 1976	FY - 1977
Carton Cigarettes	4,523,333	5,066,000	5,674,000	6,127,667	6,618,000
Wholesale Price	<u>x\$2.25</u>	<u>x\$2.25</u>	<u>x\$2.25</u>	<u>x\$2.25</u>	<u>x\$2.25</u>
Value Cigarettes	\$10,177,500	\$11,398,500	\$12,766,500	\$13,787,251	\$14,890,500
Tax 40% of Value	<u>x.40%</u>	<u>x.40%</u>	<u>x.40%</u>	<u>x.40%</u>	<u>x.40%</u>
Cigarette Tax	\$4,071,000	\$4,559,400	\$5,106,600	\$5,514,900	\$5,956,200
Tobacco Products 4.2% of Cigarettes	<u>170,982</u>	<u>191,495</u>	<u>214,477</u>	<u>231,626</u>	<u>250,160</u>
Total Tax	\$4,241,982	\$4,750,895	\$5,321,077	\$5,746,526	\$6,206,360
Less Loss from School Tax	<u>617,000</u>	<u>1,542,600</u>	<u>1,635,100</u>	<u>1,700,500</u>	<u>1,717,500</u>
Total Cigarette Tax to General Fund	\$3,624,982	\$3,208,295	\$3,685,977	\$4,046,026	\$4,488,860
Cigarette Tax - CSHB-4	3,624,982	3,208,295	3,695,977	4,046,026	4,488,860
Cigarette Tax @ .03¢	<u>1,357,000</u>	<u>1,519,800</u>	<u>1,702,200</u>	<u>1,838,300</u>	<u>1,985,400</u>
Gain to General Fund	\$2,267,982	\$1,688,495	\$1,983,777	\$2,207,726	\$2,503,460

# STATE OF ALASKA

## DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER

WILLIAM A. EGAN, Governor

POUCH 5 — JUNEAU 99201

March 5, 1971

The Honorable Genie Chance  
Chairman, House Health, Welfare and  
Education Committee  
Alaska State Legislature  
State Capitol Building  
Juneau, Alaska

In Re: House Bill No. 4, An Act repealing the so-called school tax,  
effective July 1, 1971

Dear Representative Chance:

Your memorandum of March 4, 1971 addressed to Mr. Eric E. Wohlforth, Commissioner of Revenue concerning House Bill No. 4 has been referred to the writer for reply. I will answer the questions raised in your memorandum in the order that they appeared.

1. How much money is actually generated from the tax?

During the past five fiscal years net collections of the school tax were as follows:

<u>Fiscal Year</u>	<u>Net Collections (Actual)</u>
6-30-70	\$ 1,406,823
6-30-69	1,264,921
6-30-68	956,971
6-30-67	898,027
6-30-66	830,007

Projected revenues for school tax for the current fiscal year and the next five fiscal years are as follows:

<u>Fiscal Year</u>	<u>Net Collections (Estimated)</u>
6-30-71	\$ 1,476,100
6-30-72	1,564,700
6-30-73	1,658,600
6-30-74	1,758,100
6-30-75	1,828,400
6-30-76	1,901,500

2. What is the cost administering and collecting the tax?  
The cost as compared to the costs of obtaining comparable revenues through an increase in income tax?

The bulk of school tax is collected by withholding from income tax and is reported and paid with income tax withheld for wage earners. The self-employed and Federal employees report and pay the school tax at the time of filing individual income tax returns. Cost of collection of the school tax and income tax and certain other taxes administered by our Audit Division amount to approximately 9/10 of 1 cent for each dollar of collection.

There is additional cost to collecting school tax and income tax on the same withholding tax returns and the same individual income tax returns as compared to collecting individual income only without school tax. The cost lies in the requirement in the cashier's office for separate accounting for each type of revenue; additional IBM runs to determine school tax paid and income tax paid when processing refunds and considerable additional time spent by audit adjustments in income tax returns where the only item in question is the taxpayer's school tax.

If individual income tax were raised from 16% to 17% of the 1963 Federal rates, based on 1970-1971 projections, the 1% increase would bring additional revenues in amount of \$2,226,000 or an amount in excess of school tax revenues anticipated for any fiscal year through 1976. The only actual cost would be to print and distribute some 8,000 to 12,000 employers withholding tax guides as the tax rate change would likely necessitate a change in income tax withholding.

For your further information, along the same trend of thought, a 4 cent increase in the cigarette tax from the present 8 cents a package to 12 cents a package would generate additional revenues in the amount of \$1,625,332 annually.

Likewise, increasing the excise tax on beer from the present 25 cents a gallon to 50 cents a gallon would generate additional revenues in the amount of \$1,413,208 annually.

3. Is there any circumstance where the school tax is collected and the Alaska withholding tax is not?

In the area of the very low income wage earners as well as students 19 and over who work part-time and others who work part-time, there will be circumstances where school tax is collected and income tax is not collected. There will be also circumstances where the taxpayer because of annual earnings as compared to exemptions will have no actual income tax liability but will have a school tax liability.

Attached is a copy of a memorandum from Mr. Fred Boetsch, Director, Audit Division, indicating examples of no income tax withholding but liability for school tax and no annual income tax liability but liability for school tax.

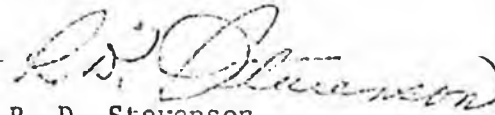
March 5, 1971

GENERAL:

It is respectfully requested that attention be given to the effective date of this bill--July 1, 1971--. The school tax is actually collected on a calendar year basis through the withholding and income tax system. If the effective date were to stand, all taxpayers who earned wages up to June 30, 1971 would be liable for the tax and those coming for say construction work or newly arrived taxpayers after July 1, 1971 would not be liable. The statute reads that the tax is due on January 1st of each year. If a split year liability for 1971 were in effect, separate questionnaires would be necessary to determine which taxpayers were liable (January 1, 1971 to June 30, 1971) and those taxpayers who were not liable (July 1, 1971 to December 31, 1971).

When the Disaster Relief Tax (\$10.00) was repealed by the 1969 session of the State Legislature, Chapter 48, SLA 1969, it is to be noted that the effective date was January 1, 1970. It is suggested that the effective date for House Bill No. 4 be amended to read January 1, 1972. Already during 1971 since January there has been considerable withholding of School Tax which will be reported and paid by employers on or before April 30, 1971.

