

LEG. FINANCE - BILLS 1977 - 1978 683

HB 203 thru HB 212

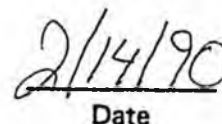


# RECORDS CERTIFICATION



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.

  
Signature of Camera Operator

  
Date

Original sponsors: Gardiner, Miller,  
and Freeman

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 SENATE CS FOR HOUSE BILL NO. 203

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to employment of nonresidents by the  
7 state and its municipalities."

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

9 \* Section 1. AS 23.40.210 is amended to read:

10 Sec. 23.40.210. AGREEMENT. Upon the completion of negotiations  
11 between an organization and a public employer, if a settlement is  
12 reached, the employer shall reduce it to writing in the form of an  
13 agreement. The agreement may include a term for which it will remain in  
14 effect, not to exceed three years. The agreement shall provide for an  
15 area differential in pay between employees residing in and outside the  
16 state to reflect the difference in the cost of living for those em-  
17 ployees. The agreement shall include a grievance procedure which shall  
18 have binding arbitration as its final step. Either party to the agree-  
19 ment has a right of action to enforce the agreement by petition to the  
20 labor relations agency.

21 \* Sec. 2. As 39.25 is amended by adding a new section to read:

22 Sec. 39.25.185. RESIDENTS OF THE STATE. (a) In all applications  
23 for positions in the classified service, residents of the state shall be  
24 fairly ranked with individuals not qualifying as residents of the state.  
25 In all appointments made in the classified service, Alaska residents  
26 shall be preferred over equally qualified or less qualified individuals  
27 not qualifying as residents of the state. In all appointments made,  
28 when individuals qualifying as Alaskans have applied for the position  
29 being filled and when an individual not qualifying as a resident of the

1 state is appointed, the appointing authority shall justify a decision to  
2 appoint a non-Alaskan. The justification is public record.

3 (b) If an individual not qualifying as an Alaska resident is  
4 appointed to a position and the appointing agency certifies that no  
5 qualified Alaska resident had applied for a position in that general  
6 class of positions within the preceding four months, the agency shall  
7 also file a statement indicating its efforts to recruit residents of the  
8 state for the position.

9 \* Sec. 3. AS 29.23.550 is amended by adding new subsections to read:

10 (b) In all applications for employment by a municipality, in-  
11 cluding its school district, residents of the state shall be fairly  
12 ranked with individuals not qualifying as residents of the state. In  
13 all appointments made from a register or roster prepared under a per-  
14 sonnel system established under (a) of this section, Alaska residents  
15 shall be preferred over equally qualified or less qualified individuals  
16 not qualifying as residents of the state. In all appointments made by  
17 a municipality, when individuals qualifying as Alaskans have applied for  
18 the position being filled and when an individual not qualifying as a  
19 resident of the state is appointed, the appointing authority shall  
20 justify a decision to appoint a non-Alaskan. The justification is  
21 public record.

22 (c) If an individual not qualifying as an Alaska resident is  
23 appointed to a position and the appointing authority certifies that no  
24 qualified Alaska resident had applied for the position within the  
25 preceding six months, the appointing authority shall also file a state-  
26 ment indicating its efforts to recruit residents of the state for the  
27 position.

28 (d) Subsections (b) and (c) of this section apply to home rule and  
29 general law municipalities.

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\* Sec. 4. AS 29.13.100 is amended by adding a new paragraph to read:  
(37) AS 29.23.550(b) and (c) (municipal employment)

\* Sec. 5. Section 1 of this Act may not be implemented by collective bargaining which results in an agreement which reduces the wages and fringe benefits received on the effective date of this Act by employees residing in and outside the state.

SENATE JOURNAL

FINANCE COMMITTEE

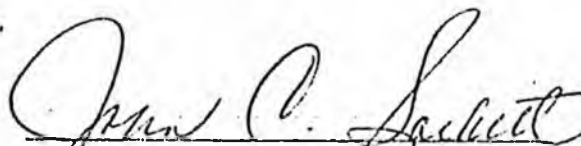
May 5, 1977

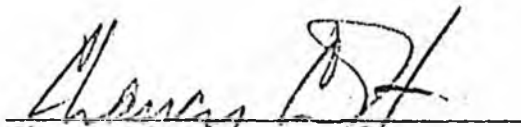
Letter of Intent

SCS for HB 203

It is the intent of the Senate Finance Committee on passing Senate CS for HB 203 to provide for a cost-of-living pay differential between Alaska Marine Highway employees who live in Alaska and those who live outside the state. The purpose of the bill is to encourage employees of the Marine Highway system to live in Alaska. It is not intended to mandate a pay raise or benefits increase for resident Ferry system employees. Rather, the differential should be implemented over a period of time through the collective bargaining process. For example, if the cost of living in Ketchikan is 15% higher than in Seattle, and a 6% increase were negotiated, the 6% raise-and subsequent raises-should apply only to Alaska residents until the cost-of-living differential is established.

Further, it is the intent of the committee that this measure be reported as accompanied by a fiscal note of zero.


  
John C. Sackett, Chairman  
Senate Finance Committee

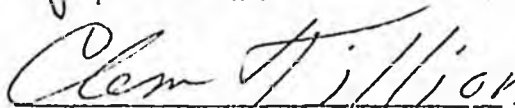
  
Chancy Croft

  
John Butrovich

  
George Hohman

  
Joseph Orsini

  
Pete Meland

  
Clem Tillion

COMMITTEE REPORT  
SENATE

4/11/77

May 5, 1977 Date

Mr. President:

The Committee on FINANCE has had HB 203  
pay differentials between state employees residing inside and outside the  
under consideration. A majority of the members of the Committee state

- recommends it do pass
- recommends it do not pass
- recommends it do pass with attached amendment(s)
- recommends it be replaced with <sup>Amended</sup> CS for HB 203 and that  
CS for HB 203 do pass
- (and) recommends it be referred to the \_\_\_\_\_  
committee
- reports it back without recommendation
- AND attaches a report of its intent
- (other) \_\_\_\_\_

MEMBERS SIGNING THE MAJORITY REPORT:

<u>[Signature]</u>	<u>[Signature]</u>	_____
<u>[Signature]</u>	<u>[Signature]</u>	_____
<u>[Signature]</u>	<u>[Signature]</u>	_____

MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

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

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

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

[Signature]  
Chairman

HOUSE JOURNAL

FINANCE COMMITTEE

~~March 4, 1977~~ 5/5

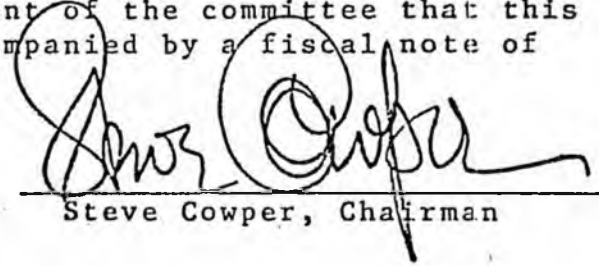
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Further, it is the intent of the committee that this measure be reported as accompanied by a fiscal note of zero.



Steve Cowper, Chairman

THE LEGISLATURE OF THE STATE OF ALASKA  
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. HB 203

Title Relating to pay differential between employees inside and outside of State

Requested by Gardiner, Miller and Freeman Date 2-11-77

II. FISCAL DETAIL

Agency Affected Department of Public Works, Division of Marine Transportation

Program Category Affected Southeast Vessels

Budget Request Unit(s) Affected 13.82.8.01.0101

EXPENDITURES (Thousands of Dollars)

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS CLAIMS ETC.						

TOTAL

FUNDING (Thousands of Dollars)

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

Any application of a pay differential would necessarily have to be applied in the form of a special cost of living allowance as opposed to a wage differential.

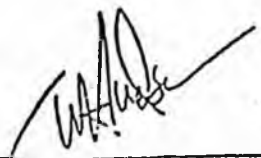
The cost of such an application would depend upon the rate established and cannot be defined in monetary terms herein.

Realistically, application to M.M.& P. and M.E.B.A. could not be applied until current contracts are renegotiated in 1979.

IV. DATE 2-17-77

PREPARED BY Charnelle B. Howitz  
AGENCY Division of Marine Transportation  
PHONE 465-3961

Original: Legislative Finance  
cc: Budget and Management  
Prime Sponsor (File)



DEPARTMENT	SPONSOR (PRINCIPAL)	BILL NO.	
Public Works	Gardiner	203	
POSITION	CO-SPONSORS OR COMMITTEE SPONSORS	DATE LAST AMENDED	
Negative			
DIVISION DIRECTOR	DATE	COMMISSIONER	DATE
W. R. Hudson	2-17-77		

FISCAL EFFECTS OF BILL

(1) CHANGES IN PERSONNEL

(2) CHANGES IN GOVERNOR'S PROPOSED BUDGET

Unquantifiable decrease after contracts are renegotiated.

(3) CAN COSTS BE ABSORBED

Anticipate no increase cost.

(4) REVENUE/EXPENDITURE CLASSIFICATION AND FUND — SOURCE (GENERAL FUND/BUDGET; FEDERAL FUNDS, BONDS, SPECIAL APPROPRIATIONS)

General Fund.

COMMENTS: There are no changes in the Governor's proposed budget, since any new wage or benefit increased must be based on signed contracts.

This Legislation would appreciably affect future labor costs, in that it would make any agreed upon increase applicable to a smaller number of employees.

Using the IBU as an example, this principle would apply to about 80% of Union's force size - about 20% do not claim Alaska residence.

Actual Fiscal impact is not readily quantifiable, but results should be a reduction in acceleration of labor costs.

BILL ANALYSIS

ASSIGNMENT DATE 2-17-77

UNASSIGNED

DEPARTMENT  
Public Works

SPONSOR (PRINCIPAL)  
Gardiner

BILL NO.  
203

DEPARTMENT POSITION

Negative

DIVISION DIRECTOR

[Signature]

DATE

2-17-77

COMMISSIONER

DATE

GOVERNOR'S OFFICE USE

POSITION NOTED

POSITION APPROVED

POSITION DISAPPROVED

DATE

SUMMARY

(\*) RELATED BILLS (SIMILAR OR CONFLICTING)

House Bill No. 842 1976 Session

(?) a. ORGANIZATIONAL SUPPORT FOR BILL

(2) b. ORGANIZATIONAL OPPOSITION TO BILL

PROGRAM EFFECTS OF BILL

This Bill is similar to one presented last Legislative Session (H.B. 842). The Department of Public Works is on record as having stated that unilateral passage would conflict with signed union contracts. However, the terminology of the current Bill allows for future negotiated cost of living application.

(\*) FISCAL IMPACT  NONE  FISCAL ANALYSIS ATTACHED

(\*) AMENDMENTS PROPOSED

(6) COMMENTS

Introduced: 2/11/77  
Referred: Finance

1 IN THE HOUSE

BY GARDINER, MILLER AND FREEMAN

2 HOUSE BILL NO. 203

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to pay differentials between state  
7 employees residing inside and outside the state."

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

9 \* Section 1. AS 23.40.210 is amended to read:

10 Sec. 23.40.210. AGREEMENT. Upon the completion of negotiations  
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19 ment has a right of action to enforce the agreement by petition to the  
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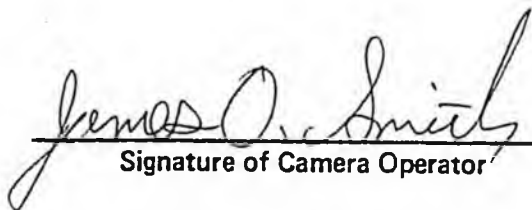
21 \* Sec. 2. Section 1 of this Act may not be implemented by collective  
22 bargaining which results in an agreement which reduces the wages and fringe  
23 benefits received on the effective date of this Act by employees residing  
24 inside and outside the state.

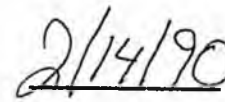


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Signature of Camera Operator

  
Date

# STATE OF ALASKA

## DEPARTMENT OF REVENUE

JAY S. HAMMOND, Governor

POUCH SB-JUNEAU 99801

March 10, 1977

The Honorable John Sackett  
Alaska State Senator  
State Capitol  
Juneau, Alaska 99811

Dear Senator Sackett:

The following is a Return analysis of the Investment Agency Account since fiscal year 1970. The initial \$900 million investment was never segregated, therefore, in each of these years there were additional sources of funds and withdrawals from the Account. This data is complete through December 31, 1976:

Original Contribution: 9/25/69 \$900.4 million

Remaining Funds in Investment Agency Account: 12/31/76 \$245.9 million

Total earnings since inception as of 12/31/76: \$309.3 million

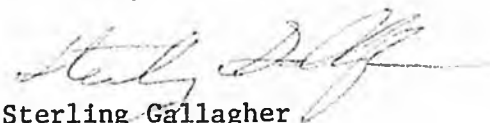
Realized investment return per year:

1970	8.50%
1971	10.1 %
1972	6.46%
1973	6.10%
1974	6.58%
1975	6.62%
1976	7.30%

Disposition of original Funds:

1. Alaska Bank Certificates of Deposit	\$100,000,000
2. Common Stocks	18,000,000
3. Marketable Securities	782,000,000
a. Negotiable Certificates of Deposit	
b. Governments	
c. U. S. Agencies	

Sincerely,

  
Sterling Gallagher  
Commissioner

Introduced: 2/11/77  
Referred: Special Committee on  
the Alaska Permanent Fund and  
Finance

1 IN THE HOUSE

BY THE RULES COMMITTEE BY  
REQUEST OF THE GOVERNOR

2 HOUSE BILL NO. 210

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act providing for interim management of the  
7 Alaska Permanent Fund; and providing for an effective  
8 date."

