

LEG. FINANCE - BILLS 1985 - 1986 2374

CSHB 196 cont. - HB 201 2374

FY 85 - REVISED PROGRAM SUMMARY
 BY
 BUDGET COMPONENT

BUDGET STRUCTURE: 02-21-16-01
 COLLOCATION CODE: 06-21-5-798

CATEGORY	Social Services
COVER PROGRAM	Soc. & Econ. Asst. Prog. for the Gen. Pop.
AGENCY	DEPARTMENT OF HEALTH AND SOCIAL SERVICES
DIVISION	Medical Assistance
APPROPRIATION	Medical Assistance
BRU	Medical Assistance
ALLOCATION	Medicaid
COMPONENT	Medicaid

	APPROVAL DATES:			AUTO. JV.	RP# 06- 85-0181 JV	BALANCE	RP# 06- 85-0 JV	BALANCE	RP# 06- 85-0 JV	BALANCE
	FCC	GOV. VETO	AUTHOR. CHAP.122 SLA 84							
000 Unallocated										
01 Personal Svcs										
02 Travel										
03 Contractual										
04 Commodities										
05 Equipment										
05 Lands, Bldgs.										
07 Grants, Claims	61,539.5		61,539.5	61,539.5	<626.5>	60,913.0				
08 Misc.										
TOTAL	61,539.5		61,539.5	61,539.5	<626.5>	60,913.0				
730 Federal XIX	29,292.8		29,292.8	29,292.8		29,292.8				
() Federal										
() Federal										
() Federal										
1002 Federal Total	29292.8		29292.8	29292.8		29292.8				
1003 G/T Hatch	32,245.7		32,245.7	32,245.7	<626.5>	31,620.2				
1004 General Fund										
() 17A Receipts										
Deferred Rev.										
15 Full Time										
16 PT/Seasonal										
17 Non-permanent										
18 Months Auth.										
*Unrestr. Rev.										

(Rev. 6/84)

* Unrestricted Revenue is a non-add.

Indirect Cost Rate: _____ % Date _____

FY 85 - REVISED PROGRAM SUMMARY
 BY
 BUDGET COMPONENT

BUDGET STRUCTURE: 02-21-16-02
 COLLOCATION CODE: 06-21-6-898

CATEGORY	Social Services
COVER PROGRAM	Soc. & Econ. Asst. Prog. for the Gen. Pop.
AGENCY	DEPARTMENT OF HEALTH AND SOCIAL SERVICES
DIVISION	Medical Assistance
APPROPRIATION	Medical Assistance
BRU	Medical Assistance
ALLOCATION	General Relief Medical
COMPONENT	General Relief Medical

	APPROVAL DATES:			AUTO. JV.	RP# 06-	BALANCE	RP# 06-	BALANCE	RP# 06-	BALANCE
	FCC	GOV. VETO	AUTHOR. CHAP.122 SLA 87		85-0 181 JV		85-0 JV		85-0 JV	
000 Unallocated										
01 Personal Svcs										
02 Travel										
03 Contractual										
04 Commodities										
05 Equipment										
06 Lands, Bldgs.										
07 Grants, Claims	10,259.5		10,259.5	10259.5	1044.1	11303.6				
08 Misc.										
TOTAL	10,259.5		10,259.5	10259.5	1044.1	11303.6				
)Federal										
)Federal										
)Federal										
)Federal										
002 Federal total										
003 G/F Match										
004 General Fund	10,259.5		10,259.5	10259.5	1044.1	11303.6				
)I/A Receipts										
Deferred Rev.										
15 Full Time										
16 PT/Seasonal										
17 Non-permanent										
18 Months Auth.										
*Unrestr. Rev.										

(Rev. 6/84)

* Unrestricted Revenue is a non-add.

Indirect Cost Rate: _____ % _____ Date

FY85 SUPPLEMENTAL REQUEST ANALYSIS

	1	2	3	4	5	6
	FY83 ACTUAL EXPEND	FY84 FINAL AUTH	FY84 ACTUAL EXPEND TO 11/30/84	FY85 GOV. AMEND. BUDGET	FY85 INITIAL AUTH.	FY85 CURRENT AUTH. *
GRANTS, CLAIMS	44,441.0	57,513.6	51,870.1	63,031.9	61,539.5	60,913.0
TOTAL	44,441.0	57,513.6	51,870.1	63,031.9	61,539.5	60,913.0
FEDERAL RECEIPTS	22,144.6	27,411.4	24,721.1	30,004.9	29,292.8	29,292.8
REQUIRED GF MATCHING	22,296.4	30,102.2	27,148.4	33,027.0	32,246.7	31,620.2
PROGRAM RECEIPTS						

AGENCY: DIVISION OF MEDICAL ASSISTANCE BRU: MEDICAL ASSISTANCE COMPONENT: MED

* After tranfer of 626.5 of SGFM portion to GRM.

** Expenditures for these clients reflected in GRM.

MEMORANDUM

State of Alaska

HB 196
Sec 1
Short bill

TO: Jay Hogan, Associate Director
Office of Management and Budget
Division of Budget Review
Office of the Governor

FROM: *John R. Pugh*
John R. Pugh, Commissioner
Department of Health and Social Services

DATE: January 16, 1985
OFFICE OF
MANAGEMENT & BUDGET
JAN 16 1985

FILE NO:

TELEPHONE NO: 3030

SUBJECT: **BUDGET REVIEW**
FY85 Supplemental
Assistance Payments
BRU - AFDC Component

The Department of Health and Social Services requests a FY85 supplemental appropriation of 3967.0 (Fed 1137.8, GFM 2829.2) in order to meet the projected program need for the Assistance Payments BRU, AFDC component. This request replaces the FY85 Supplemental request forwarded to your office on December 5, 1984.

AFDC Expenditure Trend

<u>Monthly Caseload and Expenditure</u>	<u>12 Months Ago 12/83</u>	<u>9 Months Ago 3/84</u>	<u>6 Months Ago 6/84</u>	<u>Current 12/84</u>
AFDC Cases (families)	5456	5868	6005	6372
Expenditure	2981.5	3305.7	3326.4	3564.8

During the two year period January 1982 through December 1983, AFDC monthly caseload and expenditure remained fairly stable. However, in the period January - June 1984, AFDC program caseloads increased at a rate significantly above any level in the preceding 30 months. In the six months beginning February 1984 and ending July 1984, the AFDC caseload increased by approximately 500 cases.

<u>FY85 AFDC FORMULA NEED</u>	(1) FY85 AFDC <u>Authorized</u>	(2) PFD Hold Harmless <u>Auth</u>	(3) FY85 <u>Formula Need</u>	(4) (Deficit) <u>Supp Request</u>
AFDC Program	38661.4	1691.4	44319.8	(3967.0)
AFDC Funding Source				
FED	19330.7		20468.5	(1137.8)
General Fund @ 50%	19330.7		22159.9	(2829.2)
AFDC PFD-Hold Harmless FED Replacement		1691.4	1691.4	-0-
AFDC Average Monthly Caseload	5429		6403	(934)

The FY85 AFDC supplemental appropriation need is 3967.0 (Fed 1137.8 and GFM 2829.2). This supplemental is based on the projected increase of 934 families receiving monthly AFDC cash assistance above the initial FY85 authorization. The FY85 C.C. AFDC authorization includes excess federal funds of 1691.4 due to the effect of the Permanent Fund Dividend Hold Harmless program. AFDC program expenditures are funded at 50% federal and 50% GFM. However, due to the PFD Hold Harmless program impact 1691.4 in federal funds can not be claimed. Based on the projected FY85 AFDC total expenditures of 44319.8, the federal reimbursement would be 20468.5 which combined with 1691.4 charged to the PFD Hold Harmless BRU equals 22159.9 or 50% of the AFDC program expenditure.

As a general observation most of the caseload and expenditure increase has occurred in the Southcentral area, however, AFDC caseloads in all locations statewide have continued to increase over the period. The cause of the increase in caseload that led to this supplemental request is the higher demand for AFDC services by needy Alaskans.

In summary, AFDC caseloads and expenditures increased sharply between January 1984 and June 1984. During the period June through December 1984 (FY85) the Statewide increase leveled during July-October and then exhibited significant seasonal increases beginning November.

AFDC program funding need is dependent on the number of eligible cases and the cash assistance amount issued monthly. Legislative intent associated with the FY85 appropriation stated "if funding for program is insufficient to meet demand, service and eligibility are not to be reduced or eliminated and the Department is to request supplemental funding."

If a FY85 AFDC Supplemental is determined not feasible then the Department would be forced to immediately promulgate regulations providing for a ratable reduction of each AFDC recipient family's monthly payment amount.

The available AFDC GFM balance ending January 1985 will be approximately 71% of the AFDC projected formula need for the remaining February-June 1985 period. The net FY85 deficit of 5658.4 includes 1691.4 in excess federal funds which are not available unless matched with supplemental state general fund. The table below summarizes the impact on AFDC monthly level of cash assistance with respect to varying implementation dates beginning February 1, 1985:

	Implement <u>Feb 1st</u>	Implement <u>March 1st</u>	Implement <u>April 1st</u>	Implement <u>May 1st</u>
Implement Ratable				
TOTAL Reduction Required	5658.4	5658.4	5658.4	5658.4
Per Cent Available vs. Need	71%	64%	52%	29%
TOTAL Expenditure Reduction Each Month	1131.6	1414.6	1886.1	2829.2
Current Formula Average Payment \$	583	583	583	583
Average Payment Reduction \$	(170)	(210)	(280)	(414)
Average Payment With Ratable \$	413	373	303	169
Current Adult Included (AI) and 1 Child (AI-2) Maximum Payment Standard	638	638	638	638
Ratable Reduction Needed \$	(185)	(230)	(306)	(453)
Revised AI-2 Maximum Standard \$	453	408	332	105

If a ratable reduction were implemented prior to the February 1 regular monthly benefit distribution, then the average payment reduction per family would be \$163.00 each month for the final five months of FY85. Based on the projected expenditure pattern and assuming a ratable reduction is not implemented, then, the AFDC component general fund authorization will be nearly exhausted by the end of April 1985. In this case, in order to process and mail the May 1985 regular monthly AFDC issuance, this supplemental request would have to be approved no later than April 25.

The AFDC component is not the only public assistance formula program experiencing increased service demand, in fact all Assistance Payments BRU components, including Adult Public Assistance (APA) and General Relief Assistance (GRA) have exhibited very significant caseload and expenditure increases. The magnitude of the caseload increases in both APA and GRA have substantially increased the potential need for a FY85 supplemental in these two components as well.

The Department strongly recommends following the legislative intent which supports a supplemental appropriation in lieu of reducing service levels within the Assistance Payments BRU. However, in the event the Governor elects not to support and pursue a FY85 supplemental appropriation for the AFDC component, then the Department's only option would be to implement a ratable reduction effective February 1, 1985. Thank you.

Attachments

TO: Jay Hogan, Associate Director
Division of Budget Review

FROM: Mary Capobianco, Budget Analyst *MC*
Division of Budget Review

DATE: January 31, 1985

SUBJECT: FY 85 AFDC Request

It should be noted that while \$44,319,800 is described in the chart on the first page of the request memo from the Department of Health & Social Services as the revised full formula need, the total request for funds has been adjusted by the amount of the offset from the Permanent Fund Dividend Hold Harmless program.

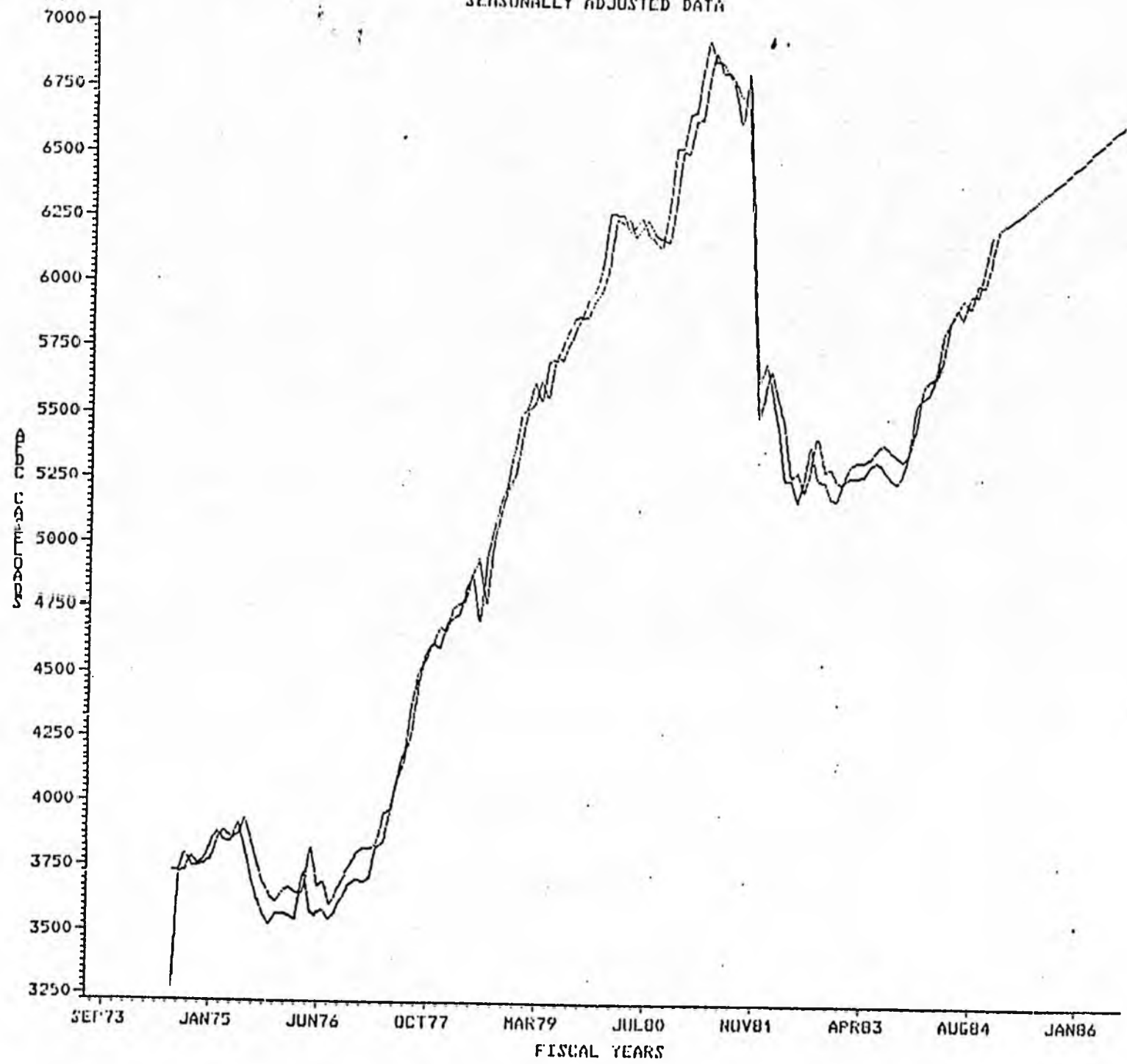
While AFDC expenditures are funded at 50 percent general funds and 50 percent federal funds, a total of \$1,691,400 in federal funds cannot be claimed. AFDC clients who receive a permanent fund dividend often become over income for period of time. The 1982 Legislature determined that these clients should be "held harmless" from the effects of receipt of the permanent fund dividend. For a period of up to four months the Permanent Fund Dividend Hold Harmless program will pick up the costs of the lost federal eligibility with state general funds.