Very truly yours,



R. D. Stevenson  
Deputy Commissioner

RDS:eh

cc: Honorable George H. Hohman  
Chairman, House Finance Committee  
Alaska State Legislature  
Juneau, Alaska

Original sponsor: M. Miller and  
Harris

Offered: 4/13/71  
Referred: Finance

1 IN THE HOUSE

BY THE HEALTH, WELFARE AND  
EDUCATION COMMITTEE

2 CS FOR HOUSE BILL NO. 4

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to certain taxes; and providing for  
7 an effective date."

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9 \* Section 1. AS 43.45 is repealed.

10 \* Sec. 2. AS 43.50.190(a) is repealed and re-enacted to read:

11 (a) There is levied an excise tax of 40 per cent of the wholesale  
12 selling price on all tobacco, cigars, cigarettes and snuff imported or  
13 acquired in this state.

14 \* Sec. 3. This Act takes effect July 1, 1971.

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Original sponsor: M. Miller and  
Harris

Offered: 4/13/71  
Referred: Finance

1 IN THE HOUSE

BY THE HEALTH, WELFARE AND  
EDUCATION COMMITTEE

2 CS FOR HOUSE BILL NO. 4

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# RECORDS CERTIFICATION



I, the undersigned, an employee of the State of Alaska, do hereby certify that the microfilm images on this microform are accurate reproductions of the original records of the State of Alaska as accumulated during the regular course of business, and that it is the established policy and practice of this State to microfilm its records and to dispose of the original records after microfilm reproductions have been made.

James C. Smith  
Signature of Camera Operator

4/4/89  
Date

Introduced: 1/12/71  
Referred: State Affairs  
and Finance

1 IN THE HOUSE

BY BRADNER AND RANDOLPH

2 HOUSE BILL NO. 21

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to state aid to fairs."

7 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

8 \* Section 1. AS 03.20.020 is amended to read:

9       Sec. 03.20.020. AMOUNT AND CONDITIONS OF AID. Fairs may be held  
10 each year in each of the house election districts and state aid for  
11 the operation and capital improvement of the fairs may not exceed the  
12 sum of \$25,000 [\$10,000] each for fairs having an annual event the  
13 10 previous years and may not exceed \$5,000 [\$3,000] for other fairs  
14 held annually. The people of each district sponsoring a fair are not  
15 eligible for state aid unless they subscribe to spend from their own  
16 funds for that purpose an amount equal to the amount of the state aid  
17 and have or organize an agricultural and industrial fair association  
18 for the operation and capital improvement of the fairs. Each fair  
19 receiving state aid is open to entries by the people of the whole  
20 state and special provision shall be made for exhibits from boys' and  
21 girls' clubs.  
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**ALASKA STATE LEGISLATURE**

SEVENTH Legislature FIRST Session

HOUSE BILL NO. 21

By BRADNER AND RANDOLPH

"An Act relating to state aid to fairs."

State aid to fairs

Introduced in the House 1/12/71

**HISTORY IN THE HOUSE**

1971

Jan 12

Read first time and referred to Committee on *Education*

Read second time and

Read third time and

PASS

Yeas  
Nays  
Absent  
Excused

Effective Date

PASS

Yeas  
Nays  
Absent  
Excused

Reported correctly engrossed  
Signed by Speaker  
Sent to Senate

CHIEF CLERK OF THE HOUSE

**HISTORY IN THE SENATE**

19

Read first time and referred to Committee on

Reported back with recommendation that

Read second time and

Read third time and

PASS

Yeas  
Nays  
Absent  
Excused

Effective Date

PASS

Yeas  
Nays  
Absent  
Excused

Reported correctly engrossed  
Signed by President  
Returned to House

SECRETARY OF THE SENATE

**HISTORY IN THE HOUSE**

19

Received from Senate

Reported correctly enrolled

Sent to Governor

By Governor

Filed with Secy. State

Chapter No.

"An Act relating to state aid to fairs."

### Committee Report

#### HOUSE OF REPRESENTATIVES

1/19/71

\_\_\_\_\_ Date

Mr. Speaker:

The Committee on FINANCE has had HB 21 under consideration. A majority of the members of the Committee

- recommends it do pass
- recommends it do not pass
- recommends it do pass with attached amendment(s)
- recommends it be replaced with CS for \_\_\_\_\_ and that CS for \_\_\_\_\_ do pass
- (and) recommends it be referred to the \_\_\_\_\_ committee
- reports it back without recommendation
- (other) \_\_\_\_\_

MEMBERS SIGNING THE MAJORITY REPORT:

_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

\_\_\_\_\_ recommends:

\_\_\_\_\_ recommends:

\_\_\_\_\_ recommends:

\_\_\_\_\_ recommends:

\_\_\_\_\_ recommends:

\_\_\_\_\_ CHAIRMAN

"An Act relating to state aid to fairs."

### Committee Report

HOUSE OF REPRESENTATIVES

FINANCE

1/12/71

January 18 1971  
Date

Mr. Speaker:

The Committee on STATE AFFAIRS has had HB 21  
under consideration. A majority of the members of the Committee

- recommends it do pass
- recommends it do not pass
- recommends it do pass with attached amendment(s)
- recommends it be replaced with CS for \_\_\_\_\_ and that  
CS for \_\_\_\_\_ do pass
- (and) recommends it be referred to the \_\_\_\_\_  
committee
- reports it back without recommendation
- (other) \_\_\_\_\_

MEMBERS SIGNING THE MAJORITY REPORT:

John H. Hoyer Edward G. Dunkel  
John H. Hoyer Frank Rose  
Frank Rose John H. Hoyer  
Helene M. Fischer Richard L. McVeigh

MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

Jess Harris recommends: DO NOT PASS  
 \_\_\_\_\_ recommends:  
 \_\_\_\_\_ recommends:  
 \_\_\_\_\_ recommends:  
 \_\_\_\_\_ recommends:

Richard L. McVeigh  
 CHAIRMAN

January 18, 1971

A M E N D M E N T

Offered in the HOUSE

By State Affairs Committee

To: - X HOUSE BILL No. 21

SENATE BILL No.

AMENDMENT: Page 1 Line 16

After the first "amount" insert not less than  
and delete "equal to."

[<sup>^</sup>EQUAL TO]



JUNEAU ALASKA

Alaska State Legislature  
House

January 18, 1971

Representative George Hohman, Chairman  
House Finance Committee

Dear Mr. Chairman:

The State Affairs Committee's intent in amending House Bill Number 21 was to insure local fair sponsors the latitude to budget more than the amount of state aid. We feel such a restriction was not originally planned and that this amendment is timely due to parallel statute changes by House Bill Number 21.

Sincerely,

A handwritten signature in cursive script that reads "Richard L. McVeigh".