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

10 \* Section 1. AS 37.10 is amended by adding a new section in art. 3 to  
11 read:

12 Sec. 37.10.065. INVESTMENT OF THE ALASKA PERMANENT FUND. (a)  
13 The Alaska Permanent Fund consists of 25 per cent of all mineral lease  
14 rentals, royalties, royalty sale proceeds, federal mineral revenue  
15 sharing payments and bonuses received by the state. The commissioner  
16 of revenue shall deposit in the Alaska Permanent Fund 25 per cent of  
17 the receipts from these sources at least once each month. The commis-  
18 sioner of revenue shall invest the money in the Alaska Permanent Fund  
19 in income-producing investments of the following types:

20 (1) obligations of, or obligations insured or guaranteed  
21 by, the United States or agencies or instrumentalities of the United  
22 States;

23 (2) obligations secured by reserves paid in by the United  
24 States or agencies or instrumentalities of the United States or obli-  
25 gations of corporations in which the United States is a shareholder or  
26 member;

27 (3) certificates of deposits issued by United States domestic  
28 banks which are members of the Federal Deposit Insurance Corporation  
29 and secured as to the payment of principal and interest in accordance

1 with Alaska law;

2 (4) corporate investment-grade securities; *BAA ↑ - debt*

3 (5) bankers acceptances drawn on and accepted by United  
4 States banks which each have a combined capital and surplus aggregating  
5 at least \$100,000,000;

6 (6) repurchase agreements, the securities underlying the  
7 agreements being any of the items in (1) - (5) of this subsection;

8 (7) deposits of federally insured savings and loan associa-  
9 tions not to exceed 10 per cent of each savings and loan association's  
10 deposits exclusive of federal, state, and municipal deposits; 100,000

11 (8) fixed-term certificates of debentures of federally  
12 insured credit unions not to exceed 10 per cent of each credit union's  
13 shares. *100,000*

14 (b) The commissioner of revenue may enter into contracts provid-  
15 ing for custody of securities and execution of transactions.

16 (c) The commissioner of revenue shall transfer to whatever  
17 agency is established for the express purpose of managing and investing  
18 the Alaska Permanent Fund all or part of the securities and money in  
19 the Alaska Permanent Fund in accordance with Alaska law no later than  
20 two weeks after receipt of written notice from that agency.

21 \* Sec. 2. This Act takes effect immediately in accordance with AS 01.-  
22 10.070(c).

*Not intended  
to limit in  
any of these*

# STATE OF ALASKA

## DEPARTMENT OF REVENUE

JAY S. HAMMOND, Governor

POUCH SB-JUNEAU 99801

March 10, 1977

The Honorable John Sackett  
Alaska State Senator  
State Capitol  
Juneau, Alaska 99811

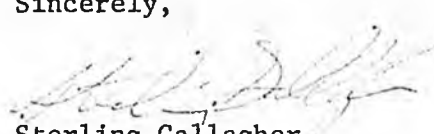
Dear Senator Sackett:

In the current investment environment one should expect a return on investment of marketable securities between 5.5% to 6.5%. The present level of interest rates on government securities are as follows:

one year	5.50%
two years	6.00%
three years	6.50%
four years	6.80%

These are the level of interest rates today, given the economic outlook for the United States economy in combination with heavy Treasury financings. These interest rate levels could change substantially in the next three to six months.

Sincerely,

  
Sterling Gallagher  
Commissioner

SG:ge

# COMMITTEE REPORT

## SENATE

2/24/77

\_\_\_\_\_ Date

Mr. President:

The Committee on Finance has had HA 210 providing for interim management of the Alaska Permanent Fund 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 with ~~out~~ recommendation
- AND attaches a report of its intent
- (other) \_\_\_\_\_

### MEMBERS SIGNING THE MAJORITY REPORT:

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

### MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

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

\_\_\_\_\_  
Chairman

Return Analysis on Investment Agency Account

Original Contribution:

9/25/69          \$900.4 million

Remaining Funds in Investment Agency Account:

12/31/76          \$245.9 million

Total Earnings since inception as of 12/31/76      \$309.3 million

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1976	7.30%

Disposition of Funds:

Alaska Bank Certificates of Deposit	\$100,000,000
Common Stocks	18,000,000
Marketable Securities	782,000,000

Negotiable Certificates of Deposit  
Governments  
U. S. Agencies

Jim Edenzo 2-28-77

Estimates permanent fund would earn 2,700.0 in FY 78 - based on 6% of 45,000.0. Says this has been included in Revenues FY78 estimates.

Says policy decisions were avoided in bills on interim management but that legislation to be introduced in the next week on permanent management will commit 50% of earnings to permanent fund.

Jim Rhodes 3-2-77

Appropriations bill (HB 244) introduced by House Finance - Administration had neglected to include appropriations bill apparently through lack of foresight.

Gallagher - 3-2-77

Contracted ~~fee~~ is for safe-keeping fees of securities. These securities are not transported to Alaska due to the risk of loss. These funds are to pay the agent who keep the securities. Gallagher feels confident that this appropriation will be adequate.

Feb 22 -	700,000	Now
June 30	#3 m.	End of yr.
7 18:	84. m.	7-78

6% rate of return.

Introduced: 2/11/77  
Referred: Special Committee of  
the Alaska Permanent Fund and  
Finance

1 IN THE HOUSE

BY THE RULES COMMITTEE BY  
REQUEST OF THE GOVERNOR

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4 TENTH LEGISLATURE - FIRST SESSION

5 A BILL

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15 sharing payments and bonuses received by the state. The commissioner  
16 of revenue shall deposit in the Alaska Permanent Fund 25 per cent of  
17 the receipts from these sources at least once each month. The commis-  
18 sioner of revenue shall invest the money in the Alaska Permanent Fund  
19 in income-producing investments of the following types:

20 (1) obligations of, or obligations insured or guaranteed  
21 by, the United States or agencies or instrumentalities of the United  
22 States;

23 (2) obligations secured by reserves paid in by the United  
24 States or agencies or instrumentalities of the United States or obli-  
25 gations of corporations in which the United States is a shareholder or  
26 member;

27 (3) certificates of deposits issued by United States domestic  
28 banks which are members of the Federal Deposit Insurance Corporation  
29 and secured as to the payment of principal and interest in accordance

COMMITTEE COPY

-1-

HB 210

CONFIDENTIAL

1 with Alaska law;

2 (4) corporate investment-grade securities;

3 (5) bankers acceptances drawn on and accepted by United  
4 States banks which each have a combined capital and surplus aggregating  
5 at least \$100,000,000;

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8 (7) deposits of federally insured savings and loan associa-  
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11 (8) fixed-term certificates of debentures of federally  
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19 the Alaska Permanent Fund in accordance with Alaska law no later than  
20 two weeks after receipt of written notice from that agency.

21 \* Sec. 2. This Act takes effect immediately in accordance with AS 01.-  
22 10.070(c).  
23  
24  
25  
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27  
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HB 210  
+  
HB 244

February 11, 1977

The Honorable Hugh Malone  
Speaker of the House  
Alaska State Legislature  
Juneau, Alaska 99811

Dear Mr. Speaker:

Under the authority of art. III, sec. 18 of the Alaska Constitution, and in accordance with AS 24.30.060 (b) and the Uniform Rules of the Alaska State Legislature, I am transmitting a bill to provide for the interim management of the Alaska Permanent Fund. Article IX, sec. 15 of the Alaska Constitution, which becomes effective February 21, 1977, provides that the principal of the fund must be used for income-producing investments specifically designated by law. Therefore, it is necessary to enact legislation setting up the management and investment process for the fund. The attached bill does this on an interim basis, requiring the commissioner of revenue to invest the money until a permanent structure for this investment function is created.

Sincerely,

Jay S. Hammond  
Governor

THE LEGISLATURE OF THE STATE OF ALASKA  
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. HB 210 + 244  
 Title Interim Management of the Alaska Permanent Fund  
 Requested by Department of Revenue, Treasury Management Date \_\_\_\_\_

II. FISCAL DETAIL

Agency Affected Department of Revenue  
 Program Category Affected General Government  
 Budget Request Unit(s) Affected Treasury Management

EXPENDITURES (Thousands of Dollars)

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
100 PERSONAL SERVICES	0	0				
200 TRAVEL	2.8	2.8				
300 CONTRACTUAL	9.1	47.2				
400 COMMODITIES	.2	.5				
500 EQUIPMENT	0	0				
600 LAND & STRUCTURES	0	0				
700 GRANTS, CLAIMS, ETC.	0	0				
TOTAL	12.1	50.5	0	0	0	0

FUNDING (Thousands of Dollars)

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
GENERAL FUND	12.1	50.5	0	0	0	0
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
FULL TIME	0	0	0	0	0	0
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

This fiscal note enumerates expenses to provide for interim management of the Alaska Permanent Fund. Travel expenses cover travel and per diem to establish and maintain supervision of security transactions, custodial, and reporting services. Contractual services include all of the previously mentioned services plus necessary printing and duplication services and communications. Commodities cover additional use of office supplies.

Without this funding, it would not be possible to invest and provide accounting services on a segregated basis for funds accruing to the Alaska Permanent Fund beginning February 22, 1977. Funds will begin accruing from that date in accordance with Alaska Constitution, Article IX, Section 15 as amended.

IV. DATE 1/18/77 PREPARED BY Jim Edens  
 AGENCY Department of Revenue/Treasury  
 PHONE 465-2350  
 Original: Legislative Finance  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)

SENATE FINANCE COMMITTEE

March 8, 1977

9:07 a.m.

All members of the Committee were in attendance except Senator Sackett. Also in attendance: Judy Crondahl, Administrative Assistant to Senator Sackett; Mr. Jim Edenso; Deputy Commissioner of Treasury, Department of Revenue; and Dick Alexander and Ronald Rech, Treasure Division, Department of Revenue.

PRESENT

Vice-Chairman Hohman called the meeting to order and stated discussion on HB 122 would be delayed until tomorrow. He moved and asked unanimous consent that House Bill 210 (Interim management of the Alaska Permanent Fund) be brought up for discussion. There being no objection, it was so ordered. HB 210

Mr. Edenso advised he was here to answer questions brought up at the last meeting when the Alaska Permanent Fund was discussed. Mr. Edenso stated that at the last meeting there was a question concerning the investment of the \$900.4 million received from sales at Prudhoe Bay in 1969. He presented a fact sheet concerning those funds (see attachment).

Mr. Edenso stated there was a question concerning the anticipated rate of return of the investment on the Permanent Fund. He stated that if 25% is contributed each month, the fund should have approximately \$90 million by June 30, 1978. Funds would be put into Certificates of Deposit of two and three year lengths. The two year notes would expect a return of 6% and the three year notes would expect a return of 6 1/2%. The total return would be 5.7% for a dollar amount of approximately \$8 million.

Mr. Edenso stated the intent of the Department is not to hold the portfolio in long term securities, but to allow them to remain in short term securities and investments would be made out of State. The Department would design a real policy decision under House Bill 285. The Department does not want to make any long term policy decisions concerning investment of the funds.

Senator Tillion questioned Mr. Edenso's statement that he would not want to make any investments in Alaska, and asked if this means the funds would be put in "cold storage" until it is determined they would be used. Mr. Edenso answered yes and Senator Tillion stated this is not what House Bill 210 says. Mr. Edenso stated the Department would be investing the securities under item one of House Bill 210 (Obligations of, or obligations insured or guaranteed by, the United States or Agencies or instrumentalities of the United States). He stated the intent of the bill is that it would phase out once the enabling legislation for the permanent management of the fund is passed. Mr. Edenso stated he believes the Department would be managing the fund for twelve to eighteen months.

fiscal note would pass and when advised by Senator Sackett that fiscal notes don't appropriate money he said he wasn't familiar with the nuances of the law.

Senator Orsini asked how much would be in the permanent fund as of June next year and Mr. Gallagher replied that the fund contained \$700,000 now and would contain approximately \$84,000,000 at the end of next fiscal year.

Senator Hohman requested that Mr. Gallagher supply the Committee with a memo on the eight categories in the bill giving examples of the type of investments and to-date figures of proposed investments. Senator Croft asked that Mr. Gallagher also include anticipated earning levels for each investment. Mr. Gallagher stated that they estimated the earnings at 6%, but this depends upon what securities you buy. A treasury bond pays 4-1/2%, while a ten-year bond 6-1/2 to 7%. He intends to invest in some short term securities and some long term, achieving a balanced portfolio.

Senator Croft asked if anything in the bill would authorize the Department to invest in any contract program and Mr. Gallagher replied no, he would not be able to make this kind of commitment.

Senator Butrovich asked that when Mr. Gallagher submits his memo to the Committee he also include a little history and background material on the bill.

Senator Sackett stated that the Committee would take the bill up for further discussion when the requested information has been received.

Senator Orsini moved that Senate Bill 110 (An Act relating to the State Physical Therapy Board be brought on for discussion. He stated that this bill served essentially the same purpose as Senate Bill 109 (An Act relating to per diem allowances for the Board of Psychologist and Psychological Association Examiners) but for members of the Physical Therapy Board instead. He stated the bill was accompanied by a letter from the Governor illustrating the need for the bill. Senator Orsini stated that there are currently no funds available for board members to travel to meetings. His understanding was that travel expenses were not established at the time the board was set up in order to facilitate passage of the bill initiating the board. Senator Sackett asked if the \$2,500 fiscal note was for travel only and requested a breakdown of actual travel costs. He also

MOTION  
SB 110

Vice Chairman Hohman questioned Mr. Edenso's figure of \$90 million in the Permanent Fund as of June 30, 1978. He advised that Commissioner Gallagher stated there would be \$84 million in the funds. Mr. Edenso stated this was because figures have been revised since the Commissioner made that statement. They are expecting between \$2 - \$3 million in the fund prior to the end of FY 77 and \$89 million in FY 78, so the total is approximately \$90 million.

Senator Butrovich moved that HB 244 (Special appropriation to the Department of Revenue for the interim management of the Alaska Permanent Fund) be brought up for discussion. There being no objection, it was so ordered.