Although the replacement of federal funds was not displayed in the FY 85 authorization for AFDC, it should be taken into account when reviewing the revised formula need because it decreases the actual amount of federal funds needed.

It should be understood that while \$44,319,800 is the full formula need based on increased caseload, the actual need, when factoring in the PFD Hold Harmless offset, is \$42,628,400 as reflected in the bill. The following chart may be helpful in understanding the formula need described in this memo, as it is offset by the Permanent Fund Dividend Hold Harmless program:

<u>FY85</u> <u>Auth.</u>	<u>FY85</u> <u>Formula</u>	<u>Deficit</u>	<u>PFD Hold</u> <u>Harmless</u>	<u>Actual</u> <u>Suppl.</u>	<u>Actual</u> <u>Formula</u>
38,661.4	44,319.8	(5,658.4)	1,691.4	(3,967.0)	42,628.4
19,330.7 GF	22,159.9	(2,829.2)		(2,829.2)	22,159.9
19,330.7 FF	22,159.9	(2,829.2)		(1,137.8)	20,468.5
			1,691.4		1,691.4

CASELOAD FORECAST
SEASONALLY ADJUSTED DATA



FY 85 - REVISED PROGRAM SUMMARY
 BY
 BUDGET COMPONENT

BUDGET STRUCTURE: 02-21-01-01
 COLLOCATION CODE: 06-21-6-010

CATEGORY	Social Services
COVER PROGRAM	Soc. & Econ. Asst. Prog. for the Gen. Pop.
AGENCY	DEPARTMENT OF HEALTH AND SOCIAL SERVICES
DIVISION	Public Assistance
APPROPRIATION	Assistance Payments
BRU	Assistance Payments
ALLOCATION	Aid to Families with Dependent Children
COMPONENT	Aid to Families with Dependent Children

	APPROVAL DATES:			AUTO. JV.	RP# 06- 85-0158 JV	BALANCE	RP# 05- 85-0158 JV	BALANCE	RP# 06- 85-0185 JV	BALANCE
	FCC	GOV. VETO	AUTHOR. CHAP. 122 SLA 84							
000 Unallocated										
01 Personal Svcs										
02 Travel										
03 Contractual										
04 Commodities										
05 Equipment										
06 Lands, Bldgs.										
07 Grants, Claims	38,661.4		38,661.4	38,661.4	1410.9	40,072.3	<1410.9>	38,661.4	3967.0	42,628.4
08 Misc.										
TOTAL	38,661.4		38,661.4	38661.4	1410.9	40072.3	<1410.9>	38,661.4	3967.0	42628.4
(720) Federal IV-A	19,330.7		19,330.7	19,330.7	54.1	19,384.8	<54.1>	19,330.7	1137.8	20,468.5
() Federal										
() Federal										
() Federal										
1002 Federal Total	19,330.7		19,330.7	19,330.7	54.1	19,384.8	<54.1>	19,330.7	1137.8	20,468.5
003 G/F Match	19,330.7		19,330.7	19,330.7	1356.8	20,687.5	<1356.8>	19,330.7	2829.2	22,159.9
1004 General Fund										
() 11/A Receipts										
Unrestr. Rev.										
15 Full Time										
16 P/Seasonal										
17 Non-permanent										
18 Months Auth.										
Unrestr. Rev.										

(Rev. 6/84)

* Unrestricted Revenue is a non-add.

Indirect Cost Rate:

3

Date

	1 FY 85 ACTUAL	2 FY 85 FINAL AUTH	3 FY 85 ACTUAL	4 FY 85 GOV. AMEND. BUDGET	5 FY 85 INITIAL AUTH.	6 FY 85 CURRENT AUTH.	7 FY 85 EXPENDITURES + ENCUMBRANCES 7/1 to 12/31/84	8 FY 85 OTHER OBLIGATIONS 7/1 to	9 FY 85 PROJECTED EXPENDI- TURES to 6/30	10 FY 85 (DEFICIT) OR EXCESS	11 FY 86 GOVERNOR'S RECOMMEN- DATION CURRENT
PERSONAL SERVICES											
TRAVEL											
CONTRACTUAL SERVICES											
COMMODITIES											
EQUIPMENT											
LANDS, BLDG.	33712.3	41190.2	31639.9	39387.8	38661.4	40352.8	20897.2	23422.6	(3767.0)	44195.4	
GRANTS, CLAIMS											
MISCELLANEOUS											
TOTAL	33712.3	41190.2	37639.9	39387.8	38661.4	40352.8	20897.2	23422.6	(3767.0)	44195.4	
FEDERAL RECEIPTS	14972.7	20545.1	17603.5	19673.9	19330.7	19330.7	8757.2	11711.3	(1131.8)	20248.2	
REQUIRED OF MATCHING	16956.2	20545.1	18175.9	19673.9	19330.7	19330.7	10448.6	11711.3	(2829.2)	22077.7	
OTHER GENERAL FUND											
INTER-AGENCY RECEIPTS											
A PFD Hold Harmless/ PFD Fed Replaced	1783.4		1260.5			1691.4	1691.4			1807.5	

AGENCY: Health & Social Service
Division of Public Assistance

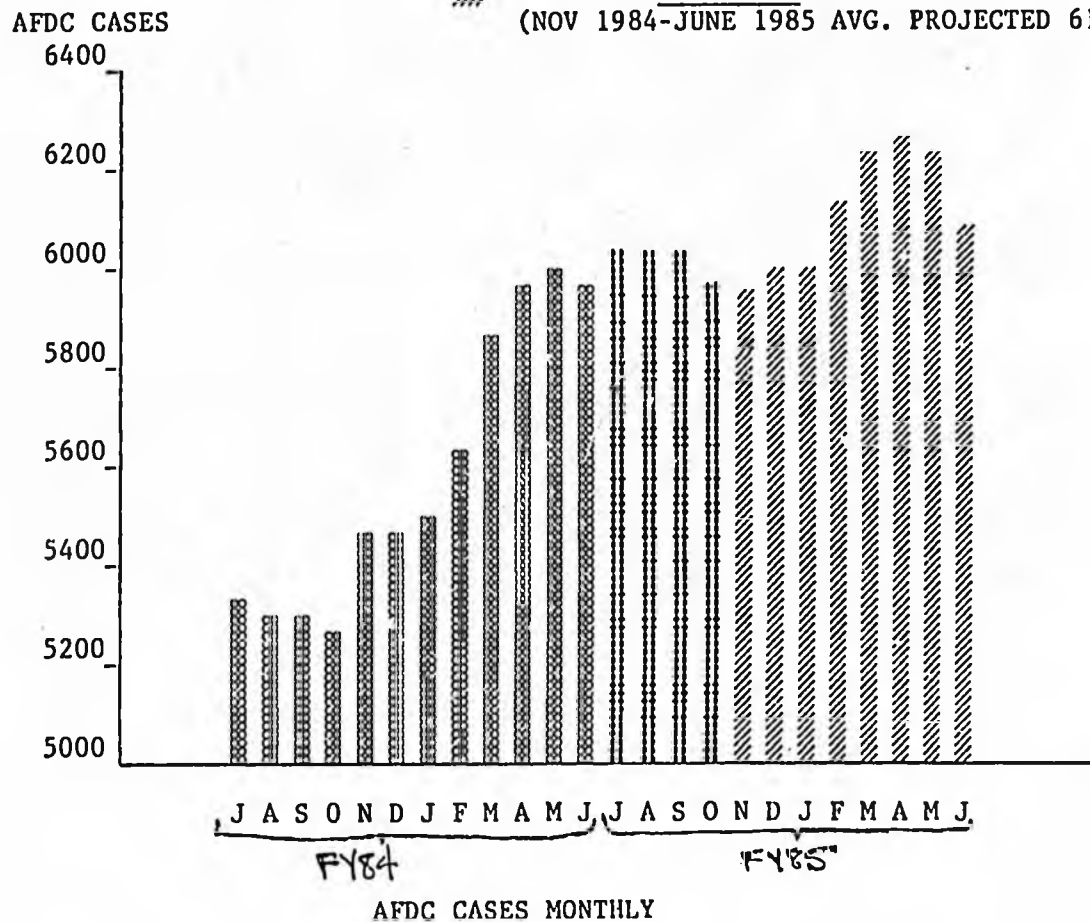
BRU: Assistance Payment COMPONENT: AFDC

Revised

Transfer to PFD Hold Harmless BRU for AFDC federal funding replacement for loss of federal reimbursement due to PFD program.

DIVISION OF PUBLIC ASSISTANCE
 AID TO FAMILIES WITH DEPENDENT CHILDREN
 ACTUAL AFDC CASES JULY 1983 - OCTOBER 1984

[Cross-hatch pattern] FY84 AFDC ACTUAL MONTHLY CASELOAD
 (FY84 AVERAGE CASELOAD 5585)
 [Vertical line pattern] FY85 AFDC ACTUAL MONTHLY CASELOAD YTD
 (JULY-OCT 1984 AVERAGE CASELOAD 6020)
 [Diagonal line pattern] FY85 AFDC PROJECTED MONTHLY CASELOAD
 (NOV 1984-JUNE 1985 AVG. PROJECTED 6115)



BEGINNING JULY 1983 AND ENDING JUNE 1985

DEPARTMENT OF HEALTH & SOCIAL SERVICES
SOCIAL SERVICES

PROGRAM: ASSISTANCE PAYMENTS
SUB-PROGRAM: AFDC

***** C. C. ANALYSIS *****

OBJECT GROUP	VARIATION		DESCRIPTION: C. C. (\$38,661.4) VERSUS GOV.AMD. (\$39,367.8)
GRANTS, CLMS	-726.4	-1.8%	REDUCE THE ESTIMATED CASELOAD FROM 5531 TO 5429 (726.4).
TOTALS	-726.4	-1.8%	

LEGISLATIVE INTENT:
IF FUNDING FOR PROGRAM IS INSUFFICIENT TO MEET DEMAND, SERVICE AND ELIGIBILITY ARE NOT TO BE REDUCED OR ELIMINATED AND THE DEPARTMENT IS TO REQUEST SUPPLEMENTAL FUNDING.

***** SENATE ANALYSIS *****

OBJECT GROUP	VARIATION		DESCRIPTION: SENATE (\$38,661.4) VERSUS GOV.AMD. (\$39,367.8)
GRANTS, CLMS	-726.4	-1.8%	REDUCE THE ESTIMATED CASELOAD FROM 5531 TO 5429 (726.4).
TOTALS	-726.4	-1.8%	

LEGISLATIVE INTENT:
IF FUNDING FOR PROGRAM IS INSUFFICIENT TO MEET DEMAND, SERVICE AND ELIGIBILITY ARE NOT TO BE REDUCED OR ELIMINATED AND THE DEPARTMENT IS TO REQUEST SUPPLEMENTAL FUNDING.

***** HOUSE ANALYSIS *****

OBJECT GROUP	VARIATION		DESCRIPTION: HOUSE (\$38,661.4) VERSUS GOV.AMD. (\$39,367.8)
GRANTS, CLMS	-726.4	-1.8%	REDUCE THE ESTIMATED CASELOAD FROM 5531 TO 5429 (726.4).
TOTALS	-726.4	-1.8%	

LEGISLATIVE INTENT:
IF FUNDING FOR PROGRAM IS INSUFFICIENT TO MEET DEMAND, SERVICE AND ELIGIBILITY ARE NOT TO BE REDUCED OR ELIMINATED AND THE DEPARTMENT IS TO REQUEST SUPPLEMENTAL FUNDING.