Richard L. McVeigh, Chairman

The Legislature of the State of Alaska  
FISCAL NOTE

COPIES:  THE CHAIRMAN OF THE COMMITTEE MAKING THE REQUEST  
 THE HOUSE FINANCE COMMITTEE STAFF  
 THE SENATE FINANCE COMMITTEE STAFF  
 THE DIVISION OF BUDGET & MANAGEMENT  
 RETAIN A COPY FOR YOUR FILES

Subject Aids to Fairs HB 21 SB  
 requested by House Finance Committee  
 referred to \_\_\_\_\_ date of request 1/21/71  
 completion date requested 1/21/71 date received \_\_\_\_\_

EXPENDITURE DETAIL	FY 1970	FY 1971	FY 1972
100 PERSONAL SERVICES	\$	\$	\$
200 TRAVEL			
300 CONTRACTUAL SERVICES			
400 COMMODITIES			
500 EQUIPMENT			
600 LAND AND STRUCTURES			
700 GRANTS, CLAIMS & SHARED REVENUE	\$ 30,000	\$ 30,000	\$85,000

TOTAL	\$ 30,000	\$ 30,000	\$85,000
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FUNDING DETAIL	FY 1970	FY 1971	FY 1972
FEDERAL RECEIPTS	\$	\$	\$
SPECIAL FUNDS			
UNRESTRICTED GENERAL FUND RECEIPTS	\$ 30,000	\$ 30,000	\$85,000

Man Months  
 Permanent Positions  
 Temporary Positions

FISCAL ANALYSIS

Based on our past experience under present law, our 1971-72 budget requests \$33,000 for Aids to Fairs. This requested sum for grant and aid to promote agricultural fairs, including arts and crafts, is broken down as follows: \$10,000 each for Fairbanks and the Matanuska-Susitna fairs; \$3,000 each for Homer, Ninilchik, and Anchorage 4-H fairs; and \$4,000 for other small fairs. The City of Haines participated for the first time in fiscal year 1971 and is expected to do so on an increasing basis. Kodiak inquired but did not complete an application in 1971. Their application is expected in 1972. Delta Junction may also be anticipated.

Therefore, under House Bill No. 21, and using House Bill No. 21 allocation formula, we would anticipate a need of \$85,000 to be allocated as follows: \$25,000 for the Fairbanks fair; \$25,000 for the Matanuska-Susitna fair; \$5,000 each for the Homer, Ninilchik, and Anchorage 4-H fairs; \$5,000 for the Haines fair; \$5,000 for the Kodiak fair; \$3,000 for the Delta Junction fair; and a \$5,000 cushion for any other applications that may arrive.

DATE 1/21/71

SIGNATURE *Alvin Hallington*  
 NAME & TITLE *Deputy Comm.*

1 IN THE HOUSE

BY BRADNER AND RANDOLPH

2 HOUSE BILL NO. 21

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to state aid to fairs."

7 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

8 \* Section 1. AS 03.20.020 is amended to read:

9       Sec. 03.20.020. AMOUNT AND CONDITIONS OF AID. Fairs may be held  
10 each year in each of the house election districts and state aid for  
11 the operation and capital improvement of the fairs may not exceed the  
12 sum of \$25,000 [~~\$10,000~~] each for fairs having an annual event the  
13 10 previous years and may not exceed \$5,000 [~~\$3,000~~] for other fairs  
14 held annually. The people of each district sponsoring a fair are not  
15 eligible for state aid unless they subscribe to spend from their own  
16 funds for that purpose an amount equal to the amount of the state aid  
17 and have or organize an agricultural and industrial fair association  
18 for the operation and capital improvement of the fairs. Each fair  
19 receiving state aid is open to entries by the people of the whole  
20 state and special provision shall be made for exhibits from boys' and  
21 girls' clubs.



# RECORDS CERTIFICATION



I, the undersigned, an employee of the State of Alaska, do hereby certify that the microfilm images on this microform are accurate reproductions of the original records of the State of Alaska as accumulated during the regular course of business, and that it is the established policy and practice of this State to microfilm its records and to dispose of the original records after microfilm reproductions have been made.

James D. Smith  
Signature of Camera Operator

4/4/89  
Date

Introduced: 1/12/71  
Referred: State Affairs  
and Finance

1 IN THE HOUSE

BY BRADNER AND HJEBER

2 HOUSE BILL NO. 24

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act appropriating to the Department of Public  
7 Works; and providing for an effective date."

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9 \* Section 1. The sum of \$2,000,000 is appropriated from the general fund  
10 to the Department of Public Works to complete construction and equipping of  
11 a branch of the Alaska Pioneers' Home in Fairbanks.

12 \* Sec. 2. This Act takes effect on the day after its passage and approval  
13 or on the day it becomes law without approval.

**ALASKA STATE LEGISLATURE**

SEVENTH Legislature FIRST Session

HOUSE BILL NO. 24

By BRADNER AND NUBER

"An Act appropriating to the Department of Public Works; and providing for an effective date."

Pioneers' Home Fairbanks

\$2,000,000

Introduced in the House \_\_\_\_\_, 19 \_\_\_\_\_

**HISTORY IN THE HOUSE**

19 71

Jan 24

Read first time and referred to Committee on

State Affairs and Finance

Reported back with recommendation that

Read second time and

Read third time and

PASS Yeas  
Nays  
Absent  
Excused

Effective Date

PASS Yeas  
Nays  
Absent  
Excused

Reported correctly engrossed  
Signed by Speaker  
Sent to Senate

CHIEF CLERK OF THE HOUSE

**HISTORY IN THE SENATE**

19

Read first time and referred to Committee on

Reported back with recommendation that

Read second time and

Read third time and

PASS Yeas  
Nays  
Absent  
Excused

Effective Date

PASS Yeas  
Nays  
Absent  
Excused

Reported correctly engrossed  
Signed by President  
Returned to House

SECRETARY OF THE SENATE

**HISTORY IN THE HOUSE**

19

Received from Senate

Reported correctly enrolled

Sent to Governor

By Governor

Filed with Secy. State

Chapter No. \_\_\_\_\_

**Committee Report**

H O U S E   O F   R E P R E S E N T A T I V E S

3/9/71

\_\_\_\_\_ Date

Mr. Speaker:

The Committee on FINANCE has had HB 24 under consideration. A majority of the members of the Committee

- recommends it do pass
- recommends it do not pass
- recommends it do pass with attached amendment(s)
- recommends it be replaced with CS for \_\_\_\_\_ and that CS for \_\_\_\_\_ do pass
- (and) recommends it be referred to the \_\_\_\_\_ committee
- reports it back without recommendation
- (other) \_\_\_\_\_

MEMBERS SIGNING THE MAJORITY REPORT:

_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

\_\_\_\_\_ recommends:

\_\_\_\_\_ recommends:

\_\_\_\_\_ recommends:

\_\_\_\_\_ recommends:

\_\_\_\_\_ recommends:

\_\_\_\_\_ CHAIRMAN

"An Act appropriating to the Department of Public Works; and providing for an effective date."