HB 244

Mr. Edenso stated that House Bill 244 is to allow the State to obtain contractual services with a safe-keeping agency in FY 77 and FY 78 for the Permanent Fund. He advised that the contractual service would be identical to the service currently being provided by the General Fund safe-keeping agency. However, the Department thinks it advisable to go out to bid to obtain the best cost.

Senator Croft asked if the Governor had vetoed the \$50,000 that was appropriated for this purpose in the budget. Mr. Edenso stated he believes that was a portion of \$185,000 that was for establishing enabling legislation for the Permanent Fund. The Governor felt it could be done of \$135,000.

Senator Croft asked why the Department didn't request the money for this last year. Mr. Edenso replied that last year it was not known what shape the Permanent Fund would be, how large it would be, etc. and the Department felt if they began to establish this last year it might be misunderstood by the Legislature.

Senator Croft stated that the amount expended from contractual through December 30, 1976 was only 40% and asked why. Mr. Edenso stated he would have to look at the budget to respond, but he believes that the total amount appropriated to contractual will be expended after services to date have been paid for.

Senator Croft asked why they should appropriate money when the Division will lapse approximately \$12,000 and the amount requested is only 1% of that. Mr. Edenso stated there are two positions in the Treasury Department that are not filled. One is an Investment Officer II, which was filled the first of February. The other position is a Debt Manager. That position has been difficult to fill with a qualified person at the range it is. Senator Croft asked if there had been any attempts to reclassify the position and Mr. Edenso stated he would try to reclassify if he cannot hire a person within the next month.

SENATE FINANCE COMMITTEE

Mr. Edenso stated the fund currently has approximately \$733,000 in it. Senator Butrovich asked if this was invested in short term securities. Mr. Edenso stated he believes these funds are in a savings account at this time as they have not yet set up an accounting system for the Permanent Fund monies. He stated they are earning approximately 5% in interest right now. PRESENT

Senator Croft stated he did not see the need for the other seven items in HB 210 if all the monies were going to be invested under number one. Mr. Edenso stated they want to have the authority there to allow the Department to have flexibility to change structure of portfolio in order to respond to changing marketing conditions.

Senator Croft asked if the Department intends at this time to invest in Treasury Securities. Mr. Rech stated that is a decision that would have to be made at the time the monies were invested. Mr. Edenso stated the strategy for the most conservative portfolio right now is under number one. Mr. Edenso stated that at the last meeting there was a question

concerning the rate of return on the investment on the Permanent Fund. Senator Butrovich commented that with the way the money from market is right now, it is a good idea to be able to stay on-loose. Mr. Edenso concurred, stating that right now they anticipate some type of response in the money market when the President makes his decision concerning the tax rebate. discussed.

Vice-Chairman Hohman stated the Committee had requested Commissioner Gallagher to provide written information concerning the eight categories. Mr. Edenso stated he was not aware this information was to be in writing; however, he did have a letter he wrote to Representative Gruening concerning these items which he presented to the Committee (see attachment).

Senator Butrovich asked if the State Government had to pay Federal taxes on income received from investments and Mr. Edenso stated they did not. and investments would be made out of State. The Department would design a real policy decision

Senator Butrovich asked if bonds were included under number four and Mr. Edenso stated they were. Senator Butrovich commented that the bond market is sometimes pretty attractive interest-wise. Edenso agreed stating they were about 3% more lucrative than government securities, but they were generally long term (ten years or longer) and were less easy to convert into cash. would be put in "cold storage" until it is determined they would be used. Mr. Edenso answered

Mr. Edenso commented that in the past the Department of Revenue has demonstrated a good knowledge in marketing the State's assets. He stated the return on investments is coming back at a good rate of return even during adverse marketing conditions. Mr. Rech stated that over the last three years there are two different returns to follow. One is a realized rate of return which has increased from 5% to 7%. The other is a total rate of return, which includes realized gain and market appreciation or depreciation, which is somewhere around 10% to 11%.

February 22, 1977

The Honorable Clark Gruening  
Chairman of the Special Committee  
on the Alaska Permanent Fund  
State Capitol  
Juneau, Alaska 99811

Dear Mr. Gruening:

Re: House Bill No. 210 - Interim Management  
of the Alaska Permanent Fund

The provisions of House Bill No. 210 provide for the following investments in the Alaska Permanent Fund:

1. Both short term and long term direct obligations of the U. S. Treasury and obligations of federal agencies such as the Federal Home Loan Bank and the Federal National Mortgage Association.
2. Obligations of international organizations of which the United States is a member.
3. Certificates of deposit of Alaska banks and major banks in such financial centers such as New York, Chicago, San Francisco, and Los Angeles.
4. Corporate securities rated the equivalent of Baa or better by a major nationally recognized rating service.
5. Bankers acceptances of major U. S. banks which are short term obligations of these banks.
6. Repurchase agreements to facilitate overnight cash investments.
7. Deposits of federally insured savings and loan associations not to exceed ten per cent of each savings and loan association's deposits exclusive of federal, state, and municipal deposits.
8. Fixed term certificates of debenture of federally insured credit unions, the term utilized to designate a credit union deposit, not to exceed ten per cent of each credit union's shares.

Sincerely,

Jim Edenso  
Deputy Commissioner, Treasury

JE:ge

SENATE JOURNAL

LETTER OF INTENT TO HB 210

It is the intent that the Permanent Fund resources be invested in direct obligations of the U. S. Treasury, Federal agency securities, secured short-term investments as enumerated in House Bill 210, and high-grade corporate bonds. It is further intended that no investments in common stocks shall be made from the Permanent Fund.

---

John C. Sackett  
Chairman  
Senate Finance Committee

# STATE OF ALASKA

## DEPARTMENT OF REVENUE

JAY S. HAMMOND, Governor

POUCH SB-JUNEAU 99801

March 14, 1977

The Honorable John Sackett  
Alaska State Senator  
State Capitol  
Juneau, Alaska 99811

Dear Senator Sackett:

This letter will confirm that following the passage of House Bill No. 210 (Interim Management of the Alaska Permanent Fund), it is the intent of the Department of Revenue, Treasury Division to invest the Permanent Fund resources in direct obligations of the U. S. Treasury, Federal agency securities, secured short term investments as enumerated in House Bill No. 210, and high grade corporate bonds. The goal of the Treasury Division is to invest the Permanent Fund in a prudent, conservative manner attempting to maximize earnings consistent with such prudent management. It is not the intention of the Treasury Division to include common stocks among the investments.

Sincerely,



Jim Edenso  
Deputy Commissioner

JE:ge

John -

Regarding the attached Permanent Fund bills -

According to Jim Edango, the constitution states that a minimum of 25% of the mineral lease royalties, etc shall go to the permanent fund and that unless otherwise specified by law the income from this fund accrues to the General Fund.

This legislation sets the permanent fund at the minimum (25%) and does not specify where the income should go (which means that it will go back to the General Fund).

He is concerned that amendments will be tacked on to commit funds to certain projects. I told him I would ask you if you wanted to schedule these for Monday bills session.

money will start coming in 1<sup>st</sup> of March

John

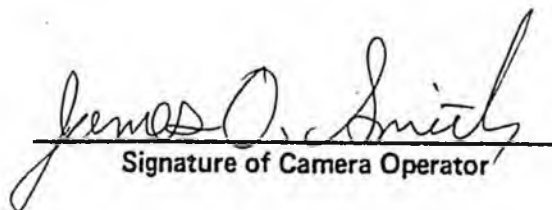
↑ concern is about investing in "illiquid" assets such as home loans, etc.

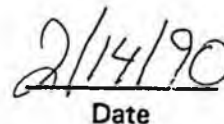


# RECORDS CERTIFICATION



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.

  
Signature of Camera Operator

  
Date

"An Act relating to pay differentials between state employees residing inside and outside the state."

# COMMITTEE REPORT

2-11-77

## HOUSE

\_\_\_\_\_ Date

Mr. Speaker:

The Committee on FINANCE has had HB 203

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
- AND attaches a report of its intent + *Fiscal Note dated 3/4/77*
- (other) \_\_\_\_\_

### MEMBERS SIGNING THE MAJORITY REPORT:

<u>Freeman</u>	<u>_____</u>	<u>_____</u>
<u>Hargrave</u>	<u>_____</u>	<u>_____</u>
<u>Hawkins</u>	<u>_____</u>	<u>_____</u>
<u>_____</u>	<u>_____</u>	<u>_____</u>

### MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

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

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

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

\_\_\_\_\_

Chairman

Introduced: 2/11/77  
Referred: Finance

1 IN THE HOUSE

BY GARDINER, MILLER AND FREEMAN

2 HOUSE BILL NO. 203

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to pay differentials between state  
7 employees residing inside and outside the state."

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

9 \* Section 1. AS 23.40.210 is amended to read:

10 Sec. 23.40.210. AGREEMENT. Upon the completion of negotiations  
11 between an organization and a public employer, if a settlement is  
12 reached, the employer shall reduce it to writing in the form of an  
13 agreement. The agreement may include a term for which it will remain in  
14 effect, not to exceed three years. The agreement shall provide for an  
15 area differential in pay between employees residing inside and outside  
16 the state to reflect the difference in the cost of living for those em-  
17 ployees. The agreement shall include a grievance procedure which shall  
18 have binding arbitration as its final step. Either party to the agree-  
19 ment has a right of action to enforce the agreement by petition to the  
20 labor relations agency.

21 \* Sec. 2. Section 1 of this Act may not be implemented by collective  
22 bargaining which results in an agreement which reduces the wages and fringe  
23 benefits received on the effective date of this Act by employees residing  
24 inside and outside the state.

25  
26  
27  
28  
29

#

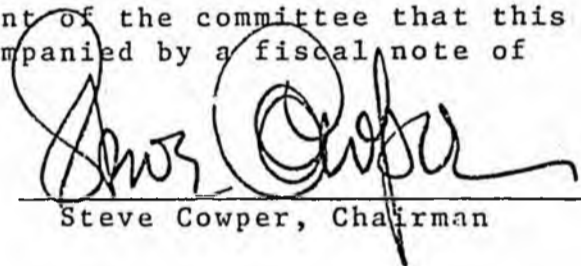
HOUSE JOURNAL

FINANCE COMMITTEE  
March 4, 1977  
Letter of Intent

HB 203

It is the intent of the House Finance Committee on passing HB 203 to provide for a cost-of-living pay differential between Alaska Marine Highway employees who live in Alaska and those who live outside the state. The purpose of the bill is to encourage employees of the Marine Highway system to live in Alaska. It is not intended to mandate a pay raise or benefits increase for resident Ferry system employees. Rather, the differential should be implemented over a period of time through the collective bargaining process. For example, if the cost of living in Ketchikan is 15% higher than in Seattle, and a 6% increase were negotiated, the 6% raise-and subsequent raises-should apply only to Alaska residents until the cost-of-living differential is established.

Further, it is the intent of the committee that this measure be reported as accompanied by a fiscal note of zero.



Steve Cowper, Chairman

THE LEGISLATURE OF THE STATE OF ALASKA  
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. HB 203

Title Relating to pay differential between employees inside and outside of State

Requested by Gardiner, Miller and Freeman

Date 2-11-77

II. FISCAL DETAIL

Agency Affected Department of Public Works, Division of Marine Transportation

Program Category Affected Southeast Vessels

Budget Request Unit(s) Affected 13.82.8.01.0101

EXPENDITURES (Thousands of Dollars)

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL						

FUNDING (Thousands of Dollars)

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
FULL TIME						
PART TIME						
TEMPORARY						

ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

Any application of a pay differential would necessarily have to be applied in the form of a special cost of living allowance as opposed to a wage differential.

The cost of such an application would depend upon the rate established and cannot be defined in monetary terms herein.

Realistically, application to M.M.& P. and M.E.B.A. could not be applied until current contracts are renegotiated in 1979.

IV. DATE 2-17-77

PREPARED BY

Charnelle B. Howitz

AGENCY

Division of Marine Transportation

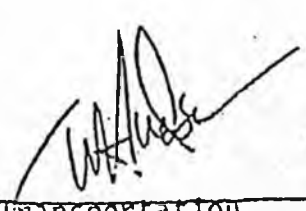
PHONE

465-3961

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Name, Last Name)



FISCAL ANALYSIS

DEPARTMENT	SPONSOR (PRINCIPAL)	BILL NO.	
Public Works	Gardiner	203	
DIVISION POSITION	CO-SPONSORS OR COMMITTEE SPONSORS	DATE LAST AMENDED	
Negative			
DIVISION DIRECTOR	DATE	COMMISSIONER	DATE
H. R. Hudson	2-17-77		

FISCAL EFFECTS OF BILL

- (1) CHANGES IN PERSONNEL
- (2) CHANGES IN GOVERNOR'S PROPOSED BUDGET
  - Unquantifiable decrease after contracts are renegotiated.
- (3) CAN COSTS BE ABSORBED
  - Anticipate no increase cost.
- (4) REVENUE/EXPENDITURE CLASSIFICATION AND FUND — SOURCE (GENERAL FUND/BUDGET, FEDERAL FUNDS, BONDS, SPECIAL APPROPRIATIONS)
  - General Fund.

COMMENTS: There are no changes in the Governor's proposed budget, since any new wage or benefit increased must be based on signed contracts.  
 This Legislation would appreciably affect future labor costs, in that it would make an agreed upon increase applicable to a smaller number of employees.  
 Using the IBU as an example, this principle would apply to about 80% of Union's force size - about 20% do not claim Alaska residence.  
 Actual Fiscal impact is not readily quantifiable, but results should be a reduction in acceleration of labor costs.

BILL ANALYSIS

ASSIGNMENT DATE 2-17-77

UNASSIGNED

DEPARTMENT

Public Works

SPONSOR (PRINCIPAL)

Gardiner

BILL NO.

