

ALASKA LEGISLATURE COMMITTEE BILL FILES - 1987 - 1988 8879

HB 123-S thru HB 126 268 268

HB

123-S

SENATE COMMITTEE REPORT

FURTHER:

5/15/87

DATE TURNED INTO OFFICE 5/16/87

Mr. President:

FINANCE Committee considered HB 123

issuance of international airport revenue bonds; efd.

and recommended:

replace with CS FOR _____) same title
 or adopt _____ CS FOR _____) new title

attached amendment(s) and

do pass

do not pass

no recommendation

individual recommendations

further referral to _____

letter of intent adopted _____

Committee attached or adopted fiscal note(s)

new updated or previous
 zero fiscal impact

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

Paul M. Winkoff
Paul H. ...
[Signature]
[Signature]
[Signature]
[Signature]

[Signature] DO PASS

Chairman signature and recommendation

Committee Backup Attached

STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE

Bill version: HB 123
Publish date: 2/11/87

REQUEST

Bill/Resolution No: _____
Title: Issuance of International
Airports Revenue Bonds

Sponsor: Governor
Requestor: _____
Date of Request: _____

FISCAL DETAIL

Agency Affected: Department of Revenue
BRU: _____

Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
<u>OPERATING</u>						
PERSONAL SERVICES	-	-	-	-	-	-
TRAVEL	-	-	-	-	-	-
CONTRACTUAL	-	-	-	-	-	-
SUPPLIES	-	-	-	-	-	-
EQUIPMENT	-	-	-	-	-	-
LANDS & STRUCTURES	-	-	-	-	-	-
GRANTS, CLAIMS	-	-	-	-	-	-
MISCELLANEOUS	-	-	-	-	-	-
<u>TOTAL OPERATING</u>	-	-	-	-	-	-
<u>CAPITAL</u>	-	-	-	-	-	-
<u>REVENUE</u>	-	-	-	-	-	-

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: Milt Barker *Wilton B. Barker*
Division: Treasury

Phone: 465-2350
Date: December 10, 1986

Approved by ^{For} Commissioner: *Wilton B. Barker*
Agency: Department of Revenue

Date: 12-11-86

Distribution (by Agency preparing fiscal note):

Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget

STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE

Bill version: HB 123
Publish date: 2/11/87

REQUEST
Bill/Resolution No.:
Title: Relating to International Airport Revenue Bonds
Sponsor: Governor
Requestor: House Rules Committee
Date of Request: 12/9/86

FISCAL DETAIL
Agency Affected: DOT&PF
BRU: Anchorage International Airport
Components: Commissioner's Office

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-

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

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

FUNDING: (Thousands of Dollars)

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

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: There is no identifiable fiscal impact for this bill. A private sale of International Airport Revenue Bonds may enable the State to move quickly to take advantage of favorable market conditions.



Prepared By: William R. Snell

Phone: 266-1440

Division: Central Region Deputy Commissioner

Date: 12/9/86

Approved by Commissioner: Rocky Gutierrez

Date: 12/12/86

Agency: Department of Transportation & Public Facilities

Distribution (by Agency preparing fiscal note):

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

STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE

Bill Version: HB 123
Publish Date: HOUSE 4/24/87

REQUEST: _____

Revision Date: _____
Title: Issuance of International
Airport Revenue Bonds
Sponsor: Rules by Request of Governor
Requestor: House Transportation

Agency Affected: Department of Revenue
BRU: Treasury
Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
OPERATING						
PERSONAL SERVICES	-	-	-	-	-	-
TRAVEL	-	-	-	-	-	-
CONTRACTUAL	-	-	-	-	-	-
SUPPLIES	-	-	-	-	-	-
EQUIPMENT	-	-	-	-	-	-
LANDS & STRUCTURES	-	-	-	-	-	-
GRANTS, CLAIMS	-	-	-	-	-	-
MISCELLANEOUS	-	-	-	-	-	-
TOTAL OPERATING	-	-	-	-	-	-
CAPITAL	-	-	-	-	-	-
REVENUE	-	-	-	-	-	-

FUNDING: (Thousands of Dollars)

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

POSITIONS:

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

ANALYSIS: Attach a separate page for analysis.