**Committee Report**

2

HOUSE OF REPRESENTATIVES

1/12/71

FINANCE

*March 8*

1971  
Date

Mr. Speaker:

The Committee on STATE AFFAIRS has had HB 24

under consideration. A majority of the members of the Committee

- recommends it do pass
- recommends it do not pass
- recommends it do pass with attached amendment(s)
- recommends it be replaced with CS for \_\_\_\_\_ and that CS for \_\_\_\_\_ do pass
- (and) recommends it be referred to the \_\_\_\_\_ committee
- reports it back without recommendation
- (other) \_\_\_\_\_

MEMBERS SIGNING THE MAJORITY REPORT:

*Richard P. McVeigh* \_\_\_\_\_  
*Wills Miller* \_\_\_\_\_  
*Jess Harris* \_\_\_\_\_  
*John H. ...* \_\_\_\_\_

MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

*Helen Fischer* recommends: *no recommendation*  
*Edward G. ...* recommends: *no*  
*Frank ...* recommends: *Do Pass if amended*  
 \_\_\_\_\_ recommends:  
 \_\_\_\_\_ recommends: *Richard P. McVeigh*  
 CHAIRMAN

20 January, 1972

REPORT: PIONEER HOME BED STATUS AS OF THIS DATE FOR FAIRBANKS, ALASKA

CONTACTS MADE BY PHONE: Mr. L.E. "Jack" Link, Fairbanks, and  
Mr. Tom O'Donnell, State Director, Juneau.

Exact actual bed count: Guest Wing 37 Nursing Wing 26

Number of occupants as  
of 4 January, 1972: Guest Wing 32 Nursing Wing 23

Average turn-over rate  
monthly: Through death: 3 Other reasons: 2  
Total: 5

Policy concerning nursing wing:

This wing is kept open, with no patients actually admitted to this wing except through the guest wing when health reasons dictate that the patient should be removed from the guest wing to the nursing wing section while under doctors care. One or two beds are always kept unoccupied to accommodate emergencies arising in the guest wing, therefore bed count as far as empty spaces is not included in reports concerning space availability.

Policy concerning guest wing:

This wing is designed to take those people in good health according to the date of their application to the Pioneer Home. An average waiting list length for entrance to this wing is 28. As deaths occur or patients move from the Home, the policy is to then select the person on the waiting list who has a standing of Number One due to his length of time on that waiting list.

FINDING: There are applications on file to the Fairbanks Pioneer Home which have been pending on the waiting list since 1967. The only relief to this congestion would be for the prospective patient to consent to be housed in either Palmer or Sitka, where the roles are not so heavy. Each applicant is advised of this facility offering.

Inquiry was made as to the status of one Olive Nettleton, an Old Age welfare recipient of Fairbanks who has met all of the necessary age and residency requirements. She first made application for admittance in July, 1970. She was, at that time, 18th on the list and her status now is number 11. She would appear to be typical of the applicants. Despite the relatively rapid monthly turn-over, she remains virtually static on the waiting list because she is female. The waiting list, it appears, is divided into male and female. The turn-over rate accommodates men mostly because the available rooms are designed chiefly for men. A woman can only be housed in a single room or with her husband in a double room. There has been, in the

past, a great deal of difficulty with two women sharing a double room; so a policy was instituted whereby women could no longer room together, two to a room. This, then, accounts for the lack of turn-over on the women's list.

The report of bed space available for occupancy is erroneous with respect to actual accommodation. A number of beds in the guest wing are kept vacant, with no intent of filling them with people on the waiting lists because of the necessity of keeping them available to those patients who have left that wing temporarily. i.e. a temporary move to the nursing wing, or hospitalization.

#### FUTURE PLANS:

There have been attempts made, through ASHA contracts and bonding issues, to double the size of the Fairbanks Pioneer Home. There is currently a projected date for actual building through proposed capital gains improvement loans to start in 1975. Until the actual completion date, over-flow will continue to be housed at either Palmer or Sitka. There is, taking precedence over the Fairbanks building contracts, a \$750,000.00 commitment to Sitka for renovation of that Home.

At this time, there is no relief in immediate sight for the Fairbanks Pioneer Home. Carriage North, a newly opened nursing home in Fairbanks, is not expected to aid the problem any because they are designed to house only those patients who are physically ailing.

It would be prudent, however, to recognize that reports given by the Health and Welfare Department which indicate open bed space, actually are indications of beds that are only temporarily unoccupied--and that, for the purpose of admission, at least for females, there is actually no available bed space for long periods of time.

The Legislature of the State of Alaska  
FISCAL NOTE

COPIES: 1 THE CHAIRMAN OF THE COMMITTEE MAKING THE REQUEST  
6 THE HOUSE FINANCE COMMITTEE STAFF  
7 THE SENATE FINANCE COMMITTEE STAFF  
1 THE DIVISION OF BUDGET & MANAGEMENT  
1 RETAIN A COPY FOR YOUR FILES

Subject Pioneer's Home HB 18 & 24 SB 27  
 requested by Chairman, House Finance Committee  
 referred to Dept. of Public Works date of request \_\_\_\_\_  
 completion date requested \_\_\_\_\_ date received \_\_\_\_\_

EXPENDITURE DETAIL	FY	FY	FY
100 PERSONAL SERVICES	\$ 1,147,000	\$	\$
300 CONTRACTUAL SERVICES	2,000,000		
400 COMMODITIES			
500 EQUIPMENT			
600 LAND AND STRUCTURES			
700 GRANTS, CLAIMS & SHARED REVENUE			

TOTAL	\$ 1,147,000	\$	\$
	2,000,000		

FUNDING DETAIL			
FEDERAL RECEIPTS	\$	\$	\$
SPECIAL FUNDS			
UNRESTRICTED GENERAL FUND RECEIPTS	1,147,000		
	2,000,000		

Man Months \_\_\_\_\_  
 Permanent Positions \_\_\_\_\_  
 Temporary Positions \_\_\_\_\_

FISCAL ANALYSIS

The funding for House Bill 18 and Senate Bill 27 is based on an estimate prepared for 1970. Estimated costs for 1971 would be as follows:

1. Construction	\$1,100,000
2. Equipment & Furnishings	80,000
3. Design	88,000
4. Design-Div. of Buildings	8,000
5. Travel	5,000
6. Inspection	40,000
7. Contingency	44,000
	<u>\$1,365,000</u>

The total project under House Bill No. 18 and Senate Bill No. 27 adds approximately 17,000 square feet of space to the existing structure. By the addition of the 17,000 square feet, the total complex, as designed, would be complete. This funding does not include the managerial residence, as proposed by the schematic phase of the Fairbanks Pioneer's Home, nor does it include equipment allowances. Equipment would include beds, other furniture, linens, dishes, portable x-ray equipment, etc.