203

DEPARTMENT POSITION

Negative

DIVISION DIRECTOR

DATE

2-17-77

COMMISSIONER

DATE

GOVERNOR'S OFFICE USE

POSITION NOTED

POSITION APPROVED

POSITION DISAPPROVED

BY \_\_\_\_\_ DATE \_\_\_\_\_

SUMMARY

(1) RELATED BILLS (SIMILAR OR CONFLICTING)

House Bill No. 842 1976 Session

(1) a. ORGANIZATIONAL SUPPORT FOR BILL

(2) b. ORGANIZATIONAL OPPOSITION TO BILL

PROGRAM EFFECTS OF BILL

This Bill is similar to one presented last Legislative Session (H.B. 842). The Department of Public Works is on record as having stated that unilateral passage would conflict with signed union contracts. However, the terminology of the current Bill allows for future negotiated cost of living application.

(3) FISCAL IMPACT:  NONE

FISCAL ANALYSIS ATTACHED

(4) AMENDMENTS PROPOSED

(6) COMMENTS



# RECORDS CERTIFICATION



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James O. Smith  
Signature of Camera Operator

2/14/90  
Date

# COMMITTEE REPORT

## HOUSE

2/21/77

2-21-77 Date

Mr. Speaker:

The Committee on FINANCE has had HR 210

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
- AND attaches a report of its intent
- (other) \_\_\_\_\_

### MEMBERS SIGNING THE MAJORITY REPORT:

<u>Freeman</u>	<u>McKinnon</u>	<u>Blanchard</u>
<u>Wade</u>	<u>Shannon</u>	<u>John L. ...</u>
<u>...</u>	<u>...</u>	<u>...</u>

### MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

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

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

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

John L. ...  
Chairman

Introduced: 2/11/77  
Referred: Special Committee on  
the Alaska Permanent Fund and  
Finance

1 IN THE HOUSE

BY THE RULES COMMITTEE BY  
REQUEST OF THE GOVERNOR

2 HOUSE BILL NO. 210

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act providing for interim management of the  
7 Alaska Permanent Fund; and providing for an effective  
8 date."

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

10 \* Section 1. AS 37.10 is amended by adding a new section in art. 3 to  
11 read:

12 Sec. 37.10.065. INVESTMENT OF THE ALASKA PERMANENT FUND. (a)

13 The Alaska Permanent Fund consists of 25 per cent of all mineral lease  
14 rentals, royalties, royalty sale proceeds, federal mineral revenue  
15 sharing payments and bonuses received by the state. The commissioner  
16 of revenue shall deposit in the Alaska Permanent Fund 25 per cent of  
17 the receipts from these sources at least once each month. The commis-  
18 sioner of revenue shall invest the money in the Alaska Permanent Fund  
19 in income-producing investments of the following types:

20 (1) obligations of, or obligations insured or guaranteed  
21 by, the United States or agencies or instrumentalities of the United  
22 States;

23 (2) obligations secured by reserves paid in by the United  
24 States or agencies or instrumentalities of the United States or obli-  
25 gations of corporations in which the United States is a shareholder or  
26 member;

27 (3) certificates of deposits issued by United States domestic  
28 banks which are members of the Federal Deposit Insurance Corporation  
29 and secured as to the payment of principal and interest in accordance

1 with Alaska law;

2 (4) corporate investment-grade securities;

3 (5) bankers acceptances drawn on and accepted by United  
4 States banks which each have a combined capital and surplus aggregating  
5 at least \$100,000,000;

6 (6) repurchase agreements, the securities underlying the  
7 agreements being any of the items in (1) - (5) of this subsection;

8 (7) deposits of federally insured savings and loan associa-  
9 tions not to exceed 10 per cent of each savings and loan association's  
10 deposits exclusive of federal, state, and municipal deposits;

11 (8) fixed-term certificates of debentures of federally  
12 insured credit unions not to exceed 10 per cent of each credit union's  
13 shares.

14 (b) The commissioner of revenue may enter into contracts provid-  
15 ing for custody of securities and execution of transactions.

16 (c) The commissioner of revenue shall transfer to whatever  
17 agency is established for the express purpose of managing and investing  
18 the Alaska Permanent Fund all or part of the securities and money in  
19 the Alaska Permanent Fund in accordance with Alaska law no later than  
20 two weeks after receipt of written notice from that agency.

21 \* Sec. 2. This Act takes effect immediately in accordance with AS 01.-  
22 10.070(c).

THE LEGISLATURE OF THE STATE OF ALASKA  
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST  
 Bill/Resolution No. HB 210/244 (HB 210--Authorization, HB 244--Appropriation)  
 Title Interim Management of the Alaska Permanent Fund  
 Requested by Department of Revenue, Treasury Management Date \_\_\_\_\_

II. FISCAL DETAIL  
 Agency Affected Department of Revenue  
 Program Category Affected General Government  
 Budget Request Unit(s) Affected Treasury Management

EXPENDITURES (Thousands of Dollars)

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
100 PERSONAL SERVICES	0	0				
200 TRAVEL	2.8	2.8				
300 CONTRACTUAL	9.1	47.2				
400 COMMODITIES	.2	.5				
500 EQUIPMENT	0	0				
600 LAND & STRUCTURES	0	0				
700 GRANTS, CLAIMS, ETC.	0	0				
<b>TOTAL</b>	<b>12.1</b>	<b>50.5</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

FUNDING (Thousands of Dollars)

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
GENERAL FUND	12.1	50.5	0	0	0	0
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
FULL TIME	0	0	0	0	0	0
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

This fiscal note enumerates expenses to provide for interim management of the Alaska Permanent Fund. Travel expenses cover travel and per diem to establish and maintain supervision of security transactions, custodial, and reporting services. Contractual services include all of the previously mentioned services plus necessary printing and duplication services and communications. Commodities cover additional use of office supplies.

Without this funding, it would not be possible to invest and provide accounting services on a segregated basis for funds accruing to the Alaska Permanent Fund beginning February 22, 1977. Funds will begin accruing from that date in accordance with Alaska Constitution, Article IX, Section 15 as amended.

IV. DATE 3/18/77 PREPARED BY *Jim Edanson*  
 AGENCY Department of Revenue/Treasury  
 PHONE 465-2350  
 Original: Legislative Finance  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)

HB 210

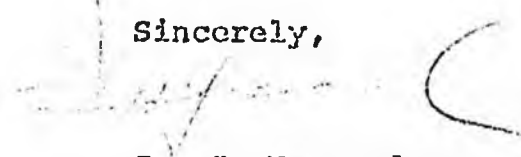
February 11, 1977

The Honorable Hugh Malone  
Speaker of the House  
Alaska State Legislature  
Juneau, Alaska 99811

Dear Mr. Speaker:

Under the authority of art. III, sec. 18 of the Alaska Constitution, and in accordance with AS 24.30.060 (b) and the Uniform Rules of the Alaska State Legislature, I am transmitting a bill to provide for the interim management of the Alaska Permanent Fund. Article IX, sec. 15 of the Alaska Constitution, which becomes effective February 21, 1977, provides that the principal of the fund must be used for income-producing investments specifically designated by law. Therefore, it is necessary to enact legislation setting up the management and investment process for the fund. The attached bill does this on an interim basis, requiring the commissioner of revenue to invest the money until a permanent structure for this investment function is created.

Sincerely,

  
Jay S. Hammond  
Governor

Introduced: 2/11/77  
Referred: Special Committee on  
the Alaska Permanent Fund and  
Finance

1 IN THE HOUSE

BY THE RULES COMMITTEE BY  
REQUEST OF THE GOVERNOR

2 HOUSE BILL NO. 210

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act providing for interim management of the  
7 Alaska Permanent Fund; and providing for an effective  
8 date."

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

10 \* Section 1. AS 37.10 is amended by adding a new section in art. 3 to  
11 read:

12 Sec. 37.10.065. INVESTMENT OF THE ALASKA PERMANENT FUND. (a)

13 The Alaska Permanent Fund consists of 25 per cent of all mineral lease  
14 rentals, royalties, royalty sale proceeds, federal mineral revenue  
15 sharing payments and bonuses received by the state. The commissioner  
16 of revenue shall deposit in the Alaska Permanent Fund 25 per cent of  
17 the receipts from these sources at least once each month. The commis-  
18 sioner of revenue shall invest the money in the Alaska Permanent Fund  
19 in income-producing investments of the following types:

20 (1) obligations of, or obligations insured or guaranteed  
21 by, the United States or agencies or instrumentalities of the United  
22 States;

23 (2) obligations secured by reserves paid in by the United  
24 States or agencies or instrumentalities of the United States or obli-  
25 gations of corporations in which the United States is a shareholder or  
26 member;

27 (3) certificates of deposits issued by United States domestic  
28 banks which are members of the Federal Deposit Insurance Corporation  
29 and secured as to the payment of principal and interest in accordance

1 with Alaska law;

2 (4) corporate investment-grade securities;

3 (5) bankers acceptances drawn on and accepted by United  
4 States banks which each have a combined capital and surplus aggregating  
5 at least \$100,000,000;

6 (6) repurchase agreements, the securities underlying the  
7 agreements being any of the items in (1) - (5) of this subsection;

8 (7) deposits of federally insured savings and loan associa-  
9 tions not to exceed 10 per cent of each savings and loan association's  
10 deposits exclusive of federal, state, and municipal deposits;

11 (8) fixed-term certificates of debentures of federally  
12 insured credit unions not to exceed 10 per cent of each credit union's  
13 shares.

14 (b) The commissioner of revenue may enter into contracts provid-  
15 ing for custody of securities and execution of transactions.

16 (c) The commissioner of revenue shall transfer to whatever  
17 agency is established for the express purpose of managing and investing  
18 the Alaska Permanent Fund all or part of the securities and money in  
19 the Alaska Permanent Fund in accordance with Alaska law no later than  
20 two weeks after receipt of written notice from that agency.

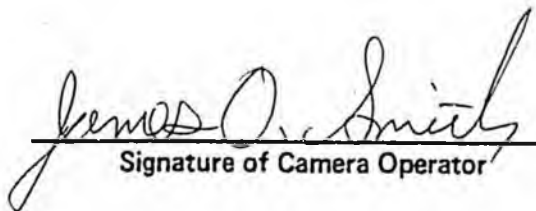
21 \* Sec. 2. This Act takes effect immediately in accordance with AS 01.-  
22 10.070(c).  
23  
24  
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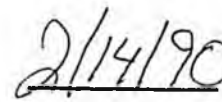


# RECORDS CERTIFICATION



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.

  
Signature of Camera Operator

  
Date

THE LEGISLATURE OF THE STATE OF ALASKA  
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST  
 Bill/Resolution No. SCSCS HB 212  
 Title An Act RELating to State Aid for Schools  
 Requested by \_\_\_\_\_ Date May 6, 1977

II. FISCAL DETAIL  
 Agency Affected Department of Education  
 Program Category Affected Education  
 Budget Request Unit(s) Affected Financial Support Programs

EXPENDITURES (Thousands of Dollars)

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.		6,548.9	28,394.0	30,097.6	31,903.5	33,817.7
<b>TOTAL</b>		6,548.9	28,394.0	30,097.6	31,903.5	33,817.7

FUNDING (Thousands of Dollars)

GENERAL FUND		6,548.9	28,394.0	30,097.6	31,903.5	33,817.7
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

See attached for FY 78 and 79 detail

FY 80-82 estimated at 6% per year increase.

Attached district by district analysis is based on FY 77 first quarter enrollments for comparative purposes and does not include increased enrollment projections which are included in the cost analysis.

IV. DATE May 6, 1977 PREPARED BY Nat Cole, Deputy Commissioner  
 AGENCY Education  
 PHONE 465-2800  
 Original: Legislative Finance  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)

SCSCS HB 212

Section 3: Basic need from 95% to 97%

158,536,551	Basic need est. FY 78
<u>153,183,803</u>	Entitlement est. FY 78 @ 95%
5,412,748	Differential at 95%

$2/5 \times 5,412,748 = \underline{\$2,165,099}$  estimated increase at 97%

Section 4 - 7: Minimum units small elementary and secondary schools

140 units at 36,000 (average per inst. unit) = \$5,040,000

Section 8: Differentials

3002 Inst. Units X 0.000 X 27,500	=	0
489 Inst. Units X 0.0025 X 27,500	=	67,238
506 Inst. Units X 0.0050 X 27,500	=	69,575
751 Inst. Units X 0.0075 X 27,500	=	154,894
28 Inst. Units X 0.045 X 27,500	=	34,650
39 Inst. Units X 0.075 X 27,500	=	80,438
19 Inst. Units X 0.0849 X 27,500	=	44,360
113 Inst. Units X 0.0875 X 27,500	=	271,906
44 Inst. Units X 0.0950 X 27,500	=	115,076
518 Inst. Units X 0.1456 X 27,500	=	2,074,072
64 Inst. Units X 0.1744 X 27,500	=	306,944
229 Inst. Units X 0.1850 X 27,500	=	1,165,038
238 Inst. Units X 0.2244 X 27,500	=	<u>1,468,698</u>
		<u>6,142,231</u>

Section 9: Hold harmless  
Subtotal FY 78

406,681

6,548,911

Section 10: FY 79 Basic Inst. Unit at \$29,000

6800 Instructional Units X 1500 per unit increase X 1.20  
(average differential) = \$12,240,000

Section 11: School Lunch

Federal subsidy for FY 78 estimated at \$2,000,000

2,000,000 X 1.20 (average differential) = \$2,400,000 state  
cost under section 10.