Prepared By: Milt Barker MB
Division: Treasury

Phone: 465-2350
Date: April 17, 1987

Approved by Commissioner: [Signature]
Agency: Department of Revenue

Date: 4/19/87

- Distribution (by preparer):
- Legislative Finance
 - Legislative Sponsor
 - Requestor
 - Office of Management and Budget
 - Impacted Agency(ies)
 - Senate Secretary

1 IN THE HOUSE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2

HOUSE BILL NO. 123

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FIFTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act relating to the issuance of international
airport revenue bonds; and providing for an effective
date."

7

8

9

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

10

* Section 1. AS 37.15.450(a) is amended to read:

11

(a) The bonds may [SHALL] be sold at public or private sale in

12

the manner, in such amounts or series, and at such time or times as

13

[DETERMINED BY] the committee determines. [BEFORE SELLING A SERIES OF

14

BONDS, THE COMMITTEE SHALL GIVE NOTICE INVITING SEALED BIDS IN SUCH

15

MANNER AS IT MAY PRESCRIBE. IF SATISFACTORY BIDS ARE RECEIVED, THE

16

BONDS OFFERED FOR SALE SHALL BE AWARDED TO THE HIGHEST RESPONSIBLE

17

BIDDER. IF THE COMMITTEE DETERMINES THAT THE BIDS RECEIVED ARE NOT

18

SATISFACTORY AS TO PRICE OR RESPONSIBILITY OF THE BIDDERS, IT MAY

19

REJECT ALL BIDS RECEIVED. THE] However, the bonds, or each series of

20

them, shall be sold at such a price so that the effective interest

21

rate over the life of the bonds does not exceed 11 percent per year or

22

that rate of interest which is 125 percent of the rate of the Bond

23

Buyer Index of 20 Municipal Bond Average Yields for the week previous

24

to the date of sale of the bonds, whichever is higher. Interest shall

25

be payable annually or semiannually.

26

* Sec. 2. This Act takes effect immediately in accordance with AS 01.-

27

10.070(c).

STEVE COWPER
GOVERNOR

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

February 10, 1987

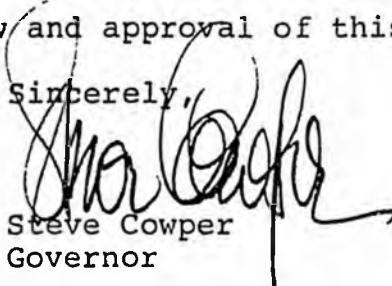
The Honorable Ben Grussendorf
Speaker of the House
Alaska State Legislature
P.O. Box V
Juneau, AK 99811

Dear Representative Grussendorf:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill that relates to the manner by which international airport revenue bonds may be sold. The principal purpose of this bill is to authorize the sale of international airport revenue bonds by either private or public sale (similar, for example, to the Alaska Industrial Development Authority's authority under AS 44.88.090(d)). Present law requires that airport revenue bonds be sold by public sale. While a public sale is often desirable, it is at times in the best interests of the state to sell bonds by private or negotiated sale. For example, a private sale may enable the state to move quickly to take advantage of favorable market conditions. The bill provides this desirable flexibility.

I urge your prompt review and approval of this legislation.

Sincerely,


Steve Cowper
Governor

SENATE COMMITTEE REPORT

FURTHER: FINANCE

5/11/87

5/11/87

DATE TURNED INTO OFFICE May 14, 1987

Mr. President:

TRANSPORTATION Committee considered HB 123

issuance of international airport revenue bonds; efd.

and recommended:

replace with CS FOR _____) same title
 or adopt _____ CS FOR _____) new title

attached amendment(s) and

may do pass

do not pass

no recommendation

individual recommendations

further referral to _____

letter of intent adopted _____

Committee attached or adopted fiscal note(s)

new updated or previous
 zero fiscal impact

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

[Signature]
[Signature]
Tim Kelly

[Signature]
Chairman signature and recommendation

Committee Backup Attached

HB

124

MINUTE REPORT

(11)

Date referred: 3/4/87

FURTHER REFERRALS:

DATE: 3/19/87

The Finance Committee has considered HB 124

"An Act relating to the oil and gas conservation tax; and providing for an effective date."