House Bill No. 24 provides for funding the amount of \$2,000,000. It is believed, though, without verifications that the difference between the funding required and construction that the excess would be for equipment.

DATE February 1, 1971

SIGNATURE \_\_\_\_\_

NAME & TITLE George W. Easley, Commissioner

1 IN THE HOUSE

BY BRADNER AND HUBER

2

HOUSE BILL NO. 24

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

SEVENTH LEGISLATURE - FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act appropriating to the Department of Public

7

Works; and providing for an effective date."

8

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

9

\* Section 1. The sum of \$2,000,000 is appropriated from the general fund

10

to the Department of Public Works to complete construction and equipping of

11

a branch of the Alaska Pioneers' Home in Fairbanks.

12

\* Sec. 2. This Act takes effect on the day after its passage and approval

13

or on the day it becomes law without approval.

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James D. Smith  
Signature of Camera Operator

4/4/89  
Date

1 for completion of projects which shall not be subsequently varied by  
2 the governing body of the organized borough or city receiving aid  
3 under this chapter without the approval of the commissioner.

4 (b) The amount deposited as local share in the municipal capital  
5 project fund may be derived from any source other than funds allocated  
6 for school district operating purposes under the Public School Founda-  
7 tion Program or other state or federal law providing aid for school  
8 operating purposes. In accepting proof of deposit of the local share,  
9 the commissioner shall allow as part of the share the reasonable value  
10 of in-kind contributions pledged and directly related to payment of  
11 costs of construction. Determination of value by the commissioner  
12 shall be final. If bonded or other indebtedness has been legally  
13 authorized as required by law and the proceeds of the indebtedness  
14 pledged by the governing body for use as the local share, the commis-  
15 sioner shall credit the amount of the authorized indebtedness toward  
16 the local share.

17 (c) Upon receipt of satisfactory proof of deposit of the local  
18 share in the municipal capital project fund, the commissioner shall  
19 authorize transfer from the school construction grant fund and deposit  
20 in the local fund an amount equal to three times the local share  
21 except that an amount of aid based on proceeds of authorized indebted-  
22 ness shall not be paid over until the proceeds have been deposited in  
23 the local fund. The authorized aid shall be transferred and deposited  
24 according to the following schedule, unless the commissioner determines  
25 otherwise in a particular case:

26 (1) 50 per cent upon award of a contract for construction  
27 of the school project for which the aid is authorized;

28 (2) 40 per cent upon acceptance by the organized borough or  
29 city of the completed project;

1 (3) 10 per cent upon final audit and report of costs of the  
2 project.

3 Sec. 14.18.030. USE OF FUNDS. (a) State and local money  
4 deposited in a municipal capital project fund under this chapter shall  
5 be utilized solely to pay costs of a new school construction project  
6 within the borough or city maintaining the fund in accordance with  
7 the order of priority established in its application for aid or subse-  
8 quently approved by the commissioner. The commissioner shall require  
9 accounting of money in the fund in the uniform manner set out in the  
10 Manual of Governmental Accounting, Auditing and Financial Reporting,  
11 1968, as supplemented, issued by the National Committee on Governmental  
12 Accounting.

13 (b) In the manner of other municipal investments the governing  
14 body shall provide for investment of fund money above an amount suffi-  
15 cient to meet current project demands. Earnings on investments shall  
16 be credited to the fund and applied solely to project costs. The  
17 amount of earnings shall be reported to the commissioner at a time  
18 and in a form prescribed by him. The amount shall be credited towards  
19 the amount of state aid approved by the commissioner for transfer and  
20 deposit to the fund.

21 Sec. 14.18.035. INTENT. Projects for which aid is authorized  
22 under this chapter are subject to the provisions of AS 07.15.330(e) -  
23 (g) and are not public works or buildings the planning or construction  
24 of which is under the control or supervision of the Department of  
25 Public Works under AS 35.

26 Sec. 14.18.040. REPORTS The department shall provide an annual  
27 report to the legislature respecting grants made under this chapter.

28 Sec. 14.18.050. REGULATIONS. The department may promulgate  
29 regulations to implement this chapter.

1           Sec. 14.18.060. DEFINITIONS. In this chapter

2           (1) "commissioner" means the commissioner of education;

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4 school construction project" means the cost of acquiring, constructing,  
5 equipping or furnishing newly-erected public elementary and secondary  
6 school facilities for classroom and related purposes other than  
7 athletic stadiums, spectator space and structures or other facilities  
8 intended primarily for athletic exhibitions or for games or other  
9 events for which admission is to be charged the public; the term  
10 includes but is not limited to the cost of acquisition of sites, legal,  
11 engineering, fiscal, architectural and other fees of specialists or  
12 consultants, costs of labor, materials, equipment and supplies, and  
13 costs of authorization, issuance and sale of bonds, notes or other  
14 evidences of debt, exclusive of costs of debt amortization;

15           (3) "department" means the Department of Education;

16           (4) "governing body" means the governing body of an organized  
17 borough or a city which is a school district.

18 \* Sec. 2. This Act takes effect July 1, 1971.  
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Introduced: 1/12/71  
Referred: Health, Welfare &  
Education and Finance

1 IN THE HOUSE

BY KERTTULA

2 HOUSE BILL NO. 35

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act authorizing state grants for school construc-  
7 tion within borough and city school districts; and  
8 providing for an effective date."

9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

10 \* Section 1. AS 14 is amended by adding a new chapter to read:

11 CHAPTER 18. SCHOOL CONSTRUCTION.

12 Sec. 14.18.010. STATE AID FOR SCHOOL CONSTRUCTION. (a) There is  
13 in the Department of Education a school construction grant fund. Funds  
14 appropriated by the legislature for school construction grants under  
15 this section shall be deposited in the fund.

16 (b) Within the limits of state appropriations available for the  
17 purpose, an organized borough or a city which is a school district is  
18 entitled to state grants to supplement local funds which are expended  
19 after July 1, 1971 for costs of new school construction, in the ratio of  
20 75 per cent state funds to 25 per cent local matching funds, as provided  
21 in this chapter.