ALASKA CITY & BOROUGH SCHOOL DISTRICTS

Districts	Base FY-77 25K 95%	FY-78 27.5K Dif.Chg.	FY-78 Inc.	FY-78 % Inc.	FY-79 29K 97%	Dif. FY-78 & FY-79 25K; 95%	Food Ser. FY-78	Sm. & Lge. School Change	FY-79 Increase Total	% Inc. Total
ANCHORAGE	48,812.4	54,766.2	5,953.8	12.20	57,753.4	8,941.0	568.7	1,532.6	11,042.3	23
BRISTOL BAY	820.3	1,076.3	256.0	31.21	1,135.0	314.7	13.3		328.0	40.
CORDOVA	1,340.9	1,492.2	151.3	11.28	1,573.6	232.7	16.7		249.4	19
CRAIG	451.0	501.0	50.3	11.09	528.3	77.3	8.6		85.9	19.
DILLINGHAM	1,274.7	1,648.6	392.9	31.49	1,738.6	463.9	60.8		585.5	46
FAIRBANKS	16,056.9	18,147.1	2,090.2	13.02	*18,729.6	2,672.7	81.4	190.1	2,944.2	18
GALENA	523.4	637.0	113.6	21.70	671.8	148.4	8.5		156.9	30.0
HAINES	1,058.6	1,226.1	207.5	90.60	1,335.2	276.6	6.8		283.4	27
HOONAH	774.7	890.0	115.3	14.88	938.5	163.8	44.7		280.5	20
HYDABURG	373.9	414.2	40.3	10.78	436.8	62.9	14.7		77.0	21
JUNEAU	7,105.9	7,934.9	829.0	11.67	8,367.7	1,261.8	59.6		1,321.4	19
KAKE	508.2	651.4	63.2	10.74	686.9	178.7	11.0		189.7	32.
KENAI	9,727.4	10,976.2	1,248.8	13.47	11,574.9	1,847.5	134.3		1,981.8	20.
KETCHIKAN	4,280.2	4,804.9	524.7	12.26	5,067.0	786.8	89.5		876.3	20.
KING COVE	460.5	574.9	114.4	24.84	606.3	145.8	7.2		153.0	33.
KLAWOCK	213.7	236.7	23.0	10.76	249.7	36.0	7.8		43.8	20.
KCDIAK	4,651.1	5,397.3	746.2	16.04	5,691.7	1,340.6	45.7	31.7	1,463.7	31.
MAT-SU	6,039.4	6,786.9	747.5	12.38	7,157.1	1,117.7	94.6		1,212.3	20.
NENANA*	727.7	726.7	*	*	760.6	32.9	2.3		35.2	*
NOME	2,331.4	3,009.7	678.3	29.09	3,173.9	842.5	50.2		892.7	38.3
NORTH SLOPE	3,869.1	4,796.2	927.1	23.96	5,057.8	1,188.7	139.4	128.1	1,456.2	38
PELICAN	135.5	157.9	22.4	16.53	166.5	31.0	3.5		34.5	25.
PETERSBURG	1,157.8	1,292.2	134.4	11.61	1,362.7	204.9	6.1		211.0	18
SELAWIK	700.2	851.1	150.9	21.55	897.5	197.3	44.7		242.0	35
SITKA	3,055.4	3,428.5	373.1	12.21	3,615.5	560.1	32.0	29.5	621.6	20
SKAGWAY	510.6	576.2	65.6	12.85	607.6	97.0	7.3		104.3	20
ST. MARY'S	578.3	723.3	145.0	25.07	762.7	184.4	25.5		209.9	36
UNALASKA	517.7	650.6	132.9	25.67	686.1	168.4	7.3		175.7	34
VALDEZ	2,075.8	2,331.4	255.6	12.31	2,458.6	382.8	28.7		411.5	20
WRANGELL	1,139.4	1,268.6	129.2	11.34	1,337.8	198.4	8.2		206.6	18
YAKUTAT	476.5	558.7	82.2	17.25	589.2	112.7	11.1		123.8	26

\*Area differential change negative covered under the floor section of bill.

REGIONAL EDUCATIONAL ATTENDANCE AREA DISTRICTS

DATE \_\_\_\_\_

	Base FY77 25K 95%	FY78 27.5K With Diff. Change	FY78 Increase	FY78 % Increase	FY79 29K 97%	Difference FY79 & FY78 25K, 95%	Food Service FY79	Sm. & Lg. School Formula Change	FY79 Increase Total	% Increase 77-79
Northwest Arctic	4072.8	4944.6	871.8	21.41	5214.3	1141.5	99.9	89.9	1331.3	33
Bering Straits	1358.8	1747.7	388.9	28.62	1843.0	484.2	31.7	134.9	650.8	48
Lower Yukon	2457.0	3069.1	612.1	24.91	3236.4	779.4	14.2	89.9	883.5	36
Lower Kuskokwim	3685.5	4603.6	918.1	24.91	4854.7	1169.2	10.5	179.8	1359.5	37
Kuspik	1474.6	1790.3	315.7	21.41	1887.9	413.3	31.5	179.8	1217.7	83
Southwest	1988.5	2531.8	543.3	27.32	2697.0	708.5	79.2	404.6	1192.3	60
Lake & Peninsula	1557.6	2003.4	445.8	28.62	2112.7	555.1	45.1	497.6	1097.8	71
Aleutian Chain	828.5	1031.3	202.8	24.48	1087.5	259.0	49.5	478.5	787.0	95
Pribilof	729.1	907.5	178.4	24.47	957.0	227.9	42.8	-	270.7	37
Adak	1458.2	1694.0	235.8	16.17	1786.4	328.2	9.7	-	337.9	23
Iditarod	1334.2	1619.8	285.6	21.41	1708.1	373.9	22.4	359.6	755.9	57
Yukon/Koyukuk	2949.2	3580.6	631.4	21.41	3775.8	826.6	92.1	224.8	1143.5	39
Yukon Flats	1123.5	1364.0	240.5	21.41	1438.4	314.9	39.9	314.7	669.5	60
Upper Railbelt	1371.0	* 1371.0	*	*	1426.8	55.8	3.7	-	59.5	*
Delta/Greely	1780.0	2112.0	332.0	18.65	2227.2	447.2	93.5	-	540.7	30
Alaska Gateway	1335.0	1584.0	249.0	18.65	1670.4	335.4	20.2	104.4	564.4	42
Copper River	1955.0	2150.5	195.5	10.00	2267.8	312.8	23.5	-	336.3	17
Chatham	537.5	594.0	56.5	10.51	626.4	88.9	6.6	62.6	158.1	29
Southeast Islands	1207.5	1381.4	173.9	14.40	1456.7	249.2	19.2	60.3	328.7	27
Annette Island	892.5	1021.0	128.5	14.40	1076.7	184.2	9.6	-	193.8	22
Chugach	287.5	330.0	42.5	14.78	348.0	60.5	16.4	34.8	111.7	39

\* Area differential change negative covered under the floor section of bill.

RE: HB 212 FINAL COPY as of May 24, 1977

ALASKA CITY & BOROUGH SCHOOL DISTRICTS

Districts	Base FY-77 25K 95%	FY-78 27.5K Dif.Chg.	FY-78 Inc.	FY-78 % Inc.	FY-79 29K 97%	Dif. FY-78 & FY-79 25K; 95%	Food Ser. FY-78	Sm. & Lge. School Change	FY-79 Increase Total	% Inc. Total	(1979) TOTAL \$ Per ADM
ANCHORAGE	48,812.4	54,766.2	5,953.8	12.20	57,753.4	8,941.0	568.7	1,532.6	11,042.3	23	1865
BRISTOL BAY	820.3	1,076.3	256.0	31.21	1,135.0	314.7	13.3		328.0	40.	4754
CORDOVA	1,340.9	1,492.2	151.3	11.28	1,573.6	232.7	16.7		249.4	19	3349
CRAIG	451.0	501.0	50.3	11.09	528.3	77.3	8.6		85.9	19.	3649
DILLINGHAM	1,274.7	1,648.6	392.9	31.49	1,738.6	463.9	60.8		585.5	46	4808
FAIRBANKS	16,056.9	18,147.1	2,090.2	13.02	*18,729.6	2,672.7	81.4	190.1	2,944.2	18 <sup>4</sup>	2260
GALENA	523.4	637.0	113.6	21.70	671.8	148.4	8.5		156.9	30.0	5377
HAINES	1,058.6	1,226.1	207.5	90.60	1,335.2	276.6	6.8		283.4	27	3179
HOONAH	774.7	890.0	115.3	14.88	938.5	163.8	44.7		280.5	20	4054
HYDABURG	373.9	414.2	40.3	10.78	436.8	62.9	14.7		77.0	21	4648
JUNEAU	7,105.9	7,934.9	829.0	11.67	8,367.7	1,261.8	59.6		1,321.4	19	2070
KAKE	508.2	651.4	63.2	10.74	686.9	178.7	11.0		189.7	32.	3968
KENAI	9,727.4	10,976.2	1,248.8	13.47	11,574.9	1,847.5	134.3		1,981.8	20.	2471
KETCHIKAN	4,280.2	4,804.9	524.7	12.26	5,067.0	786.8	89.5		876.3	20.	2207
KING COVE	460.5	574.9	114.4	24.84	606.3	145.8	7.2		153.0	33.	5757
KLAWOCK	213.7	236.7	23.0	10.76	249.7	36.0	7.8		43.8	20.	3700
KODIAK	4,651.1	5,397.3	746.2	16.04	5,691.7	1,340.6	45.7	31.7	1,463.7	31.	3034
MAT-SU	6,039.4	6,786.9	747.5	12.38	7,157.1	1,117.7	94.6		1,212.3	20.	2184
NENANA*	727.7	726.7	*	*	760.6	32.9	2.3		35.2	*	4229
NOME	2,331.4	3,009.7	678.3	29.09	3,173.9	842.5	50.2		892.7	38.3	4000
NORTH SLOPE	3,869.1	4,796.2	927.1	23.96	5,057.8	1,188.7	139.4	128.1	1,456.2	38	5390
PELICAN	135.5	157.9	22.4	16.53	166.5	31.0	3.5		34.5	25.	5570
PETERSBURG	1,157.8	1,292.2	134.4	11.61	1,362.7	204.9	6.1		211.0	18	2494
SELAWIK	700.2	851.1	150.9	21.55	897.5	197.3	44.7		242.0	35	5295
SITKA	3,055.4	3,428.5	373.1	12.21	3,615.5	560.1	32.0	29.5	621.6	20	2333
SKAGWAY	510.6	576.2	65.6	12.85	607.6	97.0	7.3		104.3	20	3066
ST. MARY'S	578.3	723.3	145.0	25.07	762.7	184.4	25.5		209.9	36	8199
UNALASKA	517.7	650.6	132.9	25.67	686.1	168.4	7.3		175.7	34	5670
VALDEZ	2,075.8	2,331.4	255.6	12.31	2,458.6	382.8	28.7		411.5	20	2667
WRANGELL	1,139.4	1,268.6	129.2	11.34	1,337.8	198.4	8.2		206.6	18	2622
YAKUTAT	476.5	558.7	82.2	17.25	589.2	112.7	11.1		123.8	26	4116

\*Area differential change  
negative covered under the floor section of bill.

REGIONAL EDUCATIONAL ATTENDANCE AREA DISTRICTS

DATE \_\_\_\_\_

	Base FY77 25K 95%	FY78 27.5K With Diff. Change	FY78 Increase	FY78 % Increase	FY79 29K 97%	Difference FY79 & FY78 25K, 95%	Food Service FY79	Sm. & Lg. School Formula Change	FY79 Increase Total	% Increase 77-79	\$ Per ADM 1979
Northwest Arctic	4072.8	4944.6	871.8	21.41	5214.3	1141.5	99.9	89.9	1331.3	33	4225
Chukotka Straits	1358.8	1747.7	388.9	28.62	1843.0	484.2	31.7	134.9	650.8	48	6815
Lower Yukon	2457.0	3069.1	612.1	24.91	3236.4	779.4	14.2	89.9	883.5	36	5156
Lower Kuskokwim	3685.5	4603.6	918.1	24.91	4854.7	1169.2	10.5	179.8	1359.5	37	4038
Uspuk	1474.6	1790.3	315.7	21.41	1887.9	413.3	31.5	179.8	1217.7	83	1931
Southwest	1988.5	2531.8	543.3	27.32	2697.0	708.5	79.2	404.6	1192.3	60	6691
Chukotka & Peninsula	1557.6	2003.4	445.8	28.62	2112.7	555.1	45.1	497.6	1097.8	71	8213
Arctic Chain	828.5	1031.3	202.8	24.48	1087.5	259.0	49.5	478.5	787.0	95	7918
Chukotka	729.1	907.5	178.4	24.47	957.0	227.9	42.8	-	270.7	37	5979
Chukotka	1458.2	1694.0	235.8	16.17	1786.4	328.2	9.7	-	337.9	23	3458
Chukotka	1334.2	1619.8	285.6	21.41	1708.1	373.9	22.4	359.6	755.9	57	7427
Chukotka/Koyukuk	2949.2	3580.6	631.4	21.41	3775.8	826.6	92.1	224.8	1143.5	39	6429
Chukotka Flats	1123.5	1364.0	240.5	21.41	1438.4	314.9	39.9	314.7	669.5	60	6714
Upper Railbelt	1371.0	* 1371.0	*	*	1426.8	55.8	3.7	-	59.5	*	4404
Delta/Greely	1780.0	2112.0	332.0	18.65	2227.2	447.2	93.5	-	540.7	30	3355
Alaska Gateway	1335.0	1584.0	249.0	18.65	1670.4	335.4	20.2	104.4	564.4	42	4864
Upper River	1955.0	2150.5	195.5	10.00	2267.8	312.8	23.5	-	336.3	17	3670
Chukotka	537.5	594.0	56.5	10.51	626.4	88.9	6.6	62.6	158.1	29	5109
Chukotka Islands	1207.5	1381.4	173.9	14.40	1456.7	249.2	19.2	60.3	328.7	27	4387
Chukotka Island	892.5	1021.0	128.5	14.40	1076.7	184.2	9.6	-	193.8	22	3292
Chukotka	287.5	330.0	42.5	14.78	348.0	60.5	16.4	34.8	111.7	39	5656

Area differential change negative covered under the floor section of bill.