RECOMMENDS:

- replace with _____ the same title
- attached amendment(s) a new title
- do pass
- do not pass
- no recommendation
- individual recommendations
- additional referral to the _____ Committee

ADOPTS: _____ letter of intent

ATTACHES NEW FISCAL NOTE(s):

- fiscal impact ^{replaces} _{fiscal note published 2/11/87} same as previous fiscal note published _____
- zero fiscal note same as previous zero fiscal note published _____
- zero with analysis

SIGNING DO PASS:

ADAMS Joe Adams

GOLL John Goll

BOYER Mark Boyer

WACK-AMMER Charles Wacker

DAVIS Mike Davis

BROWN Tay Brown

SIGNING OTHER RECOMMENDATIONS:

POURCHOT Paul Pourchot no rec

FRANK Steve Frank no rec.

LARSON Ronald Larson No Rec.

RIEGER Steve Rieger

Robert P. Adams
Chairman's signature

STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE

*replacement
fiscal note*

REQUEST _____

Bill Version: HB 124
Publish Date: _____

Revision Date: 2/17/87
Title: Relating to the Oil and Gas
Conservation Tax
Sponsor: Rules Committee
Requestor: Governor

Agency Affected: Revenue
BRU: _____
Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
OPERATING						
PERSONAL SERVICES	-	-	-	-	-	-
TRAVEL	-	-	-	-	-	-
CONTRACTUAL	-	-	-	-	-	-
SUPPLIES	-	-	-	-	-	-
EQUIPMENT	-	-	-	-	-	-
LANDS & STRUCTURES	-	-	-	-	-	-
GRANTS, CLAIMS	-	-	-	-	-	-
MISCELLANEOUS	-	-	-	-	-	-
TOTAL OPERATING	-	-	-	-	-	-
CAPITAL	-	-	-	-	-	-
REVENUE	408	1561	1501	1391	1341	1241

FUNDING: (Thousands of Dollars)

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

POSITIONS:

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

ANALYSIS: Attach a separate page if necessary

This bill would increase the conservation tax on oil production from 1.25 mills per barrel to 4.0 mills per barrel. At the same time a conservation tax would be levied on natural gas production at the rate of 4.0 mills for every 50,000 cubic feet. This proposed change would increase State revenues by approximately \$1.5 million per year. This analysis assumes an effective date of March 1, 1987.

Prepared By: Charles L. Logsdon *Charles L. Logsdon* Phone: 276-5364
Division: Research/Revenue Date: 2/17/87

Approved by Commissioner: Hugh Malone *Hugh Malone* Date: _____
Agency: Department of Revenue

Distribution (by Agency preparing fiscal note):

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

1 IN THE HOUSE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2

HOUSE BILL NO. 124

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FIFTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6 For an Act entitled: "An Act relating to the oil and gas conservation tax;
7 and providing for an effective date."

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

9 * Section 1. AS 43.57.010 is amended to read:

10 Sec. 43.57.010. OIL AND GAS [REGULATION AND] CONSERVATION TAX.

11 (a) Every [THERE IS LEVIED UPON THE] producer of oil and gas shall
12 pay a tax of four mills per [ONE-EIGHTH OF ONE CENT ON EACH] barrel of
13 oil and per 50,000 cubic feet of natural gas removed from or sold on
14 [FROM] each lease or property in the state, less any part the owner-
15 ship or right to which is exempt from taxation.

16 (b) The tax is in addition to and must [SHALL] be [ADMINISTERED
17 AND] paid in the same manner as the taxes imposed by AS 43.55. Pro-
18 ducers of oil and gas shall [ARE REQUIRED TO] make reports of produc-
19 tion in the same manner and under the same penalties as required by AS
20 43.55.

21 (c) Proceeds from the tax must [SHALL] be paid into the general
22 fund. The commissioner of administration shall separately account for
23 all proceeds of the tax deposited in the general fund.

24 * Sec. 2. This Act takes effect immediately in accordance with AS 01.-
25 10.070(c).

No. 1
wrong one

STATE OF ALASKA 1987 LEGISLATIVE SESSION FISCAL NOTE

Bill version: HB 124
Publish Date: 2/11/87

REQUEST

Bill/Resolution No. : 773-87-0074
 Title : An Act relating to the Oil and Gas Conservation Tax
 Sponsor : RUTES
 Requestor : GOVERNOR
 Date of Request : _____

FISCAL DETAIL

Agency Affected : Oil & Gas Conservation Com.
 BRU : _____
 Components : _____

EXPENDITURES/REVENUES : (Thousands of Dollars)

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0					

CAPITAL	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
	0					

REVENUE	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
		2402.8	2212.9	1927.5	1684.9	1373.6

Loss by AS 43.57 repeal 745.2 685.9 596.7 520.9 462.8

FUNDING : (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS :

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : Attach a separate page if necessary
 Based on November '86 production record, Prudhoe Oil Pool and Kuparak Oil Pool initiating a production decline rate of 15% starting July 1, 1987; Lisbourne Oil Pool on stream July 1, 1987 at 100,000 b/d; and Endicott Oil Pool on stream July 1, 1986 at 100,000 b/d.