22 Sec. 14.18.020. LOCAL SHARE. To qualify for a school construction  
23 grant, the governing body shall furnish to the commissioner proof in the  
24 form required by him that it has deposited in a local municipal capital  
25 project fund separate from other municipal funds and accounts an amount  
26 to be utilized solely for costs of new school construction within the  
27 district. The amount deposited as a local share may be derived from any  
28 source other than the state. In accepting proof of deposit of the local  
29 share, the commissioner shall allow as part of the share the reasonable

1 value of in kind contributions pledged and directly related to payment  
2 of costs of construction. Determination of value by the commissioner  
3 shall be final. If bonded or other indebtedness has been duly author-  
4 ized as required by law and the proceeds of the indebtedness pledged  
5 by the governing body for use as the local share, the commissioner  
6 shall credit the amount of the authorized indebtedness towards the  
7 local share. Upon receipt of satisfactory proof of deposit of the  
8 local share in the municipal capital project fund, the commissioner  
9 shall provide for transfer from the school construction grant fund and  
10 deposit in the local fund an amount equal to <sup>three</sup> ~~four~~ times the local share,  
11 except that aid based on proceeds of authorized indebtedness shall not  
12 be paid over until the proceeds have been deposited in the local fund.

13 Sec. 14.18.030. USE OF FUNDS. State and local money deposited in  
14 a municipal capital project fund under this chapter shall be utilized  
15 solely to pay costs of new school construction within the borough or  
16 city maintaining the fund. The commissioner shall require accounting  
17 of money in a municipal capital project fund in the uniform manner set  
18 out in the manual of Governmental Accounting, Auditing and Financial  
19 Reporting, 1968, as supplemented, issued by the National Committee on  
20 Governmental Accounting.

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3 or other facilities intended primarily for athletic exhibitions or  
4 for games or other events for which admission is to be charged the  
5 public; the term includes but is not limited to the cost of acquisition  
6 of sites, legal, engineering, fiscal, architectural and other fees of  
7 specialists or consultants, costs of labor, materials, equipment and  
8 supplies, and costs of authorization, issuance and sale of bonds, notes  
9 or other evidences of debt, exclusive of costs of debt amortization;

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**ALASKA STATE LEGISLATURE**

SEVENTH Legislature FIRST Session

HOUSE BILL NO. 35

By KERTTOLA

"An Act authorizing state grants for school construction within borough and city school districts; and providing for an effective date."

Grants school/city

Introduced in the House 1/12/71

**HISTORY IN THE HOUSE**

19 71	Read first time and referred to Committee on
Jan 12	HW&E and Finance
	Reported back with recommendation that
	Read second time and
	Read third time and
	PASS Yeas Nays Absent Excused
	Effective Date
	PASS Yeas Nays Absent Excused
	Reported correctly engrossed
	Signed by Speaker
	Sent to Senate
	CHIEF CLERK OF THE HOUSE

**HISTORY IN THE SENATE**

19	Read first time and referred to Committee on
	Reported back with recommendation that
	Read second time and
	Read third time and
	PASS Yeas Nays Absent Excused
	Effective Date
	PASS Yeas Nays Absent Excused
	Reported correctly engrossed
	Signed by President
	Returned to House
	SECRETARY OF THE SENATE

**HISTORY IN THE HOUSE**

19	Received from Senate
	Reported correctly enrolled
	Sent to Governor
	By Governor
	Filed with Secy. State
	Chapter No.

"An Act authorizing state grants for school construction within borough and city school districts; and providing for an effective date."

**Committee Report**

H O U S E   O F   R E P R E S E N T A T I V E S

4/7/71

\_\_\_\_\_ Date

Mr. Speaker:

The Committee on FINANCE has had HB 35

under consideration. A majority of the members of the Committee

- recommends it do pass
- recommends it do not pass
- recommends it do pass with attached amendment(s)
- recommends it be replaced with CS for \_\_\_\_\_ and that  
CS for \_\_\_\_\_ do pass
- (and) recommends it be referred to the \_\_\_\_\_  
committee
- reports it back without recommendation
- (other) \_\_\_\_\_

MEMBERS SIGNING THE MAJORITY REPORT:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

\_\_\_\_\_ recommends:

\_\_\_\_\_ recommends:

\_\_\_\_\_ recommends:

\_\_\_\_\_ recommends:

\_\_\_\_\_ recommends:

\_\_\_\_\_ CHAIRMAN

"An Act authorizing state grants for school construction within borough and city school districts; and providing for an effective date." FINANCE

**Committee Report**

HOUSE OF REPRESENTATIVES

1/12/71

*Recker*  
6 April 1971  
Date

Mr. Speaker:

The Committee on HEALTH, WELFARE & EDUCATION has had HB 35

under consideration. A majority of the members of the Committee

recommends it do pass

recommends it do not pass

recommends it do pass with attached amendment(s)

recommends it be replaced with CS for HB 35 (same title) and that  
CS for HB 35 do pass

(and) recommends it be referred to the \_\_\_\_\_  
committee

reports it back without recommendation

(other) \_\_\_\_\_

MEMBERS SIGNING THE MAJORITY REPORT:

Genie Chance \_\_\_\_\_  
W. Naughton \_\_\_\_\_  
Marit B. Mork \_\_\_\_\_  
Carol P. Moore \_\_\_\_\_

MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

\_\_\_\_\_ recommends:  
\_\_\_\_\_ recommends:  
\_\_\_\_\_ recommends:  
\_\_\_\_\_ recommends:  
\_\_\_\_\_ recommends:

Genie Chance  
CHAIRMAN

Original sponsor: Kerttula

Offered: 4/7/71  
Referred: Finance

1 IN THE HOUSE

BY THE HEALTH, WELFARE AND  
EDUCATION COMMITTEE

2 CS FOR HOUSE BILL NO. 35

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act authorizing state grants for school construc-  
7 tive within borough and city school districts; and  
8 providing for an effective date."

9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

10 \* Section 1. AS 14 is amended by adding a new chapter to read:

11 CHAPTER 18. SCHOOL CONSTRUCTION.

12 Sec. 14.18.010. STATE AID FOR SCHOOL CONSTRUCTION. (a) There  
13 is in the Department of Education a school construction grant fund.  
14 Funds appropriated by the legislature for school construction grants  
15 under this section shall be deposited in the fund.

16 (b) Within the limits of state appropriations available for the  
17 purpose, an organized borough or a city which is a school district is  
18 entitled to state grants to supplement local funds which are expended  
19 after July 1, 1971 for costs of new school construction, in the ratio  
20 of no less than 75 per cent state funds to no more than 25 per cent  
21 local matching funds, as provided in this chapter.

22 Sec. 14.18.020. LOCAL SHARE. (a) To qualify for a school con-  
23 struction grant, the governing body shall make application and furnish  
24 to the commissioner proof in the form required by him that it has  
25 deposited in a local municipal capital project fund separate from other  
26 municipal funds and accounts an amount to be utilized solely for costs  
27 of a new school construction project within the district. The appli-  
28 cation shall set out project specifications and cost estimates in  
29 such detail as required by the commissioner and an order of priority

1 for completion of projects which shall not be subsequently varied by  
2 the governing body of the organized borough or city receiving aid  
3 under this chapter without the approval of the commissioner.