THE LEGISLATURE OF THE STATE OF ALASKA  
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. SCSCS HB 212

Title An Act Relating to State Aid for Schools

Requested by \_\_\_\_\_ Date May 6, 1977

II. FISCAL DETAIL

Agency Affected Department of Education

Program Category Affected Education

Budget Request Unit(s) Affected Financial Support Programs

EXPENDITURES (Thousands of Dollars)

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.		6,548.9	28,394.0	30,097.6	31,903.5	33,817.7
<b>TOTAL</b>		6,548.9	28,394.0	30,097.6	31,903.5	33,817.7

FUNDING (Thousands of Dollars)

GENERAL FUND		6,548.9 46,154.0	28,394.0	30,097.6	31,903.5	33,817.7
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

See attached for FY 78 and 79 detail

FY 80-82 estimated at 6% per year increase.

Attached district by district analysis is based on FY 77 first quarter enrollments for comparative purposes and does not include increased enrollment projections which are included in the cost analysis.

IV. DATE May 6 1977

PREPARED BY Nat Cole, Deputy Commissioner

AGENCY Education

PHONE 465-2800

Original: Legislative Finance

cc. Budget and Management

Prime Sponsor (First Legislator Named)

SCSCS HB 212

Section 3: Basic need from 95% to 97%

158,596,551	Basic need est. FY 78
<u>153,183,803</u>	Entitlement est. FY 78 @ 95%
5,412,748	Differential at 95%

$\cdot 2/5 \times 5,412,748 = \underline{\$2,165,099}$  estimated increase at 97%

Section 4 - 6: Minimum units small elementary and secondary schools

140 units at 36,000 (average per inst. unit) = \$5,040,000

Section 7: Differentials

3002 Inst. Units X 0.000 X 27,500	=	0
489 Inst. Units X 0.0025 X 27,500	=	67,238
506 Inst. Units X 0.0050 X 27,500	=	69,575
751 Inst. Units X 0.0075 X 27,500	=	154,894
28 Inst. Units X 0.045 X 27,500	=	34,650
39 Inst. Units X 0.075 X 27,500	=	80,438
19 Inst. Units X 0.0849 X 27,500	=	44,360
113 Inst. Units X 0.0875 X 27,500	=	271,906
44 Inst. Units X 0.0956 X 27,500	=	115,676
518 Inst. Units X 0.1456 X 27,500	=	2,074,072
64 Inst. Units X 0.1744 X 27,500	=	306,944
229 Inst. Units X 0.1850 X 27,500	=	1,165,038
238 Inst. Units X 0.2244 X 27,500	=	<u>1,468,698</u>

6,142,231

Section 8: Hold harmless  
Subtotal FY 78

406,681

6,548,911

Section 9: FY 79 Basic Inst. Unit at \$29,000

6800 Instructional Units X 1500 per unit increase X 1.20  
(average differential) = \$12,240,000

Section 10: School Lunch

Federal subsidy for FY 78 estimated at \$2,000,000

2,000,000 X 1.20 (average differential) = \$2,400,000 state  
cost under section 10.

## REGIONAL EDUCATIONAL ATTENDANCE AREA DISTRICTS

DATE \_\_\_\_\_

	Base FY77 25K 95%	FY78 27.5K With Diff. Change	FY78 Increase	✓ FY78 % Increase	FY79 29K 97%	Difference FY79 & FY78 25K, 95%	Food Service FY79	Sm. & Lg. School Formula Change	FY79 Increase Total	% Increase 77-79
Northwest Arctic	4072.8	4944.6	871.8	21.41	5214.3	1141.5	99.9	89.9	1331.3	33
Bering Straits	1358.8	1747.7	388.9	28.62	1843.0	484.2	31.7	134.9	650.8	48
Lower Yukon	2457.0	3069.1	612.1	24.91	3236.4	779.4	14.2	89.9	883.5	36
Lower Kuskokwim	3685.5	4603.6	918.1	24.91	4854.7	1169.2	10.5	179.8	1359.5	37
Kuspik	1474.6	1790.3	315.7	21.41	1887.9	413.3	31.5	179.8	1217.7	83
Southwest	1988.5	2531.8	543.3	27.32	2697.0	708.5	79.2	404.6	1192.3	60
Lake & Peninsula	1557.6	2003.4	445.8	28.62	2112.7	555.1	45.1	497.6	1097.8	71
Aleutian Chain	828.5	1031.3	202.8	24.48	1087.5	259.0	49.5	478.5	787.0	95
Pribilof	729.1	907.5	178.4	24.47	957.0	227.9	42.8	-	270.7	37
Adak	1458.2	1694.0	235.8	16.17	1786.4	328.2	9.7	-	337.9	23
Iditarod	1324.2	1619.8	285.6	21.41	1708.1	373.9	22.4	359.6	755.9	57
Yukon/koyukuk	2949.2	3580.6	631.4	21.41	3775.8	826.6	92.1	224.8	1143.5	39
Yukon Flats	1123.5	1364.0	240.5	21.41	1438.4	314.9	39.9	314.7	669.5	60
Upper Railbelt	1371.0	* 1371.0	*	*	1426.8	55.8	3.7	-	59.5	*
Delta/Greely	1780.0	2112.0	332.0	18.65	2227.2	447.2	93.5	-	540.7	30
Alaska Gateway	1335.0	1584.0	249.0	18.65	1670.4	335.4	20.2	104.4	564.4	42
Copper River	1955.0	2150.5	195.5	10.00	2267.8	312.8	23.5	-	336.3	17
Chatham	537.5	594.0	56.5	10.51	626.4	88.9	6.6	62.6	158.1	29
Southeast Islands	1207.5	1381.4	173.9	14.40	1456.7	249.2	19.2	60.3	328.7	27
Annette Island	892.5	1021.0	128.5	14.40	1076.7	184.2	9.6	-	193.8	22
Chugach	287.5	330.0	42.5	14.78	348.0	60.5	16.4	34.8	111.7	39

\* Area differential change negative covered under the floor section of bill.

ALASKA CITY & BOROUGH SCHOOL DISTRICTS

Districts	Base FY-77 25K 95%	FY-78 27.5K Dif.Chg.	FY-78 Inc.	FY-78 % Inc.	FY-79 29K 97%	Dif. FY-78 & FY-79 25K; 95%	Food Ser. FY-78	Sm. & Lge. School Change	FY-79 Increase Total	% Inc. Total
ANCHORAGE	48,812.4	54,766.2	5,953.8	12.20	57,753.4	8,941.0	568.7	1,532.6	11,042.3	23
BRISTOL BAY	820.3	1,076.3	256.0	31.21	1,135.0	314.7	13.3		328.0	40.
CORDOVA	1,340.9	1,492.2	151.3	11.28	1,573.6	232.7	16.7		249.4	19
CRAIG	451.0	501.0	50.3	11.09	528.3	77.3	8.5		85.9	19.
DILLINGHAM	1,274.7	1,648.6	392.9	31.49	1,738.6	463.9	60.8		585.5	46
FAIRBANKS	16,056.9	18,147.1	2,090.2	13.02	18,729.6	2,672.7	81.4	190.1	2,944.2	18
GALENA	525.4	637.0	113.6	21.70	671.8	148.4	8.5		156.9	30.0
HAINES	1,058.6	1,226.1	207.5	90.60	1,335.2	276.6	6.8		283.4	27
HOONAH	774.7	890.0	115.3	14.88	938.5	163.8	44.7		280.5	20
HYDABURG	373.9	414.2	40.3	10.78	436.8	62.9	14.7		77.0	21
JUNEAU	7,105.9	7,934.9	829.0	11.67	8,367.7	1,261.8	59.6		1,321.4	19
KAKE	508.2	651.4	63.2	10.74	686.9	178.7	11.0		189.7	32.
KENAI	9,727.4	10,976.2	1,248.8	13.47	11,574.9	1,847.5	134.3		1,981.8	20.
KETCHIKAN	4,280.2	4,804.9	524.7	12.26	5,067.0	786.8	89.5		876.3	20.
KING COVE	460.5	574.9	114.4	24.84	606.3	145.8	7.2		153.0	33.
KLAWOCK	213.7	236.7	23.0	10.76	249.7	36.0	7.8		43.8	20.
KODIAK	4,651.1	5,397.3	746.2	16.04	5,691.7	1,340.6	45.7	31.7	1,463.7	31.
MAT-SU	6,039.4	6,786.9	747.5	12.38	7,157.1	1,117.7	94.6		1,212.3	20.
NENANA*	727.7	726.7	*	*	760.6	32.9	2.3		35.2	*
NOME	2,331.4	3,009.7	678.3	29.09	3,173.9	842.5	50.2		892.7	38.3
NORTH SLOPE	3,869.1	4,796.2	927.1	23.96	5,057.8	1,188.7	139.4	128.1	1,456.2	38
PELICAN	135.5	157.9	22.4	16.53	166.5	31.0	3.5		34.5	25.
PETERSBURG	1,157.8	1,292.2	134.4	11.61	1,362.7	204.9	6.1		211.0	18
SELAWIK	700.2	851.1	150.9	21.55	897.5	197.3	44.7		242.0	35
SITKA	3,055.4	3,428.5	373.1	12.21	3,615.5	560.1	32.0	29.5	621.6	20
SKAGWAY	510.6	576.2	65.6	12.85	607.6	97.0	7.3		104.3	20
ST. MARY'S	578.3	723.3	145.0	25.07	762.7	184.4	25.5		209.9	36
UNALASKA	517.7	650.6	132.9	25.67	686.1	168.4	7.3		175.7	34
VALDEZ	2,075.8	2,331.4	255.6	12.31	2,458.6	382.8	28.7		411.5	20
WRANGELL	1,139.4	1,268.6	129.2	11.34	1,337.8	198.4	8.2		206.6	18
YAKUTAT	476.5	558.7	82.2	17.25	589.2	112.7	11.1		123.8	26

\*Area differential change negative covered under the floor section of bill.

# COMMITTEE REPORT

4/13/77

## HOUSE

April 13 1977 / Date

Mr. Speaker:

The Committee on FINANCE has had HB 212

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 212 and that  
CS for HB 31 do pass

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

reports it back without recommendation

AND attaches a report of its intent None - Finance Dept

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

### MEMBERS SIGNING THE MAJORITY REPORT:

<u>[Signature]</u>	<u>[Signature]</u>	_____
<u>[Signature]</u>	<u>[Signature]</u>	_____
<u>[Signature]</u>	<u>[Signature]</u>	_____

### MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

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

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

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

[Signature]  
Chairman

THE LEGISLATURE OF THE STATE OF ALASKA  
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CS HB 212 AM Finance  
 Title RELating to public school foundation program  
 Requested by House Finance Date April 28, 1977

II. FISCAL DETAIL

Agency Affected Education  
 Program Category Affected Pre, Elementary, Secondary  
 Budget Request Unit(s) Affected Financial Support Programs  
Foundation Program/ Regular  
Foundation Program/ REAA Contract Schools

EXPENDITURES (Thousands of Dollars)

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.		14,263.5	15,119.3	16,026.5	16,988.1	18,007.4
TOTAL		14,263.5	15,119.3	16,026.5	16,988.1	18,007.4

FUNDING (Thousands of Dollars)

GENERAL FUND		14,263.5	15,119.3	16,026.5	16,988.1	18,007.4
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

1. See attachments HESS CS 212 Fiscal Note 4/25/77
  - a. Sec. 2 14.17.05(a) (3) (4) (5) House Finance Amendments will cost \$500,000
  - b. Sec. b Isolation Factor 5% will cost \$3,000,000
  - c. Total cost of House Finance Amendments \$3,500,000

2. Cost of HESS CS \$10,763.5

Total Cost of HB 212 ( 1 & 2) 10,763.5 + 3,500.0 = 14,263.5

Assume 6% inflation in succeeding fiscal years.