Prepared by: Chat Chatterton *Chat Chatterton/bbb* Phone: 279-1433
 Division: _____ Date: _____
 Approved by Commissioner: *[Signature]* Date: 11/24/86
 Agency: _____

Distribution (by Agency preparing fiscal note):

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

Rec'd 3-31-87
R.O. 3-19-87

STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE

Bill Version: HB 124
Publish Date: _____

REQUEST _____
Revision Date: 3/26/87
Title: Relating to the Oil and Gas Conservation Tax
Sponsor: Rules Committee
Requestor: Governor

Agency Affected: _____
BRU: _____
Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
OPEATING						
PERSONAL SERVICES	-	-	-	-	-	-
TRAVEL	-	-	-	-	-	-
CONTRACTUAL	-	-	-	-	-	-
SUPPLIES	-	-	-	-	-	-
EQUIPMENT	-	-	-	-	-	-
LANDS & STRUCTURES	-	-	-	-	-	-
GRANTS, CLAIMS	-	-	-	-	-	-
MISCELLANEOUS	-	-	-	-	-	-
TOTAL OPERATING	-	-	-	-	-	-
CAPITAL	-	-	-	-	-	-
REVENUE	415	1694	1704	1628	1492	1449

FUNDING: (Thousands of Dollars)

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

POSITIONS:

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

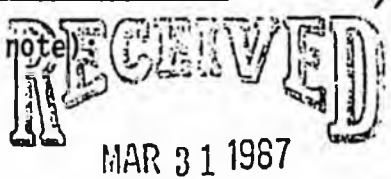
ANALYSIS: Attach a separate page if necessary

This bill would increase the conservation tax on oil production from 1.25 mills per barrel to 4.0 mills per barrel. At the same time a conservation tax would be levied on natural gas production at the rate of 4.0 mills for every 50,000 cubic feet. This proposed change would increase State revenues by approximately \$1.5 million per year. This analysis assumes an effective date of March 1, 1987. The numbers are based on our March 1987 forecast.

Prepared By: Charles Logsdon Phone: 276-5364
Division: Research/Revenue Date: 3/26/87

Approved by Commissioner: Hugh Malone Date: 3/27/87
Agency: Department of Revenue

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



STEVE COWPER
GOVERNOR

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

February 10, 1987

The Honorable Ben Grussendorf
Speaker of the House
Alaska State Legislature
P.O. Box V
Juneau, AK 99811

Dear Representative Grussendorf:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill relating to the oil and gas conservation tax.

The primary purpose of the bill is to adjust the existing oil and gas conservation tax in AS 43.57.010 to provide enough additional revenue to the state to cover the amount of the operating costs of the Alaska Oil and Gas Conservation Commission ("commission"). An oil and gas conservation tax is included in most of the conservation Acts of the 30 oil and gas producing states. The tax would be in the amount of four mills per barrel of crude oil and 50,000 cubic feet of natural gas. Proceeds from the tax would be placed in the general fund. The commission has calculated that approximately \$2,680,000 would be collected annually if this bill were enacted.

The concept of a tax related to oil and gas conservation activities is not new to the state. Section 15, ch. 40, SLA 1955, which created the commission, provided funding by levying a tax on the gross amount of oil and gas produced. The tax rate was then five mills per barrel of oil and per 50,000 cubic feet of natural gas. After statehood, sec. 15 became AS 31.05.130 and 31.05.140.

The original tax was repealed effective July 1, 1970, by ch. 247, SLA 1970.