4 (b) The amount deposited as local share in the municipal capital  
5 project fund may be derived from any source other than funds allocated  
6 for school district operating purposes under the Public School Founda-  
7 tion Program or other state or federal law providing aid for school  
8 operating purposes. In accepting proof of deposit of the local share,  
9 the commissioner shall allow as part of the share the reasonable value  
10 of in-kind contributions pledged and directly related to payment of  
11 costs of construction. Determination of value by the commissioner  
12 shall be final. If bonded or other indebtedness has been legally  
13 authorized as required by law and the proceeds of the indebtedness  
14 pledged by the governing body for use as the local share, the commis-  
15 sioner shall credit the amount of the authorized indebtedness toward  
16 the local share.

17 (c) Upon receipt of satisfactory proof of deposit of the local  
18 share in the municipal capital project fund, the commissioner shall  
19 authorize transfer from the school construction grant fund and deposit  
20 in the local fund an amount equal to three times the local share  
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22 ness shall not be paid over until the proceeds have been deposited in  
23 the local fund. The authorized aid shall be transferred and deposited  
24 according to the following schedule, unless the commissioner determines  
25 otherwise in a particular case:

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27 of the school project for which the aid is authorized;

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7 the order of priority established in its application for aid or subse-  
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14 body shall provide for investment of fund money above an amount suffi-  
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16 be credited to the fund and applied solely to project costs. The  
17 amount of earnings shall be reported to the commissioner at a time  
18 and in a form prescribed by him. The amount shall be credited towards  
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22 under this chapter are subject to the provisions of AS 07.15.330(e) -  
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24 of which is under the control or supervision of the Department of  
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5 equipping or furnishing newly erected public elementary and secondary  
6 school facilities for classroom and related purposes other than  
7 athletic stadiums, spectator space and structures or other facilities  
8 intended primarily for athletic exhibitions or for games or other  
9 events for which admission is to be charged the public; the term  
10 includes but is not limited to the cost of acquisition of sites, legal,  
11 engineering, fiscal, architectural and other fees of specialists or  
12 consultants, costs of labor, materials, equipment and supplies, and  
13 costs of authorization, issuance and sale of bonds, notes or other  
14 evidences of debt, exclusive of costs of debt amortization;

15           (3) "department" means the Department of Education;

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17 borough or a city which is a school district.

18 \* Sec. 2. This Act takes effect July 1, 1971.  
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The Legislature of the State of Alaska  
FISCAL NOTE

COPIES: 1 THE CHAIRMAN OF THE COMMITTEE MAKING THE REQUEST  
1 THE HOUSE FINANCE COMMITTEE STAFF  
1 THE SENATE FINANCE COMMITTEE STAFF  
1 THE DIVISION OF BUDGET & MANAGEMENT  
3 RETAIN A COPY FOR YOUR FILES

Subject School Construction HB's Nos. 35 & 53 SB  
requested by Representative Ed Naughton, Health, Welfare & Education Committee  
referred to Nathaniel H. Cole date of request 1/16/71  
completion date requested \_\_\_\_\_ date received 1/18/71

EXPENDITURE DETAIL	FY 72	FY	FY
100 PERSONAL SERVICES	\$	\$	\$
200 TRAVEL			
300 CONTRACTUAL SERVICES			
400 COMMODITIES			
500 EQUIPMENT			
600 LAND AND STRUCTURE			
700 GRANTS, CLAIMS & SHARED REVENUE	40,000,000		
TOTAL	\$ 40,000,000	\$	\$
FUNDING DETAIL			
FEDERAL RECEIPTS	\$	\$	\$
SPECIAL FUNDS			
UNRESTRICTED GENERAL FUND RECEIPTS	40,000,000		

Man Months  
Permanent Positions  
Temporary Positions

FISCAL ANALYSIS

Surveys of estimated and incurred construction needs of borough and city school districts conducted by the Department of Education in FY 69 and 70 show the following:

	<u>Incurred in FY</u>	<u>Anticipated Expend. as of previous FY</u>	<u>Projected Need As of FY 1970</u>
1969	16,450,000	13,947,872	
1970	8,635,000	20,149,557	32,922,000
1971			27,251,000
1972			21,810,000

DATE 1/25/71

SIGNATURE

*Nathaniel Cole*

NAME & TITLE Nathaniel H. Cole, Director, Admin. Serv.

Attachment to Fiscal Note for HB's 35 and 53

Analysis of data for Fiscal Years 1969 and 1970 indicates that the incurred costs are running about 25% behind the anticipated expenditures and still further behind the projected need. Based on the projected need for 1970, 1971, and 1972, and the lag of the incurred cost compared to the projected need, \$40,000,000 on a 75% State matched funds with local funds would be the approximate amount needed to cover the projected need for FY-72, plus the backlog from previous fiscal years.

Section 14.18.010(b), page 1, lines 1b-21 appears to be in conflict with Section 14.18.020, page 2, lines 7-12. Four to one is an 80% to 20% ratio rather than 75% to 25% ratio.

NOTES RE HOUSE BILL 35

1. In regard to House Bill 35, some provision should be made for State payments to a district on a scheduled basis rather than a lump sum transfer, as provided by lines 10 - 12, page 2.

The transfer procedure would require the State to draw large sums from its treasury, where it should remain and draw interest, until it is actually needed for construction purposes. It is recommended that the following schedule be included:

- Payments.
1. 10% of the entitlement upon approval of the project.
  2. 30% upon contract award
  3. 30% upon 50% completion
  4. 20% upon project completion
  5. 10% upon final audit

2. Line 10 should be revised to read "equal to three times the local share" if the 3 - 1 ratio is to be maintained.
3. A provision requiring any interest earned on project funds shall be credited to the construction fund.

1 IN THE HOUSE

BY KERTTULA

2 HOUSE BILL NO. 35

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

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15 this section shall be deposited in the fund.

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21 in this chapter.