BILL SHEFFIELD
GOVERNOR

W



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

*HR 195
+
HR 196*

February 13, 1985

The Honorable Ben Grussendorf
Speaker of the House
Alaska State Legislature
Pouch V
Juneau, AK 99811

Dear Representative Grussendorf:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting two appropriation bills. The overall effect of both bills is a reduction in general fund appropriations by \$6,399,500. More detailed information will be furnished to the Finance Committee.

Sincerely,

Bill Sheffield

Bill Sheffield
Governor

COMMITTEE REPORT
SENATE

FURTHER: FINANCE

2/25/85

Date 4-2-85

Mr. President

The Committee on HESS considered CSHB 196(Fin)

making emergency appropriations to increase fiscal year 1985 appropriations for essential health and social services programs and reducing fiscal year 1985 operating budget appropriations; efd. and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass
- do pass with attached amendment(s)
- replace with/or adopt CS for _____
- new title
- same title and recommends _____
- and attached a "LETTER OF INTENT" [] NEW FISCAL NOTE
- reports it back without recommendation
- recommends referral to _____ Committee

MEMBERS SIGNING
DO PASS

Carlis Sturgulovich
Edw. De Vries

MEMBERS HAVING
OTHER RECOMMENDATIONS

Detlof Fabrikant
 Chairman
Do Pass
 Chairman recommendation

STATE OF ALASKA 1985 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date _____

REQUEST

Bill/Resolution No: HB 198
 Title: An act relating to municipal assistance
 Sponsor: Gov
 Requestor: House C&RA
 Date of Request: 2/16/85

FISCAL DETAIL

Agency Affected: Revenue
 Program Category Affected: General Government
 BRU, Program of Subprogram(s) Affected: Shared Taxes - Municipal Assistance

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
OPERATING						
100 PERSONAL SERVICES	-	0	-	-	-	-
200 TRAVEL	-	0	-	-	-	-
300 CONTRACTUAL	-	0	-	-	-	-
400 SUPPLIES	-	0	-	-	-	-
500 EQUIPMENT	-	0	-	-	-	-
600 LANDS & STRUCTURES	-	0	-	-	-	-
700 GRANTS, CLAIMS	-	0	-	-	-	-
800 MISCELLANEOUS	-	0	-	-	-	-
TOTAL OPERATING	-	0	-	-	-	-
CAPITAL	-	0	-	-	-	-
REVENUE	-	0	-	-	-	-

FUNDING: (Thousands of Dollars)

GENERAL FUND	-	0	-	-	-	-
FEDERAL FUNDS	-	0	-	-	-	-
OTHER	-	0	-	-	-	-
TOTAL	-	0	-	-	-	-

POSITIONS:

FULL-TIME	-	0	-	-	-	-
PART-TIME	-	0	-	-	-	-
TEMPORARY	-	0	-	-	-	-

ANALYSIS: Attach a separate page if necessary.

There is no fiscal impact on the administration of the municipal assistance program. The addition of new communities, however, dilutes the sharing of municipal assistance, reducing the share for each of the other communities.

Prepared By: Ervin B. Jones, Director
 Division: Administrative Services

Phone: 465-2313
 Date: _____

Approved by Commissioner: [Signature]
 Agency: Revenue

Date: 3/2/85

Distribution (by Agency preparing fiscal note):

Legislative Finance

Legislative Sponsor

Requestor _____

Office of Management and Budget

Impacted Agency(ies)

STATE OF ALASKA 1985 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date _____

REQUEST

Bill/Resolution No: HB 198
 Title: An Act relating to municipal assistance
 Sponsor: Goll
 Requestor: House C & RA
 Date of Request: 2/16/85

FISCAL DETAIL

Agency Affected: _____
 Program Category Affected: _____
 BRU, Program of Subprogram(s) Affected: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
<u>OPERATING</u>						
100 PERSONAL SERVICES	-	-	-	-	-	-
200 TRAVEL	-	-	-	-	-	-
300 CONTRACTUAL	-	-	-	-	-	-
400 SUPPLIES	-	-	-	-	-	-
500 EQUIPMENT	-	-	-	-	-	-
600 LANDS & STRUCTURES	-	-	-	-	-	-
700 GRANTS, CLAIMS	-	-	-	-	-	-
800 MISCELLANEOUS	-	-	-	-	-	-
<u>TOTAL OPERATING</u>	-	-	-	-	-	-
<u>CAPITAL</u>	-	-	-	-	-	-
<u>REVENUE</u>	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

GENERAL FUND	-	-	-	-	-	-
FEDERAL FUNDS	-	-	-	-	-	-
OTHER	-	-	-	-	-	-
<u>TOTAL</u>	-	-	-	-	-	-

POSITIONS:

FULL-TIME	-	-	-	-	-	-
PART-TIME	-	-	-	-	-	-
TEMPORARY	-	-	-	-	-	-

ANALYSIS: Attach a separate page for analysis.

Prepared By: John Larson, Economist
 Division: Research Section

Phone: 465-2173
 Date: 1/28/85

Approved by Commissioner: [Signature]
 Agency: Revenue

Date: 3/2/85

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

Fiscal Note HB 198
Attachment

There is no fiscal impact on the state as the proposed bill does not change the statutory provision allowing the legislature to appropriate 30 percent or more of the oil and gas corporate income tax to the municipal assistance fund.

The addition of new communities under the proposed bill would dilute the sharing of municipal assistance, reducing the share for each of the other communities.

Introduced: 2/15/85
Referred: Community & Regional
Affairs, Judiciary and Finance

1 IN THE HOUSE

BY GOLL

2

HOUSE BILL NO. 198

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act relating to municipal assistance for certain
7 municipalities organized under federal law; and
8 providing for an effective date."

9

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

10

* Section 1. AS 43.20.016(a) is amended to read:

11

(a) There is established within the department the municipal
12 assistance fund. The legislature may appropriate to the fund during
13 each fiscal year an amount equal to or greater than 30 percent of the
14 income tax revenue received by the state under AS 43.20.011(e) for the
15 previous fiscal year. The department shall distribute money from the
16 fund to each municipality [ORGANIZED BOROUGH AND EACH CITY OF ANY
17 CLASS] on an annual basis as provided in (b) and (c) of this section.
18 A municipality [BOROUGH OR CITY] may not receive payment under (b) or
19 (c) of this section until it submits to the department a resolution
20 approved by the governing body [OF THE MUNICIPALITY] that requests the
21 funds. Distribution of money from the fund to a municipality [CITY OR
22 ORGANIZED BOROUGH] with a fiscal year beginning on January 1 shall be
23 made on February 1 of the state fiscal year for which the appropri-
24 ation to the fund is made. Distribution of money from the fund to all
25 other municipalities [CITIES AND ORGANIZED BOROUGH] shall be made on
26 June 1 of the state fiscal year for which the appropriation to the
27 fund is made. A municipality [BOROUGH OR CITY] that incorporates
28 after December 31 of a state fiscal year is not eligible for a distri-
29 bution under this section until the following state fiscal year.

1 * Sec. 2. AS 43.20.016(b) is amended to read:

2 (b) The base amount to be distributed from the fund to each
3 borough and city for the fiscal year shall be the amount received by
4 the borough or city during fiscal year 1978 under AS 43.70.080; how-
5 ever, if the amount appropriated to the fund by the legislature under
6 (a) of this section is insufficient for distribution of the full base
7 amount, the department shall prorate the amount available for distri-
8 bution on the basis of amounts received during fiscal year 1978 under
9 AS 43.70.080. A city incorporated within an organized borough after
10 June 30, 1977 shall receive as a base amount a share of the amount
11 distributed to the borough in which it is located based on the ratio
12 of population in the city to the total population in the borough. A
13 city incorporated outside an organized borough after June 30, 1977
14 shall receive as a base amount the amount received by the city in the
15 state most closely approximating it in population at the time of its
16 incorporation. A borough incorporated after June 30, 1977 shall
17 receive as a base amount the amount received by the borough in the
18 state most closely approximating it in population at the time of its
19 incorporation. The base amount to be distributed to each municipality
20 organized under federal law shall be the amount received as a base
21 amount by the city most closely approximating that municipality in
22 population on June 30, 1977.

23 * Sec. 3. AS 43.20.016(c) is amended to read:

24 (c) If the amount in the fund at the time of distribution ex-
25 ceeds the base amount to be distributed under (b) of this section, the
26 excess amount shall be distributed to each municipality [BOROUGH AND
27 CITY] on the basis of population. For the purpose of this subsection,
28 the population of a city within an organized borough shall be deducted
29 from the population of the borough. Population, for the purpose of

1 this section, shall be as certified by the commissioner of community
2 and regional affairs.

3 * Sec. 4. AS 43.20.016 is amended by adding a new subsection to read:

4 (e) In this section "municipality" means a city, borough or
5 unified municipality organized under the laws of the state, or a
6 municipality organized under federal law as an Indian reserve that
7 existed before enactment of 43 U.S.C. 1618(a) and is continued in
8 existence under that subsection.

9 * Sec. 5. This Act takes effect July 1, 1985.

HOUSE JOURNAL

HOUSE FINANCE COMMITTEE

LETTER OF INTENT

FOR

HOUSE BILL 198

It is the intent of the Legislature that an elected municipal assistance committee be established in Metlakatla to determine the distribution of municipal assistance funds. Elections for the purpose of selecting the members of the committee shall be open to all residents of Metlakatla registered to vote under AS 15.05.010. Before funds are granted to Metlakatla, a signed waiver of sovereign immunity from possible legal action by the State of Alaska to collect all or portions of these funds must be filed with the Department of Revenue.



Al Adams, Chairman
House Finance Committee



Alaska State Legislature

House of Representatives

Committee on Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811
(907) 465-4833

MEMORANDUM

DATE: MARCH 6, 1985

TO: MS. IRENE CASHEN
CHIEFCLERK
ALASKA HOUSE OF REPRESENTATIVES

FROM: REP. PETER GOLI *Peter Goli*
CHAIR
HOUSE COMMITTEE ON COMMUNITY AND REGIONAL AFFAIRS

SUBJECT: HOUSE BILL 198
LETTER OF INTENT
BY THE HOUSE COMMITTEE ON COMMUNITY AND REGIONAL AFFAIRS

LETTER OF INTENT
HOUSE BILL 198

It is the intent of the Legislature that an elected municipal assistance committee be established in Metlakatla to determine the distribution of municipal assistance funds. Elections for the purpose of selecting the members of the committee shall be open to all residents of Metlakatla registered to vote under AS 15.05.010.

STATE OF ALASKA 1985 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: _____

REQUEST

Bill/Resolution No.: HB 198
 Title: "An act relating to municipal assistance for certain municipalities..."
 Sponsor: Representative Goll
 Requestor: House C&RA
 Date of Request: _____

FISCAL DETAIL

Agency Affected: Community & Regional Affairs
 Program Category Affected: Community Development
 BRU, Program or Subprogram(s) Affected: BRU: Local Government Assistance
 Component: Grants Administration

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
TOTAL OPERATING		-0-	-0-	-0-		
CAPITAL						
REVENUE						

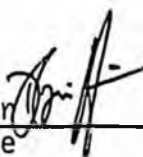
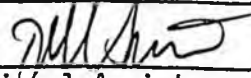
FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL		-0-	-0-	-0-		

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: Attach a separate page if necessary
 Under HB 198, this Department would be required to annually certify the population of an additional community. This would not require any additional funding.

Prepared By: Doug Griffin, Deputy Director  Phone: 465-4750
 Division: Municipal and Regional Assistance Date: 2/27/85
 Approved by Commissioner:  Date: 2/27/85
 Agency: Community and Regional Assistance

Distribution (by Agency preparing fiscal note):
 Legislative Finance
 Legislative Sponsor
 Requestor
 Office of Management and Budget
 Impacted Agency(ies)

7/1/84

STATE OF ALASKA

BILL SHEFFIELD, GOVERNOR

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

March 6, 1985

POUCH B
JUNEAU, ALASKA 99811
PHONE: (907) 465-4700

949 E. 36TH AVENUE, SUITE 400
ANCHORAGE, ALASKA 99508
PHONE: (907) 563-1073

POSITION PAPER

RE: House Bill 198

SPONSOR: Representative Goll


Program Effects of Bill

This Act would extend payment of municipal assistance under AS 43.20.016 to certain municipalities organized under federal law as Indian reservations.

Comments

Municipal assistance is currently paid only to local governments organized under state law, i.e., cities and boroughs. This Act would extend payments to certain federal entities in the state. The definition proposed would include only Metlakatla (Annette Island Reserve).

Metlakatla functions very much like other municipalities recognized under State law by providing vital local services to its residents. As a functioning local government, the Department recognizes the validity of this bill which is designed to extend Municipal Assistance to Metlakatla to help offset the cost of these municipal services. The municipal assistance program is administered by the Department of Revenue. The only additional burden on this department, under existing law, is the minimal one of certification of population of Metlakatla pursuant to AS 43.20.016 (c).



Emily Izzi, Commissioner

from Metlakatla

SUMMARY STATEMENT
IN SUPPORT
OF HOUSE BILL 198

Existing Alaska state law makes substantial sums of state money available to local governments on an ongoing basis under several legislative programs, including the Municipal Assistance Fund, under 43.20.016.