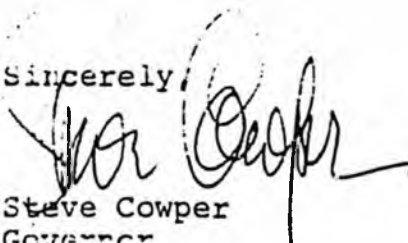
Effective July 1, 1974, AS 43.57.010, the Oil and Gas Regulation and Conservation Tax, was enacted. Sec. 1, ch. 5, FSSLA 1973. This tax is still in effect. It assesses a tax of 1.25 mills (one-eighth of one cent) per barrel of oil, a 75 percent reduction from the amount of the conservation tax levied up to July 1, 1970. The amount of revenue generated

Hon. Ben Grussendorf

Page 2

by this tax is not even equal to the operating costs of the commission, and may be perceived by the oil and gas industry as little more than a "nuisance tax." As described earlier, the tax in AS 43.57.010 would be adjusted to include a tax on production of natural gas, and to increase the amount of the tax.

Sincerely



Steve Cowper
Governor

BRU NARRATIVE

OIL & GAS CONSERVATION

THE ALASKA OIL & GAS CONSERVATION COMMISSION IS AN INDEPENDENT QUASI-JUDICIAL AGENCY ESTABLISHED WITHIN THE EXECUTIVE BRANCH BY THE LEGISLATURE TO ENSURE THAT OIL & GAS DRILLING, PRODUCTION, RESERVOIR DEPLETION & METERING OPERATIONS CONDUCTED ON LANDS SUBJECT TO THE STATE'S POLICE POWERS ARE IN COMPLIANCE WITH THE ALASKA OIL & GAS CONSERVATION ACT (AS 31.05).

THE ACT PROHIBITS THE PHYSICAL WASTE OF CRUDE OIL & NATURAL GAS, PROTECTS THE CORRELATIVE RIGHTS OF OWNERS WITH OIL & GAS RIGHTS, & PROVIDES FOR THE MAXIMUM ULTIMATE RECOVERY OF OIL & GAS THAT IS PRUDENTLY FEASIBLE. THE COMMISSION IS EMPOWERED TO CITE & LEVY FINES FOR VIOLATIONS OF THE ACT, REGULATION OR ORDER OF THE COMMISSION, & SEEK INJUNCTIVE RELIEF TO PREVENT CONTINUANCE OF A VIOLATION.

SEVERANCE & OIL & GAS REGULATION TAXES ARE LEVIED ON PRODUCTION. REVENUE ACCRUES FROM ROYALTY PRODUCTION ON STATE LEASES. THE PREVENTION OF WASTE ENHANCES THESE INCOME SOURCES & SERVES THE PUBLIC GOOD BY PROVIDING INCREASED FUNDING TO MEET THE PUBLIC NEEDS.

06-08-14-06-00 (08-46-2-50-00-00)

STATE OF ALASKA -- COMPONENT BUDGET SUMMARY

SALSFRMA 16:09 1/28/87

AGENCY: DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT PROGRAM: OIL & GAS CONSERVATION
 CATEGORY: PUBLIC PROTECTION SUB-PROGRAM: OPERATIONS

LEG. FIN.

EXPENDITURES & FUNDING	FISCAL YEAR 1988												
	(01) FY86 ACT	(02) FY87 ATH	(03) FY87 REV	(04) TRANSFER	(05) DECRMTS	(06) INCRMTS	(07)	(08) GOVERNOR	(09) HOUSE	(10) SENATE	(11) C. C.	(12) BILLS	(13) LEG.REC.
01 PERS. SERV.	1487.8	1442.4	1283.4	-32.8				1250.6					
02 TRAVEL	104.1	158.7	98.0					98.0					
03 CONTRACTUAL	132.2	150.9	120.4					120.4					
04 COMMODITIES	17.6	19.2	16.4					16.4					
05 EQUIPMENT	5.7	5.4											
06 LANDS/BLDGS													
07 GRANTS, CLMS													
08 MISC.													
** TOTAL EXPEND	1747.4	1776.6	1518.2	-32.8				1485.4					
09 I-A TRANSFER	10.3	13.7	13.7					13.7					
1002 FED RCPTS		100.0	100.0					100.0					
1004 GEN FUND	1747.4	1676.6	1418.2	-32.8				1385.4					
15 FULL TIME	25.0	24.0	24.0					24.0					
16 PART TIME													
17 TEMPORARY													
18 STAFF MONTHS	300.0	288.0	261.0					261.0					

CORRECTION

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

BRU NARRATIVE

OIL & GAS CONSERVATION

THE ALASKA OIL & GAS CONSERVATION COMMISSION IS AN INDEPENDENT QUASI-JUDICIAL AGENCY ESTABLISHED WITHIN THE EXECUTIVE BRANCH BY THE LEGISLATURE TO ENSURE THAT OIL & GAS DRILLING, PRODUCTION, RESERVOIR DEPLETION & METERING OPERATIONS CONDUCTED ON LANDS SUBJECT TO THE STATE'S POLICE POWERS ARE IN COMPLIANCE WITH THE ALASKA OIL & GAS CONSERVATION ACT (AS 31.05).