IV. DATE April 28, 1977 PREPARED BY Wm. D. Thomson, Director, Mgt., Law & Finance  
 AGENCY Education  
 Original: Legislative Finance PHONE 465-2802  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)

LEGISLATURE OF THE STATE OF ALASKA  
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST  
 Bill/Resolution No. HB 212  
 Title Relating to instructional units and instructional unit allotments  
 Requested by House Finance Date April 25, 1977

II. FISCAL DETAIL  
 Agency Affected Education  
 Program Category Affected Education  
 Budget Request Unit(s) Affected Financial Support

EXPENDITURES (Thousands of Dollars)

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.		10,763.5	11,409.3	12,093.9	12,819.5	13,588.7
TOTAL		10,763.5	11,409.3	12,093.9	12,819.5	13,588.7

FUNDING (Thousands of Dollars)

GENERAL FUND		10,763.5	11,409.3	12,093.9	12,819.5	13,588.7
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

a-c below taken from school district by school district, analysis attached

- a) 149,216,368 - 4,841,000 (Elementary, Ft. Richardson) 1,457,500 (contract school, other) - 4,895,040 (Eielson, Ft. Wainwright) + 49,209,212 = \$187,233,040
- b) 141,890,287 + 56,106,234 = \$197,996,521
- c) 197,996,521 - 187,233,040 = \$10,763,481
- d) Inflation estimated @ 6% per year

IV. DATE April 25, 1977 PREPARED BY Wm. D. Thomson, Director, Mgt., Law & Finance  
 AGENCY Education  
 PHONE 465-2802  
 Original: Legislative Finance  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)

STATE OF ALASKA DEPARTMENT OF EDUCATION  
PUBLIC SCHOOL FOUNDATION PROGRAM COMPUTATIONS  
INITIAL REPORTS RECAPITULATION  
1977-78 FISCAL YEAR

School District	Revised 1st. Qr. ADM 1976-77	Projected 1977-78 ADM	Instr. Units	Instr. Unit Allotment	Basic Need	Level of State Support (95% Min.)	Preliminary Computation of Entitlement	Per ADM
Anchorage	35,622	35,643	2,097	27,500	57,667,500	96.0926	55,414,200	1,553
Elmendorf-Ft. Richardson	2,876	2,842	176	27,500	4,840,000	100.0000	4,840,000	1,703
District Schools, Other	244	304	53	27,500	1,457,500	100.0000	1,457,500	4,794
Kotzebue Bay	158	262	26	36,455	947,830	96.8071	912,433	3,483
Kodiak	527	527	49	31,025	1,519,625	97.7992	1,513,311	2,873
Ketchikan	162	162	17	29,562	502,351	96.8663	486,833	3,126
Ketchikan	426	367	35	36,455	1,273,905	93.7651	1,250,189	3,434
Ketchikan	8,337	8,326	591	30,394	16,231,034	95.0000	17,177,331	1,946
Nelson-Ft. Wainwright	2,475	2,483	160	30,394	1,893,740	100.0000	4,395,040	1,971
Nome	135	146	16	38,620	617,920	99.5946	615,415	4,215
Nome	444	440	39	29,562	1,151,918	96.9614	1,117,889	2,541
Nome	280	270	28	29,562	827,736	99.5423	823,947	3,052
Nome	105	114	14	29,562	412,868	99.5852	412,151	3,515
Nome	4,325	4,380	289	27,500	7,847,500	97.2201	7,726,567	1,764
Nome	208	212	22	29,562	652,364	99.6263	647,934	3,256
Nome	5,246	5,700	425	29,562	12,362,350	95.0000	11,935,657	2,094
Nome	2,600	2,523	178	27,500	4,395,000	96.3773	4,717,669	1,870
Nome	124	120	15	36,455	546,825	99.2591	542,938	4,524
Nome	78	75	8	29,562	236,496	99.5499	235,432	3,139
Nome	2,129	2,237	182	29,562	5,082,284	97.5735	5,249,731	2,347
Nome	3,174	4,022	270	28,531	7,703,370	95.8031	7,362,067	1,835
Nome	189	190	22	36,781	808,182	99.3015	803,533	4,119
Nome	887	843	70	36,455	2,351,850	99.1306	2,332,175	2,884
Nome	1,136	1,134	127	38,620	4,921,740	95.0000	4,539,303	4,109
Nome	34	33	5	31,040	133,200	97.0138	130,355	4,553
Nome	613	611	47	28,531	1,040,937	97.9846	1,313,931	2,150
Nome	197	199	21	38,620	811,020	99.8024	809,417	4,067
Nome	1,672	1,743	127	28,531	3,623,487	96.7827	3,506,360	2,012
Nome	215	220	20	29,562	591,240	96.0355	567,800	2,581
Nome	104	103	17	37,536	638,146	99.7614	636,624	6,181
Nome	129	130	16	36,455	583,280	96.0171	560,049	4,308
Nome	958	1,053	82	31,625	2,593,250	95.0000	2,463,587	2,340
Nome	538	560	45	28,531	1,283,895	97.6223	1,253,368	2,238
Nome	162	175	19	31,040	539,760	99.4547	586,544	3,352
<b>TOTALS</b>	<b>77,959</b>	<b>78,651</b>	<b>5,398</b>		<b>154,629,116</b>		<b>149,216,363</b>	
Centralized Correspondence		480	29	27,500	797,500		797,500	

Contract s ( ) - full cost is assumed by the state. ( )

## ALASKA CITY &amp; BOROUGH SCHOOL DISTRICTS

District	Sec. 1 # I. U. Increase	Amount	Sec. 2 % of Diff. Increase	Amount	Total Entitle- ment	Per ADM	Ratio to Anchorage @ 1903
Base	58	1,532,683	0	0	56,946,883	1,598	100
Bl. Bay	0	0	17.44	124,696	1,037,334	3,959	248
Chena	0	0	0	0	1,515,521	2,376	160
Chukchi	0	0	.5	2,318	499,291	3,181	195
Chukchi	0	0	17.44	187,400	1,435,029	3,301	206
Chukchi	7	203,480	.75	123,312	1,335,755	1,883	118
Chukchi	0	0	9.58	42,500	837,478	4,570	288
Chukchi	0	0	.5	5,303	1,123,278	2,553	160
Chukchi	0	0	.5	3,850	137,797	3,056	192
Chukchi	0	0	.5	1,405	414,076	3,552	227
Chukchi	0	0	0	0	7,726,567	1,754	110
Chukchi	0	0	.5	3,025	636,959	3,071	192
Chukchi	0	0	.5	58,438	11,994,095	2,104	132
Chukchi	0	0	0	0	1,717,569	1,870	117
Chukchi	0	0	12.44	51,315	594,353	4,952	310
Chukchi	0	0	.5	505	235,940	3,139	196
Chukchi	5	144,218	5.1	262,266	5,656,217	2,528	158
Chukchi	0	0	.25	16,563	7,398,630	1,840	115
Chukchi	0	0	(21.75)	0	308,530	4,229	265
Chukchi	0	0	17.44	335,720	2,685,375	3,392	212
Chukchi	4	154,480	9.55	344,399	5,151,392	4,549	285
Chukchi	1	30,112	(.33)	0	190,677	5,473	343
Chukchi	0	0	.25	3,331	1,317,262	2,156	135
Chukchi	0	0	9.55	55,202	804,625	4,345	272
Chukchi	1	27,612	.25	2,800	3,541,272	2,033	127
Chukchi	0	0	.5	2,750	576,550	2,393	162
Chukchi	0	0	13.5	63,112	699,736	6,794	425
Chukchi	0	0	12.44	54,736	614,785	4,729	295
Chukchi	0	0	0	0	2,463,587	2,340	146
Chukchi	0	0	.25	3,094	1,256,462	2,244	140
Chukchi	0	0	7.12	37,202	623,746	3,564	223

141,890,187

12/15/76

STATE OF ALASKA DEPARTMENT OF EDUCATION  
PUBLIC SCHOOL FOUNDATION PROGRAM COMPUTATIONS  
INITIAL REPORT RECAPITULATION  
1977-78 FISCAL YEAR

Regional Education Planning Area	Revised 1st Qtr. ADM 1978-77	Projected 1977-78 ADM	Instr. Units	Instr. Unit Allocation	Basic Cost	Equip. of Local Support Estimate \$ADM/ADM	Preliminary Computation of Enrollment	Per ADM
AK	623	624	43	36,455	1,807,565	107,510	1,973,145	3,151
Adak Gateway	152	155	13	32,591	1,478,312	295,750	1,774,102	3,377
Delta	120	280	13	36,455	1,771,015	181,000	1,952,015	4,916
Delta-Netsilikaria	400	311	27	28,875	771,825	202,150	981,775	3,156
King Straits	322	490	61	36,455	2,000,735	318,500	2,319,235	5,138
Kotzebue	155	170	20	29,953	599,180	110,500	709,680	4,174
North	72	66	8	33,205	263,543	41,200	309,843	4,555
North River	740	750	67	31,625	2,118,875	487,500	2,606,375	3,473
North-Seward	835	667	65	30,591	1,993,610	383,550	2,377,160	2,911
Northwest	305	344	41	38,620	1,583,420	223,600	1,807,020	5,232
Northwest	366	336	49	38,620	1,692,380	252,700	2,151,080	5,481
Northwest Peninsula	346	346	49	36,455	1,776,295	226,200	2,002,495	5,732
Northwest-Kuskokwim	1,457	1,691	135	37,538	5,067,630	1,089,150	6,156,780	3,646
North Yukon	729	782	77	37,538	2,390,426	308,300	3,098,726	4,015
Northwest	1,310	1,361	139	38,620	4,081,960	881,500	5,063,460	4,210
Northwest	185	183	20	36,455	713,175	119,950	833,125	4,531
Northwest	396	481	56	29,875	1,611,313	312,510	1,923,823	4,011
Northwest	520	584	67	36,455	2,441,663	373,600	2,815,263	4,832
Northwest	353	379	41	35,781	1,538,321	214,350	1,752,671	4,828
Northwest	292	352	44	38,620	1,693,280	239,750	1,933,030	5,488
Northwest	699	698	81	38,620	3,241,080	453,700	3,694,780	5,287
TOTALS	10,770	11,619	1,164		41,656,862	7,552,350	49,209,212	

## REGIONAL EDUCATIONAL ATTENDANCE AREA DISTRICTS

	Sec I I.U. Inc.#	Amount	Sec. II % Inc.	Amount	Total Entitlement	PER ADM	Ratio to Anch. @ 1
NORTHWEST ARCTIC	3	115,860	9.56	347,028	6,329,518	4651	291
ERING STRAITS	4	145,320	17.44	311,740	2,999,215	6122	383
LOWER YUKON	1	37,533	13.5	269,575	3,725,839	4765	293
LOWER Kuskokwim	1	37,533	13.5	504,909	6,709,218	3263	348
UPPER	2	183,100	9.56	147,895	2,486,145	6247	301
NORTHWEST	14	593,830	17.44	393,268	3,303,435	6613	424
ARE & PENINSULA	21	768,855	17.44	305,720	3,113,770	8940	560
LEUTIAN CHAIN	12	510,372	12.44	169,777	2,059,172	7343	459
PIBILOF	0	0	3.44	10,222	265,970	4728	235
BAR	0	0	3.11	40,572	2,075,343	3227	232
BITAROO	11	404,020	9.56	136,709	2,367,748	6983	431
UNION/NOYUKUK	9	347,580	9.56	214,127	4,289,957	6126	255
UNION FLATS	12	353,410	4.56	79,226	2,463,691	6243	434
UPPER RAINBELT	0	0	0	0	1,754,371	4623	210
ELTA/BREGLY	0	0	0.75	12,406	2,565,556	2650	165
LASKA GATEWAY	2	61,180	0.75	10,315	1,825,263	4025	252
UPPER RIVER	0	0	0	0	2,606,375	3475	217
SATRAY	2	53,316	0.5	2,025	772,601	4645	284
SOUTHEAST ISLANDS	1	37,750	0	0	1,987,400	4132	269
MAITTE ISLAND	1	0	0	0	931,775	3154	197
ELBACH	2	65,412	0	0	375,260	5533	346
TOTAL					59,106,254		

HOUSE JOURNAL

April 29, 1977

Supplement

No. 55

HB  
212

MEMORANDUM

I. REQUEST  
 Bill/Resolution No. HB 212  
 Title Relating to instructional units and instructional unit allotments  
 Requested by House Finance Date April 25, 1977

II. FISCAL DETAIL  
 Agency Affected Education  
 Program Category Affected Education  
 Budget Request Unit(s) Affected Financial Support

EXPENDITURES (Thousands of Dollars)

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LANDS & STRUCTURES						
700 GRANTS, CLAIMS, ETC		10,763.5	11,409.3	12,093.9	12,819.5	13,588.7
TOTAL		10,763.5	11,409.3	12,093.9	12,819.5	13,588.7

FUNDING (Thousands of Dollars)

GENERAL FUND		10,763.5	11,409.3	12,093.9	12,819.5	13,588.7
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

- a-c below taken from school district by school district, analysis attached
- a) 122,215,263 - 4,841,000 (Elementary, Ft. Richardson) 1,457,500 (contract school, other) - 4,825,040 (Eielson, Ft. Wainwright) + 42,209,212 = 518,723,040
  - b) 141,890,287 + 56,106,234 = 197,996,521
  - c) 197,996,521 - 187,233,040 = 10,763,481
  - d) Inflation estimated 0.6% per year

IV. DATE: April 25, 1977 PREPARED BY: Wm. D. Thomson, Director, Hnt., Law & Finance  
 AGENCY: Education  
 Original: Legislative Finance PHONE: 465-2802  
 cc: Budget and Management  
Prime Sponsor (First Legislator Named)

33-601 (Rev. 10/76)

STATE OF ALASKA DEPARTMENT OF EDUCATION  
PUBLIC SCHOOL FOUNDATION PROGRAM COMPUTATIONS  
INITIAL REPORTS RECAPITULATION  
1977-78 FISCAL YEAR

School District	Revised 1st. Qr. ADM 1976-77	Projected 1977-78 ADM	Instr. Units	Instr. Unit Allotment	Basic Need	Level of State Support (95% Min.)	Preliminary Computation of Entitlement	Per ADM
Anchorage	35,622	35,643	2,097	27,500	57,667,500	96.0926	55,414,200	1,555
*Elmendorf-Ft. Richardson	2,876	2,842	176	27,500	4,840,000	100.0000	4,840,000	1,703
*Contract Schools, Other	244	304	53	27,500	1,457,500	100.0000	1,457,500	4,794
Bristol Bay	258	262	26	36,455	947,830	96.2871	912,638	3,483
Cordova	527	527	49	31,625	1,549,625	97.7992	1,515,521	2,876
Craig	160	160	17	29,562	502,554	98.8855	496,953	3,106
Dillingham	426	367	35	36,455	1,275,925	98.7651	1,260,169	3,434
Fairbanks	9,387	8,828	591	30,594	18,081,054	95.0000	17,177,001	1,946
*Eielson-Ft. Wainwright	2,475	2,483	160	30,594	4,895,040	100.0000	4,895,040	1,971
Galena	135	146	16	38,620	617,920	99.5946	615,415	4,215
Haines	444	440	39	29,562	1,152,918	96.9614	1,117,885	2,541
Hoonah	280	270	28	29,562	827,796	99.5423	823,947	3,052
Hydaburg	105	114	14	29,562	413,868	99.5852	412,151	3,615
Juneau	4,325	4,380	289	27,500	7,947,500	97.2201	7,726,567	1,764
Kake	208	212	22	29,562	650,364	99.6265	647,934	3,056
Kenai	5,248	5,700	425	29,562	12,563,850	95.0000	11,935,657	2,094
Ketchikan	2,600	2,523	178	27,500	4,895,000	96.3773	4,717,669	1,870
King Cove	124	120	15	36,455	546,825	99.2891	542,938	4,524
Klawock	78	75	8	29,562	236,496	99.5499	235,432	3,139
Kodiak	2,129	2,237	182	29,562	5,380,284	97.5735	5,249,731	2,347
Matanuska-Susitna	3,474	4,022	270	28,531	7,703,370	95.8031	7,380,067	1,835
Nenana	189	190	22	36,781	809,182	99.3015	803,530	4,229
Nome	887	845	70	36,455	2,551,850	99.1506	2,530,175	2,994
North Slope	1,136	1,134	127	38,620	4,904,740	95.0000	4,659,503	4,109
Pelican	34	33	5	31,040	155,200	97.0138	150,565	4,563
Petersburg	613	611	47	28,531	1,340,957	97.9846	1,313,931	2,150
Selawik	197	199	21	38,620	811,020	99.8024	809,417	4,067
Sitka	1,672	1,743	127	28,531	3,623,437	96.7827	3,506,860	2,012
Skagway	215	220	20	29,562	591,240	96.0355	567,800	2,581
St. Mary's	104	103	17	37,538	638,146	99.7614	636,624	6,181
Unalaska	129	130	16	36,455	583,280	96.0171	560,049	4,308
Valdez	958	1,053	82	31,625	2,593,250	95.0000	2,463,587	2,340
Wrangell	538	560	45	28,531	1,283,895	97.6223	1,253,368	2,238
Yakutat	162	175	19	31,040	589,760	99.4547	586,544	3,352
TOTALS	77,959	78,651	5,308		154,629,116		149,216,368	
Centralized Correspondence		480	29	27,500	797,500		797,500	

\* Contract schools - full cost is assumed by the state.