At the present time, the Metlakatla Indian Community does not qualify to participate in this program because it is not a "municipality" as defined in this state statute. Although the Metlakatla Indian Community provides the same kinds of governmental services as other local governments in Alaska, it is organized under federal, rather than state law, and is therefore not a qualifying "subdivision" of the state. Although Metlakatla has received funds from the State of Alaska, these have been either through project-specific legislation or as an "unincorporated community." The money made available under the unincorporated communities programs, however, are substantially less than those made available to organized local governments, and certain programs like Municipal Assistance have not been extended to unincorporated communities at all.

The purpose of House Bill 198 is to extend the benefits of the state municipal assistance program to the Metlakatla Indian Community. Although Metlakatla is organized under federal law, it performs governmental functions that are

closely analogous to those performed by state municipalities, and the state citizens residing there should receive the same indirect benefits.

The Metlakatla Indian Community is a federally recognized community located on the Annette Islands Reserve, which is the only federal Indian reserve now existing in Alaska. Section 19(a) of the Alaska Native Claims Settlement Act abolished all Indian reserves in Alaska with the express exception of Metlakatla. Metlakatla's government is organized under the Indian Reorganization Act of 1934, 25 U.S.C. 476, which authorized Indian tribes to establish written constitutions to formally organize their governments. The Metlakatla Indian Community performs substantial local government functions for the Reserve. The Community provides police and fire protection, water, sewer, electrical services and garbage collection. Metlakatla's twelve man governing council passes civil and criminal ordinances governing the conduct of persons in the Reserve, has established a judicial program, and conducts various social programs for the benefit of the residents of the Annette Islands Reserve. Under federal law, the Metlakatla Indian Community is authorized to levy taxes for the support of the Community's government. In short, the Metlakatla Indian Community performs governmental functions closely resembling the functions of Alaska municipalities, the principal difference being that Metlakatla's authority arises pursuant to federal rather than state law.

The cost of providing these services to more than 1300 residents of the Annette Islands Reserve is very substantial. In fiscal 1984, for example, Metlakatla's budget was approximately \$1.8 million. In the past, substantial portions of this budget have been provided through grants and loans from the United States government. Under the Reagan administration, however, the cutbacks in the various federal programs extended to Indian tribes have been extraordinarily substantial, averaging 45% nation-wide. Metlakatla, like other Indian communities throughout the United States, has been substantially affected.

As a result of these cutbacks, and because of the general slowdown in the community's economy due to the downturn in the salmon market and because of the depressed timber industry, the Metlakatla Indian Community has substantial need for state municipal assistance. House Bill 198 would correct a serious inequity in state law by extending to the citizens residing on the Annette Islands Reserve, the same indirect benefits of state municipal assistance now enjoyed by other Alaska state citizens located in similar communities throughout the state. The Metlakatla Indian Community therefore respectfully requests the enactment of House Bill 198.

BILL SHEFFIELD, GOVERNOR

REPLY TO:

1031 W 4th AVENUE
SUITE 200
ANCHORAGE, ALASKA 99501
PHONE: (907) 276-3550

1st NATIONAL CENTER
100 CUSHMAN ST.
SUITE 400
FAIRBANKS, ALASKA 99701
PHONE: (907) 452-1568

POUCH K - STATE CAPITOL
JUNEAU, ALASKA 99811
PHONE: (907) 465-3600

DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

February 19, 1985

The Honorable Peter Goll
Alaska State House of Representatives
Pouch V
Juneau, AK 99811

Re: Municipal Assistance -- HB 198


Dear Representative Goll:

At your request we have reviewed HB 198, which amends the provisions of AS 43.20.016 concerning state aid to municipalities. Specifically, you ask whether the proposed revisions would have the effect of extending revenue sharing to the community of Metlakatla, but would not expand the program to other communities.

The clear answer is yes. The bill would add the term "municipality" to eligible local governments. Section 4 defines "municipality" to include municipalities "organized under federal law as an Indian reserve that existed before enactment of 43 U.S.C. § 1618(a) and is continued in existence under that subsection." The only community which meets that definition is Metlakatla, of the Annette Island Reserve. 43 U.S.C. § 1618(a) revoked the reserve status of all reserves in Alaska except Annette Island. Thus, only Metlakatla would be affected.

Sincerely,

NORMAN C. GORSUCH
ATTORNEY GENERAL

By: 
Douglas K. Mertz
Assistant Attorney General

DKM:d1m



ALASKA STATE LEGISLATURE
HOUSE OF REPRESENTATIVES
RESEARCH AGENCY

Pouch Y, State Capitol
Juneau, Alaska 99811
(907) 465-3991

January 11, 1985

MEMORANDUM

TO: Representative Peter Goll
FROM: Jay Livey, Legislative Analyst *JL*
RE: Metlakatla Revenues
Research Request 85-070

You asked us to determine the types of federal revenues currently received by the community of Metlakatla, particularly those revenues that are unrestricted in use. Additionally, you asked us to compare Metlakatla's revenues with revenues received by other comparable communities in Alaska.

Metlakatla is an Indian Reserve, and therefore is incorporated as a Federal Law City rather than under the Alaska Statutes. However, because it has an incorporated government, the community is eligible for federal revenue sharing as are all incorporated communities in the state. According to Fred Williams, Revenue Sharing Officer within the United States Treasury Department, Metlakatla's revenue sharing allocation for FY 85 is \$31,000. Mr. Williams claims that this amount is similar to allocations received by other Alaska communities of comparable size. He does note, however, that the Metlakatla's revenue sharing allocation is determined solely on population while revenue sharing allocations to other communities consider local tax efforts as well as population.

Because Metlakatla is an Indian Reserve, the local government provides a variety of services through contracts with the Bureau of Indian Affairs and the Indian Health Service. According to Burley Wellington, Metlakatla's finance officer, the community receives about \$1 million in contracts from these two federal agencies to fund social services, the court system, public safety, health programs, community resource management and alcohol and drug programs. It should be remembered, however, that these funds, unlike revenue sharing funds, are restricted revenues and can only be used for services specified by contract.

We also contacted the Bureau of Indian Affairs to determine if Metlakatla's status as an Indian Reserve qualified them for any revenue

Representative Goll
January 11, 1985
Page 2

sharing or municipal grant program not available to other communities. According to Patricia Simmons of the Office of Indian Services, Bureau of Indian Affairs there are no special revenue sharing programs designed for Indian Reserves.

In addition to federal money, Metlakatla receives a \$25,000 grant from the State under AS 29.89.050 (State aid to unincorporated communities) as well as State aid to volunteer fire departments in the unorganized borough (AS 29.89.040). Mr. Wellington also reported that Metlakatla received State funding for day care services and a senior citizens program.

I hope this information is helpful. If you desire additional research, please do not hesitate to contact us.

JL

Introduced: 2/15/85
Referred: Community & Regional
Affairs, Judiciary and Finance

1 IN THE HOUSE

BY GOLL

2

HOUSE BILL NO. 198

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act relating to municipal assistance for certain
7 municipalities organized under federal law; and
8 providing for an effective date."

9

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

10

* Section 1. AS 43.20.016(a) is amended to read:

11

(a) There is established within the department the municipal

12

assistance fund. The legislature may appropriate to the fund during

13

each fiscal year an amount equal to or greater than 30 percent of the

14

income tax revenue received by the state under AS 43.20.011(e) for the

15

previous fiscal year. The department shall distribute money from the

16

fund to each municipality [ORGANIZED BOROUGH AND EACH CITY OF ANY

17

CLASS] on an annual basis as provided in (b) and (c) of this section.

18

A municipality [BOROUGH OR CITY] may not receive payment under (b) or

19

(c) of this section until it submits to the department a resolution

20

approved by the governing body [OF THE MUNICIPALITY] that requests the

21

funds. Distribution of money from the fund to a municipality [CITY OR

22

ORGANIZED BOROUGH] with a fiscal year beginning on January 1 shall be

23

made on February 1 of the state fiscal year for which the appropri-

24

ation to the fund is made. Distribution of money from the fund to all

25

other municipalities [CITIES AND ORGANIZED BOROUGH] shall be made on

26

June 1 of the state fiscal year for which the appropriation to the

27

fund is made. A municipality [BOROUGH OR CITY] that incorporates

28

after December 31 of a state fiscal year is not eligible for a distri-

29

bution under this section until the following state fiscal year.

1 * Sec. 2. AS 43.20.016(b) is amended to read:

2 (b) The base amount to be distributed from the fund to each
3 borough and city for the fiscal year shall be the amount received by
4 the borough or city during fiscal year 1978 under AS 43.70.080; how-
5 ever, if the amount appropriated to the fund by the legislature under
6 (a) of this section is insufficient for distribution of the full base
7 amount, the department shall prorate the amount available for distri-
8 bution on the basis of amounts received during fiscal year 1978 under
9 AS 43.70.080. A city incorporated within an organized borough after
10 June 30, 1977 shall receive as a base amount a share of the amount
11 distributed to the borough in which it is located based on the ratio
12 of population in the city to the total population in the borough. A
13 city incorporated outside an organized borough after June 30, 1977
14 shall receive as a base amount the amount received by the city in the
15 state most closely approximating it in population at the time of its
16 incorporation. A borough incorporated after June 30, 1977 shall
17 receive as a base amount the amount received by the borough in the
18 state most closely approximating it in population at the time of its
19 incorporation. The base amount to be distributed to each municipality
20 organized under federal law shall be the amount received as a base
21 amount by the city most closely approximating that municipality in
22 population on June 30, 1977.

23 * Sec. 3. AS 43.20.016(c) is amended to read:

24 (c) If the amount in the fund at the time of distribution ex-
25 ceeds the base amount to be distributed under (b) of this section, the
26 excess amount shall be distributed to each municipality [BOROUGH AND
27 CITY] on the basis of population. For the purpose of this subsection,
28 the population of a city within an organized borough shall be deducted
29 from the population of the borough. Population, for the purpose of

1 this section, shall be as certified by the commissioner of community
2 and regional affairs.

3 * Sec. 4. AS 43.20.016 is amended by adding a new subsection to read:

4 (e) In this section "municipality" means a city, borough or
5 unified municipality organized under the laws of the state, or a
6 municipality organized under federal law as an Indian reserve that
7 existed before enactment of 43 U.S.C. 1618(a) and is continued in
8 existence under that subsection.

9 * Sec. 5. This Act takes effect July 1, 1985.

COMMITTEE REPORT
SENATE

FURTHER: AMENDMENT

5/1/85

Date 5/1/85

Mr. President

The Committee on FINANCE considered HB 198 am

municipal assistance for certain municipalities organized under federal law; etc.

and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass
- do pass with attached amendment(s)
- replace with/or adopt 5 CS for HB 198 (CIRA)
- new title
- same title and recommends DO PASS
- and attached a "LETTER OF INTENT" NEW FISCAL NOTE
- reports it back without recommendation
- recommends referral to _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS

Paul H. ...

Paul ...

John ...

Chairman

Chairman recommendation

Offered: 5/1/85
Referred: Finance

Original sponsor: Goll

1 IN THE HOUSE
2 SENATE CS FOR HOUSE BILL NO. 198 (C&RA)
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 FOURTEENTH LEGISLATURE - FIRST SESSION
5 A BILL
6 For an Act entitled: "An Act relating to municipal assistance for certain
7 municipalities organized under federal law; and
8 providing for an effective date."
9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:
10 * Section 1. AS 43.20.016(a) is amended to read:
11 (a) There is established within the department the municipal
12 assistance fund. The legislature may appropriate to the fund during
13 each fiscal year an amount equal to or greater than 30 percent of the
14 income tax revenue received by the state under AS 43.20.011(e) for the
15 previous fiscal year. The department shall distribute money from the
16 fund to each municipality [ORGANIZED BOROUGH AND EACH CITY OF ANY
17 CLASS] on an annual basis as provided in (b) and (c) of this section.
18 A municipality [BOROUGH OR CITY] may not receive payment under (b) or
19 (c) of this section until it submits to the department a resolution
20 approved by the governing body [OF THE MUNICIPALITY] that requests the
21 funds. Distribution of money from the fund to a municipality [CITY OR
22 ORGANIZED BOROUGH] with a fiscal year beginning on January 1 shall be
23 made on February 1 of the state fiscal year for which the appropri-
24 ation to the fund is made. Distribution of money from the fund to all
25 other municipalities [CITIES AND ORGANIZED BOROUGH] shall be made on
26 June 1 of the state fiscal year for which the appropriation to the
27 fund is made. A municipality [BOROUGH OR CITY] that incorporates
28 after December 31 of a state fiscal year is not eligible for a distri-
29 bution under this section until the following state fiscal year.

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4 the borough or city during fiscal year 1978 under AS 43.70.080; how-
5 ever, if the amount appropriated to the fund by the legislature under
6 (a) of this section is insufficient for distribution of the full base
7 amount, the department shall prorate the amount available for distri-
8 bution on the basis of amounts received during fiscal year 1978 under
9 AS 43.70.080. A city incorporated within an organized borough after
10 June 30, 1977 shall receive as a base amount a share of the amount
11 distributed to the borough in which it is located based on the ratio
12 of population in the city to the total population in the borough. A
13 city incorporated outside an organized borough after June 30, 1977
14 shall receive as a base amount the amount received by the city in the
15 state most closely approximating it in population at the time of its
16 incorporation. A borough incorporated after June 30, 1977 shall
17 receive as a base amount the amount received by the borough in the
18 state most closely approximating it in population at the time of its
19 incorporation. The base amount to be distributed to each municipality
20 organized under federal law shall be the amount received as a base
21 amount by the city most closely approximating that municipality in
22 population on June 30, 1977.