THE ACT PROHIBITS THE PHYSICAL WASTE OF CRUDE OIL & NATURAL GAS, PROTECTS THE CORRELATIVE RIGHTS OF OWNERS WITH OIL & GAS RIGHTS, & PROVIDES FOR THE MAXIMUM ULTIMATE RECOVERY OF OIL & GAS THAT IS PRUDENTLY FEASIBLE. THE COMMISSION IS EMPOWERED TO CITE & LEVY FINES FOR VIOLATIONS OF THE ACT, REGULATION OR ORDER OF THE COMMISSION, & SEEK INJUNCTIVE RELIEF TO PREVENT CONTINUANCE OF A VIOLATION.

SEVERANCE & OIL & GAS REGULATION TAXES ARE LEVIED ON PRODUCTION. REVENUE ACCRUES FROM ROYALTY PRODUCTION ON STATE LEASES. THE PREVENTION OF WASTE ENHANCES THESE INCOME SOURCES & SERVES THE PUBLIC GOOD BY PROVIDING INCREASED FUNDING TO MEET THE PUBLIC NEEDS.

STATE OF ALASKA -- BUDGET UNIT SUMMARY

SALSFRMA 11:23 1/29/87

AGENCY: DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT PROGRAM: OIL & GAS CONSERVATION
CATEGORY: PUBLIC PROTECTION

LEG. FIN.

COMPONENT DESCRIPTION	FY87 ATH	FY87 REV	TRANSFER	DECRMTS	INCRMTS	GOVERNOR	HOUSE	SENATE	C. C.	BILLS
OPERATIONS	1776.6	1518.2	-32.8			1485.4				
DATA AND WORD PROCESSING	104.5	95.7	-.4			95.3				
** TOTAL	1881.1	1613.9	-33.2			1580.7				
** CHANGE VERSUS FY87 ATH				-100.0%	-100.0%	-100.0%	-15.9%	-100.0%	-100.0%	
OBJECT DESCRIPTION										
PERS. SERV.	1521.4	1362.4	-33.2			1329.2				
TRAVEL	158.7	98.0				98.0				
CONTRACTUAL	173.9	135.4				135.4				
COMMODITIES	21.7	18.1				18.1				
EQUIPMENT	5.4									
FUNDING SUMMARY										
FED. RECEIPT	100.0	100.0				100.0				
GENERAL FUND	1781.1	1513.9	-33.2			1480.7				
** GENERAL FUND CHANGE VS. FY87 ATH				-100.0%	-100.0%	-100.0%	-16.8%	-100.0%	-100.0%	
POSITIONS										
FULL TIME	25.0	25.0				25.0				
STAFF MONTHS	300.0	273.0				273.0				

06-08-14-06-00 (08-46-2-50-00-00)

STATE OF ALASKA -- COMPONENT BUDGET SUMMARY

SALSFRMA 16:09 1/28/87

AGENCY: DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT
CATEGORY: PUBLIC PROTECTIONPROGRAM: OIL & GAS CONSERVATION
SUB-PROGRAM: OPERATIONS

LEG. FIN.

EXPENDITURES & FUNDING	FISCAL YEAR 1988												
	(01) FY86 ACT	(02) FY87 ATH	(03) FY87 REV	(04) TRANSFER	(05) DECRMTS	(06) INCRMNTS	(07)	(08) GOVERNOR	(09) HOUSE	(10) SENATE	(11) C. C.	(12) BILLS	(13) LEG.REC.
01 PERS. SERV.	1487.8	1442.4	1283.4	-32.8				1250.6					
02 TRAVEL	104.1	158.7	98.0				98.0						
03 CONTRACTUAL	132.2	150.9	120.4				120.4						
04 COMMODITIES	17.6	19.2	16.4				16.4						
05 EQUIPMENT	5.7	5.4											
06 LANDS/BLDGS													
07 GRANTS, CLMS													
08 MISC.													
** TOTAL EXPEND	1747.4	1776.6	1518.2	-32.8			1485.4						
09 I-A TRANSFER	10.3	13.7	13.7				13.7						
1002 FED RCPTS		100.0	100.0				100.0						
1004 GEN FUND	1747.4	1676.6	1418.2	-32.8			1385.4						
15 FULL TIME	25.0	24.0	24.0				24.0						
16 PART TIME													
17 TEMPORARY													
18 STAFF MONTHS	300.0	288.0	261.0				261.0						