## DRAFT CS HB 212

## REGIONAL EDUCATIONAL ATTENDANCE AREA DISTRICTS

	Sec I I.U. Inc.#	Amount	Sec. II % Inc.	Amount	Total Entitlement	PER ADM	Ratio to Anch. @ 100%
NOTHWEST ARCTIC	3	115,860	9.56	347,028	6,329,518	4651	291
BERING STRAITS	4	145,820	17.44	311,740	2,999,815	6122	383
LOWER YUKON	1	37,538	13.5	289,575	3,725,839	4765	298
LOWER KUSKOKWIM	1	37,538	13.5	504,900	6,709,218	3968	248
KUSPUK	5	193,100	9.56	141,966	2,486,146	6247	391
SOUTHWEST	16	583,280	17.44	398,068	3,803,433	6513	408
LAKE & PENINSULA	21	765,555	17.44	335,720	3,113,770	8948	560
ALEUTIAN CHAIN	14	510,370	12.44	160,787	2,056,172	7343	459
PRIBILOF	0	0	3.44	18,920	866,970	4738	296
ADAK	0	0	3.44	40,678	2,013,843	3227	202
IDITAROD	11	424,020	9.56	136,708	2,367,748	6883	431
YUKON/KOYUKUK	9	347,580	9.56	244,497	4,289,957	6146	385
YUKON FLATS	12	463,440	4.56	70,224	2,463,694	6940	434
UPPER RAINBELT	0	0	0	0	1,754,371	4628	290
DELTA/GREELY	0	0	0.75	13,406	2,565,566	2959	185
ALASKA GATEWAY	2	61,188	0.75	10,313	1,835,763	4035	253
COPPER RIVER	0	0	0	0	2,606,375	3475	217
CHATHAM	2	59,916	0.5	3,025	772,601	4545	284
SOUTHEAST ISLANDS	2	57,750	0	0	1,987,400	4132	259
ANNETTE ISLAND	0	0	0	0	981,775	3156	197
CHUGACH	2	66,412	0	0	376,260	5533	346
TOTAL					56,106,234.		

ALASKA CITY & BOROUGH SCHOOL DISTRICTS

District	Sec. 1 # I. U. Increase	Amount	Sec. 2 % of Diff. Increase	Amount	Total Entitle- ment	Per ADM	Ratio to Anchorage @ 100%
Anchorage	58	1,532,683	Ø	Ø	56,946,883	1,598	100
Bristol Bay	Ø	Ø	17.44	124,696	1,037,334	3,959	248
Cordova	Ø	Ø	Ø	Ø	1,515,521	2,876	180
Craig	Ø	Ø	.5	2,338	499,291	3,121	195
Dillingham	Ø	Ø	17.44	167,860	1,428,029	3,891	243
Fairbanks	7	203,450	.75	123,338	17,503,789	1,983	124
Galena	Ø	Ø	9.56	42,064	657,479	4,870	305
Haines	Ø	Ø	.5	5,363	1,123,248	2,553	160
Hoonah	Ø	Ø	.5	3,850	827,797	3,066	192
Hydaburg	Ø	Ø	.5	1,925	414,076	3,632	227
Juneau	Ø	Ø	Ø	Ø	7,726,567	1,764	110
Kake	Ø	Ø	.5	3,025	650,959	3,071	192
Kenai	Ø	Ø	.5	58,438	11,994,095	2,104	132
Ketchikan	Ø	Ø	Ø	Ø	4,717,669	1,870	117
King Cove	Ø	Ø	12.44	51,315	594,253	4,952	310
Klawock	Ø	Ø	.5	508	235,940	3,139	196
Kodiak	5	144,218	5.1	262,268	5,656,217	2,528	158
Mat-Su	Ø	Ø	.25	18,563	7,398,630	1,840	115
Nenana	Ø	Ø	(21.75)	Ø	803,530	4,229	265
Nome	Ø	Ø	17.44	335,720	2,865,895	3,392	212
North Slope	4	154,480	9.56	344,399	5,158,382	4,549	285
Pelican	1	30,112	(.88)	Ø	180,677	5,475	343
Petersburg	Ø	Ø	.25	3,331	1,317,262	2,156	135
Selawik	Ø	Ø	9.56	55,209	864,626	4,345	272
Sitka	1	27,612	.25	8,800	3,543,272	2,033	127
Skagway	Ø	Ø	.5	2,750	570,550	2,593	162
St. Mary's	Ø	Ø	13.5	63,112	699,736	6,794	425
Unalaska	Ø	Ø	12.44	54,736	614,785	4,729	296
Valdez	Ø	Ø	Ø	Ø	2,463,587	2,340	146
Wrangell	Ø	Ø	.25	3,094	1,256,462	2,244	140
Yakutat	Ø	Ø	7.12	37,202	623,746	3,564	223

TOTAL

141,890,287

STATE OF ALASKA DEPARTMENT OF EDUCATION  
PUBLIC SCHOOL FOUNDATION PROGRAM COMPUTATIONS  
INITIAL REPORTS RECAPITULATION  
1977-78 FISCAL YEAR

School District	Revised 1st. Qr. ADM 1976-77	Projected 1977-78 ADM	Instr. Units	Instr. Unit Allotment	Basic Need	Level of State Support (95% Min.)	Preliminary Computation of Entitlement	Per ADM
Anchorage	35,622	35,643	2,097	27,500	57,667,500	96.0926	55,414,200	1,555
*Elmendorf-Ft. Richardson	2,876	2,842	176	27,500	4,840,000	100.0000	4,840,000	1,703
*Contract Schools, Other	244	304	53	27,500	1,457,500	100.0000	1,457,500	4,794
Bristol Bay	258	262	26	36,455	947,830	96.2871	912,638	3,483
Cordova	527	527	49	31,625	1,549,625	97.7992	1,515,521	2,876
Craig	160	160	17	29,562	502,554	98.8855	496,953	3,106
Dillingham	426	367	35	36,455	1,275,925	98.7651	1,260,169	3,434
Fairbanks	9,387	8,828	591	30,594	18,081,054	95.0000	17,177,001	1,946
*Eielson-Ft. Wainwright	2,475	2,483	160	30,594	4,895,040	100.0000	4,895,040	1,971
Galena	135	146	16	38,620	617,920	99.5946	615,415	4,215
Haines	444	440	39	29,562	1,152,918	96.9614	1,117,885	2,541
Hoonah	280	270	28	29,562	827,736	99.5423	823,947	3,052
Hydaburg	105	114	14	29,562	413,868	99.5852	412,151	3,615
Juneau	4,325	4,380	289	27,500	7,947,500	97.2201	7,726,567	1,764
Kake	208	212	22	29,562	650,364	99.6265	647,934	3,056
Kenai	5,248	5,700	425	29,562	12,563,850	95.0000	11,935,657	2,094
Ketchikan	2,600	2,523	178	27,500	4,895,000	96.3773	4,717,669	1,870
King Cove	124	120	15	36,455	546,325	99.2891	542,938	4,524
Klawock	78	75	8	29,562	236,496	99.5499	235,432	3,139
Kodiak	2,129	2,237	182	29,562	5,380,284	97.5735	5,249,731	2,347
Matanuska-Susitna	3,474	4,022	270	28,531	7,703,370	95.8031	7,380,067	1,835
Nenana	189	190	22	36,781	809,182	99.3015	803,530	4,229
Nome	887	845	70	36,455	2,551,850	99.1506	2,530,175	2,994
North Slope	1,136	1,134	127	38,620	4,904,740	95.0000	4,659,503	4,109
Pelican	34	33	5	31,040	155,200	97.0138	150,565	4,563
Petersburg	613	611	47	28,531	1,340,957	97.9846	1,313,931	2,150
Selawik	197	199	21	38,620	811,020	99.8024	809,417	4,067
Sitka	1,672	1,743	127	28,531	3,623,437	96.7827	3,506,860	2,012
Skagway	215	220	20	29,562	591,240	96.0355	567,800	2,581
St. Mary's	104	103	17	37,538	638,146	99.7614	636,624	6,181
Unalaska	129	130	16	36,455	583,280	96.0171	560,049	4,308
Valdez	958	1,053	82	31,625	2,593,250	95.0000	2,463,587	2,340
Wrangell	538	560	45	28,531	1,283,895	97.6223	1,253,368	2,238
Yakutat	162	175	19	31,040	589,760	99.4547	586,544	3,352
<b>TOTALS</b>	<b>77,959</b>	<b>78,651</b>	<b>5,308</b>		<b>154,629,116</b>		<b>149,216,368</b>	
Centralized Correspondence		480	29	27,500	797,500		797,500	

\* Contract schools - full cost is assumed by the state.

Original sponsors: Schaeffer, Nakak  
and Snider

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 212 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to instructional units and instruc-  
7 tional unit allotments; and providing for an effective  
8 date."

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

10 \* Section 1. AS 14.17.041 is repealed and re-enacted to read:

11 Sec. 14.17.041. TABLE OF ALLOWABLE INSTRUCTIONAL UNITS. (a)

12 Elementary schools in districts with ADM under 1,000:

13 ADM	No. Instructional Units
14 under 20	2
15 20 - 32	3
16 33 - 46	4
17 47 - 62	5
18 63 - 80	6
19 81 - 999	6 plus 1 for each 18 pupils 20 or fraction of 18

21 (b) Elementary schools in districts with ADM of 1,000 or over:

22 ADM	No. Instructional Units
23 under 20	2
24 20 - 32	3
25 33 - 46	4
26 47 - 62	5
27 63 - 80	6
28 81 - 99	7
29 100 - 3005	7 plus 1 for each 19 pupils

		or fraction of 19
1		
2	3006 and over	160 plus 1 for each 21 pupils
3		or fraction of 21
4	(c) Secondary schools in districts with ADM under 1,000:	
5	ADM	No. Instructional Units
6	under 33	3
7	33 - 46	4
8	46 - 62	5
9	63 - 80	6
10	81 - 999	6 plus 1 for each 18 pupils
11		or fraction of 18
12	(d) Secondary schools in districts with ADM of 1,000 or over:	
13	ADM	No. Instructional Units
14	under 33	3
15	33 - 46	4
16	46 - 62	5
17	63 - 80	6
18	81 - 99	7
19	100 - 3005	7 plus 1 for each 19 pupils
20		or fraction of 19
21	3006 and over	160 plus 1 for each 21 pupils
22		or fraction of 21

(e) Vocational education schedule:

24	ADM	No. Instructional Units
25	Full-Time Equivalent	
26	5 - 10	1
27	11 - 25	2
28	26 - 40	3
29	41 and over	3 plus 1 for each 20 pupils or

1 fraction of 20 pupils in  
2 Full-Time Equivalent ADM

3 (f) Special education schedule:

4 ADM	No. Instructional Units
5 Full-Time Equivalent	
6 5 - 8	1
7 9 - 15	2
8 16 - 24	3
9 25 - 35	4
10 36 and over	4 plus 1 for each 11 pupils or
	11 fraction of 11 pupils in
	12 Full-Time Equivalent ADM

13 \* Sec. 2. AS 14.17.051 is repealed and re-enacted to read:

14 Sec. 14.17.051. INSTRUCTIONAL UNIT ALLOTMENT. (a) The instruc-  
15 tional unit allotment for each school district or regional educational  
16 attendance area is as follows:

17 (1) for Gateway Borough School District, City and Borough of  
18 Juneau School District, and Anchorage School District, the district is  
19 entitled to receive the base instructional unit allotment;

20 (2) for Amette Island School District, Southeast School  
21 District, Petersburg City School District, Wrangell City School District,  
22 Sitka Borough School District, and Matanuska-Susitna Borough School  
23 District, the district or area is entitled to receive 104 per cent of  
24 the base instructional unit allotment;

25 (3) for Craig City School District, Hydaburg City School  
26 District, Klawock City School District, Kake City School District,  
27 Chatham School District, Hoonah City School District, Skagway City  
28 School District, and Kenai Peninsula Borough School District, the dis-  
29 trict or area is entitled to receive 108 per cent of the base instruc-