23 * Sec. 3. AS 43.20.016(c) is amended to read:

24 (c) If the amount in the fund at the time of distribution ex-
25 ceeds the base amount to be distributed under (b) of this section, the
26 excess amount shall be distributed to each municipality [BOROUGH AND
27 CITY] on the basis of population. For the purpose of this subsection,
28 the population of a city within an organized borough shall be deducted
29 from the population of the borough. Population, for the purpose of

1 this section, shall be as certified by the commissioner of community
2 and regional affairs.

3 * Sec. 4. AS 43.20.016 is amended by adding new subsections to read:

4 (e) To qualify to receive money under this section a municipal-
5 ity organized under federal law as an Indian reserve that existed
6 before enactment of 43 U.S.C. 1618(a) and is continued in existence
7 under that subsection shall form a community development corporation
8 with authority to determine how money received under this section will
9 be used. The charter shall require that the governing board of the
10 corporation shall be elected at an election open to all residents of
11 the municipality who are registered and qualified to vote in state
12 elections. The Department of Revenue may distribute money for the
13 municipality only to a corporation organized in accordance with this
14 subsection and only after the corporation has delivered a written
15 waiver of sovereign immunity from legal action by the state to recover
16 all or a portion of the money distributed under this section.

17 (f) In this section "municipality" means a city, borough or
18 unified municipality organized under the laws of the state, or a
19 municipality organized under federal law as an Indian reserve that
20 existed before enactment of 43 U.S.C. 1618(a) and is continued in
21 existence under that subsection.

22 * Sec. 5. This Act takes effect July 1, 1985.

STATE OF ALASKA 1985 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date

REQUEST

Bill/Resolution No: HB 198 No. 2
Title: An act relating to municipal assistance
Sponsor: Goll
Requestor: House C&RA
Date of Request: 2/16/85

FISCAL DETAIL

Agency Affected: Revenue
Program Category Affected: General Government
DRU, Program of Subprogram(s) Affected: Shared Taxes - Municipal Assistance

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
OPERATING						
100 PERSONAL SERVICES	-	0	-	-	-	-
200 TRAVEL	-	0	-	-	-	-
300 CONTRACTUAL	-	0	-	-	-	-
400 SUPPLIES	-	0	-	-	-	-
500 EQUIPMENT	-	0	-	-	-	-
600 LANDS & STRUCTURES	-	0	-	-	-	-
700 GRANTS, CLAIMS	-	0	-	-	-	-
800 MISCELLANEOUS	-	0	-	-	-	-
TOTAL OPERATING	-	0	-	-	-	-
CAPITAL	-	0	-	-	-	-
REVENUE	-	0	-	-	-	-

FUNDING: (Thousands of Dollars)

GENERAL FUND	-	0	-	-	-	-
FEDERAL FUNDS	-	0	-	-	-	-
OTHER	-	0	-	-	-	-
TOTAL	-	0	-	-	-	-

POSITIONS:

FULL-TIME	-	0	-	-	-	-
PART-TIME	-	0	-	-	-	-
TEMPORARY	-	0	-	-	-	-

ANALYSIS:

There is no fiscal impact on the administration of the municipal assistance program. The addition of new communities, however, dilutes the sharing of municipal assistance reducing the share for each of the other communities.

Prepared By: Ervin B. Jones, Director
Division: Administrative Services

Phone: 465-2313
Date: _____

Approved by Commissioner: Mary A. Stuckale
Agency: Revenue

Date: 3/2/85

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

REVENUE
Municipal Assistance

STATE OF ALASKA 1985 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: _____

REQUEST

Bill/Resolution No.: HB 198 No. 1
Title: "An act relating to municipal assistance for certain municipalities."
Sponsor: Representative Goli
Requestor: House C&RA
Date of Request: _____

FISCAL DETAIL

Agency Affected: Community & Regional Affairs
Program Category Affected: Community Development
B.U., Program or Subprogram(s) Affected: BRU: Local Government Assistance
Component: Grants Administration

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
300 MISCELLANEOUS						
TOTAL OPERATING		-0-	-0-	-0-		

CAPITAL						
----------------	--	--	--	--	--	--

REVENUE						
----------------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL		-0-	-0-	-0-		

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS:

Under HB 198, this Department would be required to annually certify the population of an additional community. This would not require any additional funding.

Prepared By: Donna Griffin, Deputy Director Phone: 465-4750
Division: Municipal and Regional Assistance Date: 2/27/85

Approved by Commissioner: [Signature] Date: 2/27/85
Agency: Community and Regional Assistance

- Distribution (by Agency preparing fiscal note):
- Legislative Finance
 - Legislative Sponsor
 - Requestor
 - Office of Management and Budget
 - Impacted Agency(ies)

ORRA
Municipal Assist
9/1/84

3/27

STATE OF ALASKA 1985 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date _____

REQUEST
Bill/Resolution No: HB 198
Title: An Act relating to municipal assistance
Sponsor: Goll
Requestor: House C & RA
Date of Request: 2/16/85

FISCAL DETAIL
Agency Affected: _____
Program Category Affected: _____
BRU, Program of Subprogram(s) Affected: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
OPERATING						
100 PERSONAL SERVICES	-	-	-	-	-	-
200 TRAVEL	-	-	-	-	-	-
300 CONTRACTUAL	-	-	-	-	-	-
400 SUPPLIES	-	-	-	-	-	-
500 EQUIPMENT	-	-	-	-	-	-
600 LANDS & STRUCTURES	-	-	-	-	-	-
700 GRANTS, CLAIMS	-	-	-	-	-	-
800 MISCELLANEOUS	-	-	-	-	-	-
TOTAL OPERATING	-	-	-	-	-	-
CAPITAL	-	-	-	-	-	-
REVENUE	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

GENERAL FUND	-	-	-	-	-	-
FEDERAL FUNDS	-	-	-	-	-	-
OTHER	-	-	-	-	-	-
TOTAL	-	-	-	-	-	-

POSITIONS:

FULL-TIME	-	-	-	-	-	-
PART-TIME	-	-	-	-	-	-
TEMPORARY	-	-	-	-	-	-

ANALYSIS:

There is no fiscal impact on the state as the proposed bill does not change the statutory provision allowing the legislature to appropriate 30 percent or more of the oil and gas corporate income tax to the municipal assistance fund.

The addition of new communities under the proposed bill would dilute the sharing of municipal assistance, reducing the share for each of the other communities.

Prepared By: John Larson, Economist
Division: Research Section
Approved by Commissioner: [Signature]
Agency: [Signature]

Phone: 465-2173
Date: 1/28/85

Date: 3/2/85
REVENUE - Research

ANALYSIS FOR HOUSE BILL 198

An Act relating to municipal assistance for certain municipalities organized under federal law

Although this bill is made up of 5 sections, there is really only one major change. This bill adds Metlakatla, which is organized under federal law as an Indian reserve, as eligible for funds from the municipal assistance fund.

Metlakatla would be required to form a community development corporation which would determine how these revenue would be spent. The corporation would have a Board of Directors which would be elected by a vote of eligible residents.

Municipal assistance funds could only be given to the corporation if it had delivered a written waiver of sovereign immunity from legal action by the state to recover all or a portion of the money that is to be distributed.

This act takes effect July 1, 1985.

STATE OF ALASKA 1985 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date _____

REQUEST

Bill/Resolution No: HB 198
Title: An Act relating to municipal assistance
Sponsor: Goll
Requestor: House C & RA
Date of Request: 2/16/85

FISCAL DETAIL

Agency Affected: _____
Program Category Affected: _____
BRU, Program of Subprogram(s) Affected: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
OPERATING						
100 PERSONAL SERVICES	-	-	-	-	-	-
200 TRAVEL	-	-	-	-	-	-
300 CONTRACTUAL	-	-	-	-	-	-
400 SUPPLIES	-	-	-	-	-	-
500 EQUIPMENT	-	-	-	-	-	-
600 LANDS & STRUCTURES	-	-	-	-	-	-
700 GRANTS, CLAIMS	-	-	-	-	-	-
800 MISCELLANEOUS	-	-	-	-	-	-
TOTAL OPERATING	-	-	-	-	-	-
CAPITAL	-	-	-	-	-	-
REVENUE	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

GENERAL FUND	-	-	-	-	-	-
FEDERAL FUNDS	-	-	-	-	-	-
OTHER	-	-	-	-	-	-
TOTAL	-	-	-	-	-	-

POSITIONS:

FULL-TIME	-	-	-	-	-	-
PART-TIME	-	-	-	-	-	-
TEMPORARY	-	-	-	-	-	-

ANALYSIS:

There is no fiscal impact on the state as the proposed bill does not change the statutory provision allowing the legislature to appropriate 30 percent or more of the oil and gas corporate income tax to the municipal assistance fund.

The addition of new communities under the proposed bill would dilute the sharing of municipal assistance, reducing the share for each of the other communities.

Prepared By: John Larson, Economist
Division: Research Section

Phone: 465-2173
Date: 1/28/85

Approved by Commissioner: [Signature]
Agency: Revenue

Date: 3/2/85

REVENUE - Research

STATE OF ALASKA 1985 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date _____

REQUEST
Bill/Resolution No: HB 198 No. 2
Title: An act relating to municipal assistance
Sponsor: Goll
Requestor: House C&RA
Date of Request: 2/16/85

FISCAL DETAIL
Agency Affected: Revenue
Program Category Affected: General Government
BRU, Program of Subprogram(s) Affected: Shared Taxes - Municipal Assistance

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
OPERATING						
100 PERSONAL SERVICES	-	0	-	-	-	-
200 TRAVEL	-	0	-	-	-	-
300 CONTRACTUAL	-	0	-	-	-	-
400 SUPPLIES	-	0	-	-	-	-
500 EQUIPMENT	-	0	-	-	-	-
600 LANDS & STRUCTURES	-	0	-	-	-	-
700 GRANTS, CLAIMS	-	0	-	-	-	-
800 MISCELLANEOUS	-	0	-	-	-	-
TOTAL OPERATING	-	0	-	-	-	-
CAPITAL	-	0	-	-	-	-
REVENUE	-	0	-	-	-	-

FUNDING: (Thousands of Dollars)

GENERAL FUND	-	0	-	-	-	-
FEDERAL FUNDS	-	0	-	-	-	-
OTHER	-	0	-	-	-	-
TOTAL	-	0	-	-	-	-

POSITIONS:

FULL-TIME	-	0	-	-	-	-
PART-TIME	-	0	-	-	-	-
TEMPORARY	-	0	-	-	-	-

ANALYSIS:

There is no fiscal impact on the administration of the municipal assistance program. The addition of new communities, however, dilutes the sharing of municipal assistance reducing the share for each of the other communities.

Prepared By: Ervin B. Jones, Director
Division: Administrative Services

Phone: 465-2313
Date: _____

Approved by Commissioner: [Signature]
Agency: Revenue

Date: 3/2/85

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

REVENUE
Municipal Assistance

STATE OF ALASKA 1985 LEGISLATIVE SESSION
FISCAL NOTE

0/2/85

Revision Date: _____

REQUEST

Bill/Resolution No.: HB 198 No.1
Title: "An act relating to municipal assistance for certain municipalities..."
Sponsor: Representative Goll
Requestor: House C&RA
Date of Request: _____

FISCAL DETAIL

Agency Affected: Community & Regional Affairs
Program Category Affected: Community Development
BRU, Program or Subprogram(s) Affected: BRU: Local Government Assistance
Component: Grants Administration

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
TOTAL OPERATING		-0-	-0-	-0-		

CAPITAL						
----------------	--	--	--	--	--	--

REVENUE						
----------------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL		-0-	-0-	-0-		

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS:

Under HB 198, this Department would be required to annually certify the population of an additional community. This would not require any additional funding.

Prepared By: Doug Griffin, Deputy Director *Griffin* Phone: 465-4750
Division: Municipal and Regional Assistance Date: 2/27/85

Approved by Commissioner: *[Signature]* Date: 2/27/85
Agency: Community and Regional Assistance

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

04RA
Municipal Assist
2/1/85

from Metlakatla

SUMMARY STATEMENT
IN SUPPORT
OF HOUSE BILL 198

Existing Alaska state law makes substantial sums of state money available to local governments on an ongoing basis under several legislative programs, including the Municipal Assistance Fund, under 43.20.016.

At the present time, the Metlakatla Indian Community does not qualify to participate in this program because it is not a "municipality" as defined in this state statute. Although the Metlakatla Indian Community provides the same kinds of governmental services as other local governments in Alaska, it is organized under federal, rather than state law, and is therefore not a qualifying "subdivision" of the state. Although Metlakatla has received funds from the State of Alaska, these have been either through project-specific legislation or as an "unincorporated community." The money made available under the unincorporated communities programs, however, are substantially less than those made available to organized local governments, and certain programs like Municipal Assistance have not been extended to unincorporated communities at all.

The purpose of House Bill 198 is to extend the benefits of the state municipal assistance program to the Metlakatla Indian Community. Although Metlakatla is organized under federal law, it performs governmental functions that are

closely analogous to those performed by state municipalities, and the state citizens residing there should receive the same indirect benefits.