06-08-14-06-00 (08-46-2-50-00-00)

STATE OF ALASKA -- COMPONENT BUDGET ANALYSIS

SALSFRMA 16:09 1/28/87

AGENCY: DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT
 CATEGORY: PUBLIC PROTECTION

PROGRAM: OIL & GAS CONSERVATION
 SUB-PROGRAM: OPERATIONS

LEG. FIN.

***** FY87 REV ANALYSIS *****

OBJECT GROUP	VARIATION		DESCRIPTION: FY87 REV (\$1,518.2) VERSUS FY87 ATH (\$1,776.6)
01 PERS. SERV.	-159.0	-11.0%	REDUCE STAFF MONTHS BY HOLDING VACANT A PFT SENIOR PETROLEUM GEOLOGIST FOR SIX MONTHS. A PFT SENIOR PETROLEUM ENGINEER FOR SIX MONTHS, A PFT PETROLEUM INSPECTOR FOR SIX MONTHS, AND A PFT PETROLEUM CARTOGRAPHER FOR NINE MONTHS <\$159.0>.
02 TRAVEL	-60.7	-38.2%	REDUCE TRAVEL, PRIMARILY FOR FIELD INSPECTIONS <\$60.7>.
03 CONTRACTUAL	-30.5	-20.2%	REDUCE CONTRACTUAL SERVICES <\$30.5>.
04 COMMODITIES	-2.8	-14.6%	REDUCE SUPPLIES <\$2.8>.
05 EQUIPMENT	-5.4	-100.0%	DELETE FUNDING FOR REPLACEMENT EQUIPMENT <\$5.4>.
** TOTALS	-258.4	-14.5%	

***** GOVERNOR'S ANALYSIS (87 REV TO 88 GOV) *****

TOTAL	GEN_FUND	OTH_FUND	PFT	PPT	DESC
-33.2	-33.2	0.0	0.0	0.0	TRANSFER TO RIP BRU #2130
0.4	0.4	0.0	0.0	0.0	TRANSFER FROM OIL & GAS COM DP #2131
0.0	0.0	0.0	0.0	0.0	IOCC INCREASE IN ANNUAL ASSESSMENT #2132

06-08-14-07-00 (00-00-0-00-00-00)

STATE OF ALASKA -- COMPONENT BUDGET SUMMARY

SALSFRMA 16:09 1/28/87

AGENCY: DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT
CATEGORY: PUBLIC PROTECTIONPROGRAM: OIL & GAS CONSERVATION
SUB-PROGRAM: DATA AND WORD PROCESSING

LEG. FIN.

EXPENDITURES & FUNDING	F I S C A L Y E A R 1 9 8 8												
	(01) FY86 ACT	(02) FY87 ATH	(03) FY87 REV	(04) TRANSFER	(05) DECRMTS	(06) INCRMTS	(07)	(08) GOVERNOR	(09) HOUSE	(10) SENATE	(11) C. C.	(12) BILLS	(13) LEG.REC.
01 PERS. SERV.	78.1	79.0	79.0	-.4				73.6					
02 TRAVEL													
03 CONTRACTUAL	15.1	23.0	15.0					15.0					
04 COMMODITIES	2.4	2.5	1.7					1.7					
05 EQUIPMENT	3.3												
06 LANDS/BLDGS													
07 GRANTS, CLMS													
08 MISC.													
** TOTAL EXPEND	98.9	104.5	95.7	-.4				95.3					
09 I-A TRANSFER													
1004 GEN FUND	98.9	104.5	95.7	-.4				95.3					
15 FULL TIME	1.0	1.0	1.0					1.0					
16 PART TIME													
17 TEMPORARY													
18 STAFF MONTHS	12.0	12.0	12.0					12.0					

06-08-14-07-00 (00-00-0-00-00-00)

STATE OF ALASKA -- COMPONENT BUDGET ANALYSIS

SALSFMA 16:09 1/28/87

AGENCY: DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT
CATEGORY: PUBLIC PROTECTION

PROGRAM: OIL & GAS CONSERVATION
SUB-PROGRAM: DATA AND WORD PROCESSING

LEG. FIN.