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1 elementary and secondary school facilities for classroom and related  
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3 or other facilities intended primarily for athletic exhibitions or  
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# **CORRECTION**

**THIS DOCUMENT  
HAS BEEN REPHOTOGRAPHED  
TO ASSURE LEGIBILITY**

1 IN THE HOUSE

BY KERTTULA

2

HOUSE BILL NO. 35

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

SEVENTH LEGISLATURE - FIRST SESSION

5

A BILL

6

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4 ized as required by law and the proceeds of the indebtedness pledged  
5 by the governing body for use as the local share, the commissioner  
6 shall credit the amount of the authorized indebtedness towards the  
7 local share. Upon receipt of satisfactory proof of deposit of the  
8 local share in the municipal capital project fund, the commissioner  
9 shall provide for transfer from the school construction grant fund and  
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elementary and secondary school facilities for classroom and related purposes other than athletic stadiums, spectator space and structures or other facilities intended primarily for athletic exhibitions or for games or other events for which admission is to be charged the public; the term includes but is not limited to the cost of acquisition of sites, legal, engineering, fiscal, architectural and other fees of specialists or consultants, costs of labor, materials, equipment and supplies, and costs of authorization, issuance and sale of bonds, notes or other evidences of debt, exclusive of costs of debt amortization;

(4) "governing body" means the governing body of an organized borough or a city which is a school district.

\* Sec. 2. This Act takes effect July 1, 1971.

Original sponsor: Kerttula

Offered: 4/7/71  
Referred: Finance

1 IN THE HOUSE

BY THE HEALTH, WELFARE AND  
EDUCATION COMMITTEE

2 CS FOR HOUSE BILL NO. 35

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act authorizing state grants for school construc-  
7 tion within borough and city school districts; and  
8 providing for an effective date."

9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

10 \* Section 1. AS 14 is amended by adding a new chapter to read:

11 CHAPTER 18. SCHOOL CONSTRUCTION.

12 Sec. 14.18.010. STATE AID FOR SCHOOL CONSTRUCTION. (a) There  
13 is in the Department of Education a school construction grant fund.  
14 Funds appropriated by the legislature for school construction grants  
15 under this section shall be deposited in the fund.

16 (b) Within the limits of state appropriations available for the  
17 purpose, an organized borough or a city which is a school district is  
18 entitled to state grants to supplement local funds which are expended  
19 after July 1, 1971 for costs of new school construction, in the ratio  
20 of no less than 75 per cent state funds to no more than 25 per cent  
21 local matching funds, as provided in this chapter.

22 Sec. 14.18.020. LOCAL SHARE. (a) To qualify for a school con-  
23 struction grant, the governing body shall make application and furnish  
24 to the commissioner proof in the form required by him that it has  
25 deposited in a local municipal capital project fund separate from other  
26 municipal funds and accounts an amount to be utilized solely for costs  
27 of a new school construction project within the district. The appli-  
28 cation shall set out project specifications and cost estimates in  
29 such detail as required by the commissioner and an order of priority

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1 for completion of projects which shall not be subsequently varied by  
2 the governing body of the organized borough or city receiving aid  
3 under this chapter without the approval of the commissioner.

4 (b) The amount deposited as local share in the municipal capital  
5 project fund may be derived from any source other than funds allocated  
6 for school district operating purposes under the Public School Founda-  
7 tion Program or other state or federal law providing aid for school  
8 operating purposes. In accepting proof of deposit of the local share,  
9 the commissioner shall allow as part of the share the reasonable value  
10 of in-kind contributions pledged and directly related to payment of  
11 costs of construction. Determination of value by the commissioner  
12 shall be final. If bonded or other indebtedness has been legally  
13 authorized as required by law and the proceeds of the indebtedness  
14 pledged by the governing body for use as the local share, the commis-  
15 sioner shall credit the amount of the authorized indebtedness toward  
16 the local share.

17 (c) Upon receipt of satisfactory proof of deposit of the local  
18 share in the municipal capital project fund, the commissioner shall  
19 authorize transfer from the school construction grant fund and deposit  
20 in the local fund an amount equal to three times the local share  
21 except that an amount of aid based on proceeds of authorized indebted-  
22 ness shall not be paid over until the proceeds have been deposited in  
23 the local fund. The authorized aid shall be transferred and deposited  
24 according to the following schedule, unless the commissioner determines  
25 otherwise in a particular case:

26 (1) 50 per cent upon award of a contract for construction  
27 of the school project for which the aid is authorized;

28 (2) 40 per cent upon acceptance by the organized borough or  
29 city of the completed project;

1 (3) 10 per cent upon final audit and report of costs of the  
2 project.

3 Sec. 14.18.030. USE OF FUNDS. (a) State and local money  
4 deposited in a municipal capital project fund under this chapter shall  
5 be utilized solely to pay costs of a new school construction project  
6 within the borough or city maintaining the fund in accordance with  
7 the order of priority established in its application for aid or subse-  
8 quently approved by the commissioner. The commissioner shall require  
9 accounting of money in the fund in the uniform manner set out in the  
10 Manual of Governmental Accounting, Auditing and Financial Reporting,  
11 1968, as supplemented, issued by the National Committee on Governmental  
12 Accounting.

13 (b) In the manner of other municipal investments the governing  
14 body shall provide for investment of fund money above an amount suffi-  
15 cient to meet current project demands. Earnings on investments shall  
16 be credited to the fund and applied solely to project costs. The  
17 amount of earnings shall be reported to the commissioner at a time  
18 and in a form prescribed by him. The amount shall be credited towards  
19 the amount of state aid approved by the commissioner for transfer and  
20 deposit to the fund.

21 Sec. 14.18.035. INTENT. Projects for which aid is authorized  
22 under this chapter are subject to the provisions of AS 07.15.330(e) -  
23 (g) and are not public works or buildings the planning or construction  
24 of which is under the control or supervision of the Department of  
25 Public Works under AS 35.

26 Sec. 14.18.040. REPORTS. The department shall provide an annual  
27 report to the legislature respecting grants made under this chapter.

28 Sec. 14.18.050. REGULATIONS. The department may promulgate  
29 regulations to implement this chapter.

1           Sec. 14.18.060. DEFINITIONS. In this chapter

2           (1) "commissioner" means the commissioner of education;

3           (2) "costs of new school construction" or "costs of a new  
4 school construction project" means the cost of acquiring, constructing,  
5 equipping or furnishing newly erected public elementary and secondary  
6 school facilities for classroom and related purposes other than  
7 athletic stadiums, spectator space and structures or other facilities  
8 intended primarily for athletic exhibitions or for games or other  
9 events for which admission is to be charged the public; the term  
10 includes but is not limited to the cost of acquisition of sites, legal,  
11 engineering, fiscal, architectural and other fees of specialists or  
12 consultants, costs of labor, materials, equipment and supplies, and  
13 costs of authorization, issuance and sale of bonds, notes or other  
14 evidences of debt, exclusive of costs of debt amortization;

15           (3) "department" means the Department of Education;

16           (4) "governing body" means the governing body of an organized  
17 borough or a city which is a school district.

18 \* Sec. 2. This Act takes effect July 1, 1971.  
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