The Metlakatla Indian Community is a federally recognized community located on the Annette Islands Reserve, which is the only federal Indian reserve now existing in Alaska. Section 19(a) of the Alaska Native Claims Settlement Act abolished all Indian reserves in Alaska with the express exception of Metlakatla. Metlakatla's government is organized under the Indian Reorganization Act of 1934, 25 U.S.C. 476, which authorized Indian tribes to establish written constitutions to formally organize their governments. The Metlakatla Indian Community performs substantial local government functions for the Reserve. The Community provides police and fire protection, water, sewer, electrical services and garbage collection. Metlakatla's twelve man governing council passes civil and criminal ordinances governing the conduct of persons in the Reserve, has established a judicial program, and conducts various social programs for the benefit of the residents of the Annette Islands Reserve. Under federal law, the Metlakatla Indian Community is authorized to levy taxes for the support of the Community's government. In short, the Metlakatla Indian Community performs governmental functions closely resembling the functions of Alaska municipalities, the principal difference being that Metlakatla's authority arises pursuant to federal rather than state law.

The cost of providing these services to more than 1300 residents of the Annette Islands Reserve is very substantial. In fiscal 1984, for example, Metlakatla's budget was approximately \$1.8 million. In the past, substantial portions of this budget have been provided through grants and loans from the United States government. Under the Reagan administration, however, the cutbacks in the various federal programs extended to Indian tribes have been extraordinarily substantial, averaging 45% nation-wide. Metlakatla, like other Indian communities throughout the United States, has been substantially affected.

As a result of these cutbacks, and because of the general slowdown in the community's economy due to the downturn in the salmon market and because of the depressed timber industry, the Metlakatla Indian Community has substantial need for state municipal assistance. House Bill 198 would correct a serious inequity in state law by extending to the citizens residing on the Annette Islands Reserve, the same indirect benefits of state municipal assistance now enjoyed by other Alaska state citizens located in similar communities throughout the state. The Metlakatla Indian Community therefore respectfully requests the enactment of House Bill 198.



Alaska State Legislature

House of Representatives

Committee on Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811
(907) 465-4833

MEMORANDUM

DATE: MARCH 6, 1985

TO: MS. IRENE CASHEN
CHIEFCLERK
ALASKA HOUSE OF REPRESENTATIVES

FROM: REP. PETER GOLL *Peter Goll*
CHAIR
HOUSE COMMITTEE ON COMMUNITY AND REGIONAL AFFAIRS

SUBJECT: HOUSE BILL 198
LETTER OF INTENT
BY THE HOUSE COMMITTEE ON COMMUNITY AND REGIONAL AFFAIRS

LETTER OF INTENT
HOUSE BILL 198

It is the intent of the Legislature that an elected municipal assistance committee be established in Metlakatla to determine the distribution of municipal assistance funds. Elections for the purpose of selecting the members of the committee shall be open to all residents of Metlakatla registered to vote under AS 15.05.010.

STATE OF ALASKA

BILL SHEFFIELD, GOVERNOR

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

March 6, 1985

POUCH B
JUNEAU, ALASKA 99811
PHONE: (907) 465-4700

949 E. 36TH AVENUE, SUITE 400
ANCHORAGE, ALASKA 99508
PHONE: (907) 563-1073

POSITION PAPER

RE: House Bill 198

SPONSOR: Representative Goll


Program Effects of Bill

This Act would extend payment of municipal assistance under AS 43.20.016 to certain municipalities organized under federal law as Indian reservations.

Comments

Municipal assistance is currently paid only to local governments organized under state law, i.e., cities and boroughs. This Act would extend payments to certain federal entities in the state. The definition proposed would include only Metlakatla (Annette Island Reserve).

Metlakatla functions very much like other municipalities recognized under State law by providing vital local services to its residents. As a functioning local government, the Department recognizes the validity of this bill which is designed to extend Municipal Assistance to Metlakatla to help offset the cost of these municipal services. The municipal assistance program is administered by the Department of Revenue. The only additional burden on this department, under existing law, is the minimal one of certification of population of Metlakatla pursuant to AS 43.20.016 (c).


Emil Notti, Commissioner

BILL SHEFFIELD, GOVERNOR

REPLY TO:

1031 W 4th AVENUE
SUITE 200
ANCHORAGE, ALASKA 99501
PHONE: (907) 276-3550

1st NATIONAL CENTER
100 CUSHMAN ST.
SUITE 400
FAIRBANKS, ALASKA 99701
PHONE: (907) 452-1568

POUCH K - STATE CAPITOL
JUNEAU, ALASKA 99811
PHONE: (907) 465-3600

DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

February 19, 1985

The Honorable Peter Goll
Alaska State House of Representatives
Pouch V
Juneau, AK 99811

Re: Municipal Assistance -- HB 198

Dear Representative Goll:

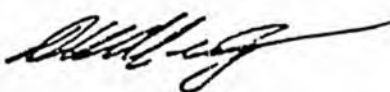
At your request we have reviewed HB 198, which amends the provisions of AS 43.20.016 concerning state aid to municipalities. Specifically, you ask whether the proposed revisions would have the effect of extending revenue sharing to the community of Metlakatla, but would not expand the program to other communities.

The clear answer is yes. The bill would add the term "municipality" to eligible local governments. Section 4 defines "municipality" to include municipalities "organized under federal law as an Indian reserve that existed before enactment of 43 U.S.C. § 1618(a) and is continued in existence under that subsection." The only community which meets that definition is Metlakatla, of the Annette Island Reserve. 43 U.S.C. § 1618(a) revoked the reserve status of all reserves in Alaska except Annette Island. Thus, only Metlakatla would be affected.

Sincerely,

NORMAN C. GORSUCH
ATTORNEY GENERAL

By:


Douglas K. Hertz
Assistant Attorney General

DKM:dlm



ALASKA STATE LEGISLATURE
HOUSE OF REPRESENTATIVES
RESEARCH AGENCY

Pouch Y, State Capitol
Juneau, Alaska 99811
(907) 465-3991

January 11, 1985

MEMORANDUM

TO: Representative Peter Goll
FROM: Jay Livey, Legislative Analyst *JL*
RE: Metlakatla Revenues
Research Request 85-070

You asked us to determine the types of federal revenues currently received by the community of Metlakatla, particularly those revenues that are unrestricted in use. Additionally, you asked us to compare Metlakatla's revenues with revenues received by other comparable communities in Alaska.

Metlakatla is an Indian Reserve, and therefore is incorporated as a Federal Law City rather than under the Alaska Statutes. However, because it has an incorporated government, the community is eligible for federal revenue sharing as are all incorporated communities in the state. According to Fred Williams, Revenue Sharing Officer within the United States Treasury Department, Metlakatla's revenue sharing allocation for FY 85 is \$31,000. Mr. Williams claims that this amount is similar to allocations received by other Alaska communities of comparable size. He does note, however, that the Metlakatla's revenue sharing allocation is determined solely on population while revenue sharing allocations to other communities consider local tax efforts as well as population.

Because Metlakatla is an Indian Reserve, the local government provides a variety of services through contracts with the Bureau of Indian Affairs and the Indian Health Service. According to Burley Wellington, Metlakatla's finance officer, the community receives about \$1 million in contracts from these two federal agencies to fund social services, the court system, public safety, health programs, community resource management and alcohol and drug programs. It should be remembered, however, that these funds, unlike revenue sharing funds, are restricted revenues and can only be used for services specified by contract.

We also contacted the Bureau of Indian Affairs to determine if Metlakatla's status as an Indian Reserve qualified them for any revenue

Representative Goll
January 11, 1985
Page 2

sharing or municipal grant program not available to other communities. According to Patricia Simmons of the Office of Indian Services, Bureau of Indian Affairs there are no special revenue sharing programs designed for Indian Reserves.

In addition to federal money, Metlakatla receives a \$25,000 grant from the State under AS 29.89.050 (State aid to unincorporated communities) as well as State aid to volunteer fire departments in the unorganized borough (AS 29.89.040). Mr. Wellington also reported that Metlakatla received State funding for day care services and a senior citizens program.

I hope this information is helpful. If you desire additional research, please do not hesitate to contact us.

JL

Offered: 5/1/85
Referred: Finance

Original sponsor: Goll

1 IN THE HOUSE
2 SENATE CS FOR HOUSE BILL NO. 198 (C&RA)
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 FOURTEENTH LEGISLATURE - FIRST SESSION
5 A BILL
6 For an Act entitled: "An Act relating to municipal assistance for certain
7 municipalities organized under federal law; and
8 providing for an effective date."
9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:
10 * Section 1. AS 43.20.016(a) is amended to read:
11 (a) There is established within the department the municipal
12 assistance fund. The legislature may appropriate to the fund during
13 each fiscal year an amount equal to or greater than 30 percent of the
14 income tax revenue received by the state under AS 43.20.011(e) for the
15 previous fiscal year. The department shall distribute money from the
16 fund to each municipality [ORGANIZED BOROUGH AND EACH CITY OF ANY
17 CLASS] on an annual basis as provided in (b) and (c) of this section.
18 A municipality [BOROUGH OR CITY] may not receive payment under (b) or
19 (c) of this section until it submits to the department a resolution
20 approved by the governing body [OF THE MUNICIPALITY] that requests the
21 funds. Distribution of money from the fund to a municipality [CITY OR
22 ORGANIZED BOROUGH] with a fiscal year beginning on January 1 shall be
23 made on February 1 of the state fiscal year for which the appropri-
24 ation to the fund is made. Distribution of money from the fund to all
25 other municipalities [CITIES AND ORGANIZED BOROUGH] shall be made on
26 June 1 of the state fiscal year for which the appropriation to the
27 fund is made. A municipality [BOROUGH OR CITY] that incorporates
28 after December 31 of a state fiscal year is not eligible for a distri-
29 bution under this section until the following state fiscal year.

1 * Sec. 2. AS 43.20.016(b) is amended to read:

2 (b). The base amount to be distributed from the fund to each
3 borough and city for the fiscal year shall be the amount received by
4 the borough or city during fiscal year 1978 under AS 43.70.080; how-
5 ever, if the amount appropriated to the fund by the legislature under
6 (a) of this section is insufficient for distribution of the full base
7 amount, the department shall prorate the amount available for distri-
8 bution on the basis of amounts received during fiscal year 1978 under
9 AS 43.70.080. A city incorporated within an organized borough after
10 June 30, 1977 shall receive as a base amount a share of the amount
11 distributed to the borough in which it is located based on the ratio
12 of population in the city to the total population in the borough. A
13 city incorporated outside an organized borough after June 30, 1977
14 shall receive as a base amount the amount received by the city in the
15 state most closely approximating it in population at the time of its
16 incorporation. A borough incorporated after June 30, 1977 shall
17 receive as a base amount the amount received by the borough in the
18 state most closely approximating it in population at the time of its
19 incorporation. The base amount to be distributed to each municipality
20 organized under federal law shall be the amount received as a base
21 amount by the city most closely approximating that municipality in
22 population on June 30, 1977.

23 * Sec. 3. AS 43.20.016(c) is amended to read:

24 (c) If the amount in the fund at the time of distribution ex-
25 ceeds the base amount to be distributed under (b) of this section, the
26 excess amount shall be distributed to each municipality [BOROUGH AND
27 CITY] on the basis of population. For the purpose of this subsection,
28 the population of a city within an organized borough shall be deducted
29 from the population of the borough. Population, for the purpose of

1 this section, shall be as certified by the commissioner of community
2 and regional affairs.

3 * Sec. 4. AS 43.20.016 is amended by adding new subsections to read:

4 (e) To qualify to receive money under this section a municipal-
5 ity organized under federal law as an Indian reserve that existed
6 before enactment of 43 U.S.C. 1618(a) and is continued in existence
7 under that subsection shall form a community development corporation
8 with authority to determine how money received under this section will
9 be used. The charter shall require that the governing board of the
10 corporation shall be elected at an election open to all residents of
11 the municipality who are registered and qualified to vote in state
12 elections. The Department of Revenue may distribute money for the
13 municipality only to a corporation organized in accordance with this
14 subsection and only after the corporation has delivered a written
15 waiver of sovereign immunity from legal action by the state to recover
16 all or a portion of the money distributed under this section.

17 (f) In this section "municipality" means a city, borough or
18 unified municipality organized under the laws of the state, or a
19 municipality organized under federal law as an Indian reserve that
20 existed before enactment of 43 U.S.C. 1618(a) and is continued in
21 existence under that subsection.

22 * Sec. 5. This Act takes effect July 1, 1985.

Introduced: 2/15/85
Referred: Community & Regional
Affairs, Judiciary and Finance

1 IN THE HOUSE

BY GOLL

2 HOUSE BILL NO. 198 am

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to municipal assistance for certain
7 municipalities organized under federal law; and
8 providing for an effective date."

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

10 * Section 1. AS 43.20.016(a) is amended to read:

11 (a) There is established within the department the municipal
12 assistance fund. The legislature may appropriate to the fund during
13 each fiscal year an amount equal to or greater than 30 percent of the
14 income tax revenue received by the state under AS 43.20.011(e) for the
15 previous fiscal year. The department shall distribute money from the
16 fund to each municipality [ORGANIZED BOROUGH AND EACH CITY OF ANY
17 CLASS] on an annual basis as provided in (b) and (c) of this section.
18 A municipality [BOROUGH OR CITY] may not receive payment under (b) or
19 (c) of this section until it submits to the department a resolution
20 approved by the governing body [OF THE MUNICIPALITY] that requests the
21 funds. Distribution of money from the fund to a municipality [CITY OR
22 ORGANIZED BOROUGH] with a fiscal year beginning on January 1 shall be
23 made on February 1 of the state fiscal year for which the appropri-
24 ation to the fund is made. Distribution of money from the fund to all
25 other municipalities [CITIES AND ORGANIZED BOROUGH] shall be made on
26 June 1 of the state fiscal year for which the appropriation to the
27 fund is made. A municipality [BOROUGH OR CITY] that incorporates
28 after December 31 of a state fiscal year is not eligible for a distri-
29 bution under this section until the following state fiscal year.

1 * Sec. 2. AS 43.20.016(b) is amended to read:

2 (b) The base amount to be distributed from the fund to each
3 borough and city for the fiscal year shall be the amount received by
4 the borough or city during fiscal year 1978 under AS 43.70.080; how-
5 ever, if the amount appropriated to the fund by the legislature under
6 (a) of this section is insufficient for distribution of the full base
7 amount, the department shall prorate the amount available for distri-
8 bution on the basis of amounts received during fiscal year 1978 under
9 AS 43.70.080. A city incorporated within an organized borough after
10 June 30, 1977 shall receive as a base amount a share of the amount
11 distributed to the borough in which it is located based on the ratio
12 of population in the city to the total population in the borough. A
13 city incorporated outside an organized borough after June 30, 1977
14 shall receive as a base amount the amount received by the city in the
15 state most closely approximating it in population at the time of its
16 incorporation. A borough incorporated after June 30, 1977 shall
17 receive as a base amount the amount received by the borough in the
18 state most closely approximating it in population at the time of its
19 incorporation. The base amount to be distributed to each municipality
20 organized under federal law shall be the amount received as a base
21 amount by the city most closely approximating that municipality in
22 population on June 30, 1977.

23 * Sec. 3. AS 43.20.016(c) is amended to read:

24 (c) If the amount in the fund at the time of distribution ex-
25 ceeds the base amount to be distributed under (b) of this section, the
26 excess amount shall be distributed to each municipality [BOROUGH AND
27 CITY] on the basis of population. For the purpose of this subsection,
28 the population of a city within an organized borough shall be deducted
29 from the population of the borough. Population, for the purpose of

1 this section, shall be as certified by the commissioner of community
2 and regional affairs.

3 * Sec. 4. AS 43.20.016 is amended by adding new subsections to read:

4 (e) To qualify to receive money under this section a municipal-
5 ity organized under federal law as an Indian reserve that existed
6 before enactment of 43 U.S.C. 1618(a) and is continued in existence
7 under that subsection shall form a municipal assistance committee with
8 authority to determine how money received under this section will be
9 used. Members of the committee shall be elected at an election open
10 to all residents of the municipality that are registered and qualified
11 to vote in state elections. The Department of Revenue may distribute
12 money for the municipality only to a corporation organized under 25
13 U.S.C. 477 and only after the corporation has delivered a written
14 waiver of sovereign immunity from legal action by the state to recover
15 all or a portion of the money distributed under this section.

16 (f) In this section "municipality" means a city, borough or
17 unified municipality organized under the laws of the state, or a
18 municipality organized under federal law as an Indian reserve that
19 existed before enactment of 43 U.S.C. 1618(a) and is continued in
20 existence under that subsection.

21 * Sec. 5. This Act takes effect July 1, 1985.

COMMITTEE REPORT
SENATE

FURTHER:

FINANCE

3/28/85

Date April 30 1985

Mr. President

The Committee on C&RA considered HB 198 am
municipal assistance for certain municipalities organized under federal
law; efd.

and (a majority of the committee) (the committee) reports it back with
the following recommendations:

- do pass
- do pass with attached amendment(s)
- replace with/or adopt SCS for HB 198 (C&RA)
- new title
- same title and recommends _____
- and attached a "LETTER OF INTENT" [] NEW FISCAL NOTE
- reports it back without recommendation
- recommends referral to _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]
Chairman

[Signature]
Chairman recommendation

Introduced: 2/15/85
Referred: Transportation and Finance

<u>Funding Information</u>	
General Fund	\$22,000
Other Funds	-0-
	<u>\$22,000</u>

1 IN THE HOUSE

BY TAYLOR AND SUND

2

HOUSE BILL NO. 201

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act making a special appropriation to the Depart-

7

ment of Transportation and Public Facilities to

8

provide weekly summer Marine Highway service to

9

Hyder; and providing for an effective date."

10

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

11

* Section 1. The sum of \$22,000 is appropriated from the general fund

12

to the Department of Transportation and Public Facilities for expenses

13

incurred in providing weekly summer Marine Highway service to Hyder for the

14

fiscal year ending June 30, 1986.

15

* Sec. 2. This Act takes effect July 1, 1985.

STATE OF ALASKA 1985 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: _____

REQUEST

Bill/Resolution No.: HB 201
 Title: An act making appropriation to provide weekly summer Marine Highway service to Hyder.
 Sponsor: Taylor & Sund
 Requestor: _____
 Date of Request: _____

FISCAL DETAIL

Agency Affected: DOT&PF
 Program Category Affected: Transportation
 BRU, Program or Subprogram(s) Affected: Alaska Marine Highway System

DOT&PF to provide weekly summer Marine Highway service to Hyder.

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
OPERATING		-0-	-0-	-0-	-0-	-0-
100 PERSONAL SERVICES		-0-	-0-	-0-	-0-	-0-
200 TRAVEL		1.0	2.1	2.2	2.4	2.5
300 CONTRACTUAL		6.0	12.7	13.5	14.3	15.1
400 SUPPLIES		3.5	7.4	7.8	8.3	8.8
500 EQUIPMENT						
500 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
TOTAL OPERATING		10.5	22.2	23.5	25.0	26.4
CAPITAL						
REVENUE		1.2	2.5	2.7	2.9	3.0

FUNDING: (Thousands of Dollars)

GENERAL FUND	10.4	22.0	23.3	24.8	26.2
FEDERAL FUNDS					
OTHER PGM Rec.	.1	.2	.2	.2	.2
TOTAL	10.5	22.2	23.5	25.0	26.4

POSITIONS:

FULL-TIME	-0-	-0-	-0-	-0-	-0-	-0-
PART-TIME	-0-	-0-	-0-	-0-	-0-	-0-
TEMPORARY	-0-	-0-	-0-	-0-	-0-	-0-

ANALYSIS: Attach a separate page if necessary

- See Attached -

Prepared By: Joe D. Camp
 Division: Alaska Marine Highway System

Phone: 465-3950
 Date: 2/25/85

Approved by Commissioner: Wick May Jr
 Agency: DOT&PF

Date: 2/27/85

Distribution (by Agency preparing fiscal note):
 Legislative Finance
 Legislative Sponsor
 Requestor
 Office of Management and Budget
 Impacted Agency(ies)

ANALYSIS HB 201

Service to Hyder could not begin until a suitable docking and terminal facility were constructed. Engineer estimates for site selection, design and construction would require from eighteen (18) to twenty-four (24) months.

Assumptions:

Assuming an eighteen (18) month time frame to put the facility on-line, terminal and vessel operating costs would not be required in FY 86 and in FY 87 only for the last quarter. FY 88 and onward, would require full funding for the operation of a summer schedule.

While the terminal building would be heated, lighted and have restroom facilities no state employee would be stationed in Hyder. A contractual arrangement with the City of Hyder or a local resident is opted and payment for services would be from ticket sale commissions generated by the contractor.

A link between Hyder and Ketchikan added to the present routes would provide a new option for travelers. This could result in an increase in traffic.

POSITION

HYDER, ALASKA - MARINE HIGHWAY SERVICE

The Department of Transportation and Public Facilities has no position on the concept of weekly Marine Highway summer service connecting to the land highway system of Hyder, Alaska. Such service would provide an alternate connection to the British Columbia land highway network, serve an increased number of Alaskans and provide a potential for increased visitor trade. This service is to be studied in the update of the Southeast Transportation plan due to be completed in December, 1985.

Docking, transfer and terminal facilities must be provided in Hyder before such service can begin.

Site selection, design and construction would require 18 to 24 months; therefore, if House Bill 202 is passed, service could begin in the summer of 1987 at the earliest.

A vessel could be made available to provide this service by shifting the summer season weekly port call of the M/V AURORA from Prince Rupert, B.C., to Hyder.

The distance from Ketchikan to Hyder is 130 nautical miles, compared to a distance of 92 nautical miles between Ketchikan and Prince Rupert. This results in a one way running time from Ketchikan to Prince Rupert of six hours and thirty minutes, versus slightly more than nine hours to Hyder for the M/V AURORA. Schedule time is available as indicated below.

Normal summer schedules call for the M/V AURORA to provide a connection to Prince Rupert on Tuesdays. This could be approximated from Hyder as follows:

CURRENT AURORA SCHEDULE

MON	LV	Hollis	7:30 AM
MON	AR	Ketchikan	10:15 AM
MON	AR	Ketchikan	2:45 PM
MON	AR	Hollis	5:30 PM
MON	AR	Hollis	7:15 PM
MON	LV	Ketchikan	11:15 PM
TUE	AR	Pr Rupert	*6:30 AM
TUE	LV	Pr Rupert	*10:30 AM
TUE	LV	Ketchikan	5:15 PM
TUE	LV	Hollis	9:15 PM

ETC - ETC

* Prince Rupert time

PROPOSED HYDER SERVICE

MON	LV	Hollis	7:30 AM
MON	AR	Ketchikan	10:15 AM
MON	LV	Ketchikan	2:45 PM
MON	AR	Hollis	5:30 PM
MON	LV	Hollis	7:00 PM
MON	LV	Ketchikan	10:45 PM
TUE	AR	Hyder	8:00 AM
TUE	LV	Hyder	10:00 AM
TUE	LV	Ketchikan	8:00 PM
TUE	LV	Hollis	11:30 PM

ETC - ETC

HOUSE TRANSPORTATION
STANDING COMMITTEE
February 28, 1985
7:00 a.m.

Members Present: Representative Bette Cato, Chairman
 Representative Mike Davis, Vice-Chairman
 Representative Dick Shultz
 Representative Walt Furnace
 Representative Marco Pignalberi
 Representative Andre Marrou

Members Absent: Representative Adelheid Herrmann

COMMITTEE CALENDAR

HB 201 "An Act making a special appropriation to the
Department of Transportation and Public Facilities to provide weekly summer
Marine Highway service to Hyder; and providing for an effective date."
Sponsored by Representative Taylor.

HB 202 "An Act making a special appropriation to the
Department of Transportation and Public Facilities for construction of a
ferry dock and terminal facilities at Hyder; and providing for an effective
date." Sponsored by Representative Taylor.

WITNESS REGISTER

Representative Robin Taylor
Alaska State Legislature
Pouch V
Juneau, AK 99811
Mail Stop: 2100
Telephone: (907) 465-4905
Position Statement: As sponsored of HB 201 and HB 202 he urged that it do
pass.

Joe D. Camp, Deputy Commissioner
Alaska Marine Highway System
The Department of Transportation and Public Facilities
1591 Glacier Avenue
Juneau, AK 99811
Mail Stop: 2505
Telephone: (907) 465-3955
Position Statement: Provided the department's neutral stance on the bills
and gave information relating to the Marine Highway System.

John Chatham
Hyder Community Association
Hyder, AK 99923-0149

Telephone: (604) 636-9148

Position Statement: Urged that HB 201 and HB 202 do pass.

Susan Fleischhauer, Legislative Liaison
The Department of Transportation and Public Facilities
3132 Channel Drive
Pouch Z
Juneau, AK 99811
Mail Stop: 2500
Telephone: (907) 465-3900
Position Statement: Observer

Don Kubley
Kubley Consultants
364 4th Street, #709
Juneau, AK 99801
Telephone: (907) 586-3611
Position Statement: Urged that HB 201 and HB 202 do pass.

Wally Kubley
Kubley Consultants
364 4th Street, #709
Juneau, AK 99801
Telephone: (907) 586-3611
Position Statement: Observer.

PREVIOUS ACTION

No previous action to record.

ACTION NARRATIVE

Tape 1

Side 1

Recording

Number 005 Chairman Cato called the meeting to order at 7:04 and noted for the record the following members present: Representative Davis, Representative Shultz, Representative Furnace, and Representative Cato. The chairman brought before the committee HB 201 and HB 202. She first asked Representative Taylor if wanted to testify, but he deferred his testimony until others had testified. Representative Cato then called Joe Camp, the Deputy Commissioner in charge of the Alaska Marine Highway System.

Number 030 Joe Camp stated his name and title for the record and then proceeded to give the department's position on HB 202. He said that the department had no position on the bill but he noted that a ferry service to Hyder would provide a connection to British Columbia, would provide increased services to Alaskans, and would increase visitor trade. He also mentioned the Southeast Transportation Plan to be released by the department in December. The plan, like an earlier one which gave its support of a ferry service to Hyder, will address this issue. He acknowledged that a

ferry service to Hyder has received considerable report, but the service was not high enough on the department's priority list during a time when the state faces limited capital funds. He said that this is a project that will be done in the future.

Number 065 Representative Cato asked Mr. Camp to comment on HB 201. Here is what was included in the department's position paper: "Docking, transfer, and terminal facilities must be provided in Hyder before such service can begin.

"Site selection, design, and construction would require 18 to 24 months; therefore, if HB 202 is passed, service could begin in the summer of 1987 at the earliest.

"A vessel could be made available to provide this service by shifting the summer season weekly port call of the M/V AURORA from Prince Rupert, B.C., to Hyder.

"The distance from Ketchikan to Hyder is 130 nautical miles, compared to a distance of 92 nautical miles between Ketchikan and Prince Rupert. This results in a one way running time from Ketchikan to Prince Rupert of six hours and thirty minutes, versus slightly more than nine hours to Hyder for the M/V AURORA."

The position paper (available from the House Transportation Committee) included a proposed schedule of ferry service to Hyder where the M/V AURORA would run from Ketchikan on Monday nights and arrive in Hyder Tuesday. It would leave Hyder on Tuesday to return to Ketchikan.

As for summer ferry service to Hyder, it would cost \$1,000 per week for one run per week from Ketchikan to Hyder for the 22 weeks from the middle of May to the middle of September.

Number 117 Representative Davis asked where the town of Hollis was. Mr. Camp told him that Hollis is on Prince of Wales Island. Representative Davis asked whether it was on the current schedule. Mr. Camp said that it was on the route which includes Ketchikan, Petersburg, and Kake. This route, he added, shall soon include Metlakatla as well. Representative Davis asked whether there were any docks in Hyder. Mr. Camp said that there were none. A ferry service could shuttle passengers to a town float, but this would not be profitable. In order to make ferry service to Hyder a "viable" operation, it would be necessary to carry automobiles.

Number 155 Representative Davis asked Mr. Camp to comment on the fiscal note for HB 201. Mr. Camp explained that \$1,000 a week would be needed to cover operating costs (which includes fuel and personnel).

Number 172 Let the record show that Representative Marrou joined the meeting.

Number 174 Representative Furnace asked about the figures on revenue receipts. Mr. Camp explained that the revenue projections of 1.2 thousand dollars for fiscal year 1987, of 2.5 thousand dollars for fiscal year 1988,

and of 2.7 thousand dollars for fiscal year 1989 were conservative estimates. The numbers are based on a certain percentage of ticket receipts.

Number 194 Representative Cato asked whether the transferring of the M/V AURORA's Tuesday service from Prince Rupert to Hyder would hurt the Prince Rupert route. Mr. Camp replied that it would not.

Number 216 Let the record show that Representative Pignalberi joined the meeting.

Number 221 Representative Cato called to the table John Chatham of Hyder and Don Kubley of Kubley Consultants. Mr. Chatham handed out pamphlets on Hyder published by the Department of Commerce's Division of Tourism. He then gave background information on Hyder, Alaska and urged the committee to pass HB 201 and HB 202. He cited reports which recommended that Hyder be included in the Alaska Marine Highway System and noted that Hyder has been trying to become part of the system since 1966.

Mr. Chatham spoke on the economic advantages for having a ferry system to Hyder. He noted that the road from Hyder offers the shortest route to the Lower 48. Furthermore, ferry service would give an economic lift to Hyder itself. The population of Hyder is 100--150 in the summer. The upgrading of Highway 37 is continuing and will offer a better route to Alaska. An economic lift is needed for the area. Nearby Stewart, British Columbia, population 900 (down from 1500), has been hurt by mine closures. The town of Hyder has 28 people unemployed.

Mr. Chatham quoted Representative Taylor as calling Hyder "Alaska's ill-gotten children." The people of Hyder call themselves, Mr. Chatham said, "bastard Canadians" for the town must send its children to schools in Canada and even its telephone area code number--604--is Canadian. He argued that a ferry service would link Hyder to the rest of Alaska (it once took Mr. Chatham thirty-two hours to travel from Hyder to Juneau) and that it would abet the weekly mail service and other services coming from Ketchikan.

Number 346 Representative Shultz conveyed his surprise that Alaskan children must go to school in Canada. Mr. Chatham replied that the people of Hyder have not asked the state for a school because they were very satisfied by the schools in Canada.

Number 375 Representative Pignalberi asked Mr. Chatham to give the population of the Hyder vicinity. Mr. Chatham said that there are 100 people living in the Salmon River Valley and 800 people living in the Bear River Valley.

Representative Pignalberi asked if there was land in Hyder owned by the Alaskan Native Corporation. Mr. Chatham replied that there was none. Representative Pignalberi thought the idea of Hyder's having a dock was a good one and he observed that if Hyder had a native population, it probably would have had ferry service years ago. He approved of the "synergetic" relationship the people of Hyder have with British Columbia and he asked whether Hyder and Stewart, British Columbia had ever joined in a combined effort to develop a joint capital improvements program plan.

Mr. Chatham responded that although Hyder and Stewart have the world's only international chamber of commerce, they have no joint plan for capital improvements.

Number 425 Don Kubley, representing the cities of Ketchikan and Metlakatla, the Haines-Gypsum company, and the Ketchikan Gateway Borough, spoke in support of HB 201 and HB 202. He argued that a ferry service to the city of Hyder would be economically viable for the town already sees 25,000 vehicles a year carrying 62,000 passengers coming in from the Canadian side. The tourists come into Hyder now. A ferry service would do nothing but increase the number coming to Alaska. He closed by thanking the committee for hearing the bills today.

Number 460 Representative Furnace asked about the border crossings between Hyder and Stewart. Mr. Chatham said that as of March 30, there will be no customs on either side of the border making Hyder, Alaska a free port.

Number 478 Representative Marrou had never been on the highway from Hyder to Seattle so he wanted to know how Hyder, which is farther north than Prince Rupert, can be closer to Seattle than Prince Rupert is. Mr. Chatham explained that because of the highways, it takes one hour less to travel from Hyder to Seattle than it takes to drive from Prince Rupert to Seattle.

Number 500 Representative Cato commented on the old highway between Prince Rupert and Prince George.

Number 505 Representative Marrou asked Mr. Camp about shifting the route from Prince Rupert to Hyder. Mr. Camp replied that Prince Rupert has been the terminus for the Alaska Marine Highway System since 1963 because of its location and its easy access by buses, airplanes, and marine vessels. This made it a better selection than Hyder when the routes were first being designed for the ferry system.

Mr. Camp wanted to point out that the ferry could serve Hyder for once a week only. Three trips a week to Hyder would hurt the service to the Prince of Wales Island. Mr. Camp also asserted that costs would be higher if there were no customs station in Hyder.

Number 552 Representative Taylor refuted Mr. Camp's claim that the lack of customs in Hyder would increase costs to the ferry system. He contended that customs would follow the establishment of a ferry terminal.

Number 566 Representative Marrou asked why HB 201 requests operating funds of \$22,000 for ferry service when HB 202, if approved, would not provide the necessary dock until the summer of 1987. Representative Taylor replied that he had sponsored HB 201 in the hope that an agreement could be made with the town of Stewart to provide passenger service at its dock. Mr. Camp said that the Stewart dock could not be used for unloading automobiles.

Number 587 Representative Cato expressed her intention to pass both bills out of committee today and noted that the funds requested in HB 201 would

not be spent until the dock was completed in 1987. It was necessary, she felt, to introduce HB 201 now in preparation for future ferry service.

Number 590 Representative Davis asked about the ferry facilities in Prince Rupert. Mr. Camp said that Alaska leases the facilities from Canada. Alaska had a 20-year lease which expired in 1982. Alaska currently has an interim 2-year lease with Canada and it is now in the process of negotiating another 20-year lease. He estimated the cost of the lease as \$73,000 a year.

Representative Davis asked if Canada was considering providing ferry service to Stewart. Mr. Chatham said that the Canadian government does not want to build a dock facility and provide a ferry service which would parallel its highway system. Representative Davis asked how long it takes to drive from Hyder to Prince Rupert. Mr. Chatham answered that it takes five hours.

Number 621 Representative Taylor testified on behalf of HB 201 and HB 202. He said that the proposed summer service to Hyder is only the "foot in the door" for the Hyder's economic potential is so strong that the potential exists for having a year-round service to Hyder. He argued that all the facilities in Prince Rupert should be in Hyder. Although the economic justification of having a ferry service to Hyder is strong, he contended that this question was never brought up for other towns which are served by the Marine Highway System.

Representative Taylor noted that approximately \$3,000,000 was spent for the Jetfoil to operate on a trial basis last year and that approximately \$1,000,000 was being spent on a SECOND dock in Skagway. If money can be spent on those projects, he asked why there could not be any money spent on a ferry service and dock for Hyder.

Tape 1
Side 2
Recording

Number 004 Representative Taylor continued his testimony on providing a ferry service to Hyder. He asked the members to not just look at what a ferry system would do for Hyder, but what it would do for all of Southeastern Alaska. He mentioned a conversation he had with Commissioner Loren Lounsbury in which the commissioner said that a ferry service to Hyder would yield the greatest return on the dollar for Alaska and that this project should have been pursued a long time ago.

Number 067 Representative Pignalberi mentioned how then-Governor Keith Miller had at one time in jest suggested ceding Southeastern Alaska to Canada and asked, also in jest, whether the state should cede Hyder to British Columbia. Representative Taylor replied that Hyder has too much potential and that a ferry system would restore the link Hyder should have with Alaska.

Number 119 Representative Davis pointed out that the Canadians have as much to gain from a ferry service as Hyder does and he wondered whether the Canadians could join in establishing a ferry service. Representative

Taylor acknowledged the short-term gains for Stewart but asserted that Hyder was the one to gain the most in the long run.

Number 155 Representative Shultz moved to pass HB 201 and HB 202 out of committee with individual recommendations. Representative Cato repeated his motion and asked whether there were any objections. Being none, so ordered. The meeting was adjourned at 7:58.

CITY OF KETCHIKAN, ALASKA

RESOLUTION NO. 85-1424

A RESOLUTION REQUESTING THE IMPLEMENTATION OF ALASKA MARINE HIGHWAY SERVICE BETWEEN KETCHIKAN AND HYDER, ALASKA AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, the Southeastern Alaska Transportation Plan published by the Alaska Department of Transportation in June, 1980 recommended that ferry service be introduced to Hyder in 1985, and

WHEREAS, the Governor's Alaska Marine Highway Task Force recommended in February, 1984 that ferry service would be economically viable and should be introduced between Ketchikan and Hyder in 1986, and

WHEREAS, Hyder is connected with Highway 26 via 141 miles of excellent paved highway and provides a shorter highway route to the lower 48 states than from Prince Rupert, and

WHEREAS, the Marine Highway Task Force projects that the proposed route would generate capacity passenger and vehicle loads in both directions and increase revenues, and

WHEREAS, service on this route would provide an alternate to the Prince Rupert gateway with an increase in the level of service between British Columbia and Southeastern Alaska, and

WHEREAS, the proposed service would provide a needed economic stimulus for the people of Hyder, Alaska.


NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Ketchikan, Alaska, as follows:

Section 1. The City of Ketchikan strongly urges the State of Alaska to implement Alaska Marine Highway service between Ketchikan and Hyder, Alaska as soon as possible.

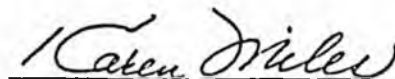
Section 2. The City Council hereby directs the City Clerk to distribute copies of this resolution to Governor Sheffield, Commissioner Knapp, Senator Ziegler, Representatives Sund and Taylor and Mr. John Chatham, President, Hyder Community Association, P.O. Box F, Hyder, Alaska 99923.

Section 3. This resolution shall become effective immediately upon passage and approval.

PASSED AND APPROVED by the Council of the City of Ketchikan, Alaska, this 21st day of February, 1985.


Charles E. Freeman, Mayor

ATTEST:


Karen Miles, City Clerk

Legislature '85

Hyder legislator crusades for dock, ferry service

by Bruce Scandling
Associated Press

Juneau — There's a tiny town about 100 miles northeast of Ketchikan that one lawmaker says gets no respect — and he's mounting a campaign to do something about it.

Hyder is the place and Rep. Robin Taylor is its proponent. "I call them the neglected people of Alaska," Taylor said of Hyder's 100-or-so residents.

Taylor on Friday introduced

measures to provide weekly ferry service to the community and set aside \$2.1 million to build a dock and terminal there.

"This has been long overdue," said Taylor, a Republican from Wrangell. "Ever since the marine highway system was established in 1963, the people have been promised they would get a ferry."

It's not just ferry service the folks in Hyder are living without. Taylor said the community

has not had a state-funded public school since 1942. Instead, Hyder children attend classes two miles away in Stewart, British Columbia.

Alaska provides few health or public safety services for Hyder, Taylor said. Hyder telephones are not hooked to exchanges in the United States and residents cannot call toll-free numbers in the U.S. because they are linked to Canadian communication systems.

"Hyder only gets a mail plane once a week," Taylor said. "And it costs them \$250 one-way to fly to Ketchikan."

However, Hyder is the terminus of a paved road that goes all the way to the Lower 48 and Taylor said ferry service would attract a constant flow of summer travelers.

It would also provide more jobs and a steadier economy for the tiny community, he said.

Joe Camp, head of the marine

highway system, said a task force appointed by Gov. Bill Sheffield has already recommended ferry service be extended to Hyder.

If the dock is built, Camp said, one weekly run to Prince Rupert, British Columbia, would likely be re-routed to Hyder.

But he said ferry service would probably be limited to summer months because of navigational hazards in the 70-mile stretch of Portland Canal that

leads to Hyder.

"There's no place to hide in there, and that's a concern," Camp said. "If a storm came up you couldn't get out of it."

Taylor said he'll push fellow lawmakers to back the ferry terminal at Hyder, even in a year of dwindling revenues when politicians are worrying if they'll have enough money to fund most state construction projects.