***** : ***** FY87 REV ANALYSIS *****

OBJECT GROUP	VARIATION		DESCRIPTION: FY87 REV (\$95.7) VERSUS FY87 ATH (\$104.5)
03 CONTRACTUAL	-8.0	-34.8%	REDUCE PROFESSIONAL SERVICES <\$1.5>, AND REPAIR AND MAINTENANCE CONTRACTS <\$6.5>.
04 COMMODITIES	-0.8	-32.0%	REDUCE DATA PROCESSING SUPPLIES <\$0.8>.
** TOTALS	-8.8	-8.4%	

***** GOVERNOR'S ANALYSIS (87 REV TO 88 GOV) *****

TOTAL	GEN_FUND	OTH_FUND	PFT	PPT	DESC
-0.4	-0.4	0.0	0.0	0.0	TRANSFER TO OIL & GAS CONS COM OPERATIONS #2140

1 IN THE HOUSE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2

HOUSE BILL NO. 124

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FIFTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6 For an Act entitled: "An Act relating to the oil and gas conservation tax;
7 and providing for an effective date."

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

9 * Section 1. AS 43.57.010 is amended to read:

10 Sec. 43.57.010. OIL AND GAS [REGULATION AND] CONSERVATION TAX.

11 (a) Every [THERE IS LEVIED UPON THE] producer of oil and gas shall
12 pay a tax of four mills per [ONE-EIGHTH OF ONE CENT ON EACH] barrel of
13 oil and per 50,000 cubic feet of natural gas removed from or sold on
14 [FROM] each lease or property in the state, less any part the owner-
15 ship or right to which is exempt from taxation.

16 (b) The tax is in addition to and must [SHALL] be [ADMINISTERED
17 AND] paid in the same manner as the taxes imposed by AS 43.55. Pro-
18 ducers of oil and gas shall [ARE REQUIRED TO] make reports of produc-
19 tion in the same manner and under the same penalties as required by AS
20 43.55.

21 (c) Proceeds from the tax must [SHALL] be paid into the general
22 fund. The commissioner of administration shall separately account for
23 all proceeds of the tax deposited in the general fund.

24 * Sec. 2. This Act takes effect immediately in accordance with AS 01.-
25 10.070(c).

HB

124.5

STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE

Bill version: HB 124
Publish Date: HOUSE 2/11/86

REQUEST

Bill/Resolution No.: 773-87-0074
Title: An Act relating to the Oil and Gas Conservation Tax
Sponsor: RUTES
Requestor: Governor
Date of Request: _____

FISCAL DETAIL

Agency Affected: Oil & Gas Conservation Com.
BRU: _____
Components: _____

EXPENDITURES/REVENUES : (Thousands of Dollars)

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0					

CAPITAL	0					
---------	---	--	--	--	--	--

REVENUE		2402.8	2212.9	1927.5	1684.9	1373.6
Loss by AS 43.57 repeal		745.2	685.9	596.7	520.9	462.8

FUNDING : (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS :

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : Attach a separate page if necessary
Based on November '86 production record, Prudhoe Oil Pool and Kuparak Oil Pool initiating a production decline rate of 15% starting July 1, 1987; Lisbourne Oil Pool on stream July 1, 1987 at 100,000 b/d; and Endicott Oil Pool on stream July 1, 1986 at 100,000 b/d.

Prepared by: Chat Chatterton *Chat Chatterton/psb* Phone: 279-1433
Division: _____ Date: _____

Approved by Commissioner: *[Signature]* Date: 11/24/86
Agency: _____

Distribution (by Agency preparing fiscal note):

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

1 IN THE HOUSE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2

HOUSE BILL NO. 124

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FIFTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

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13 oil and per 50,000 cubic feet of natural gas removed from or sold on
14 [FROM] each lease or property in the state, less any part the owner-
15 ship or right to which is exempt from taxation.

16 (b) The tax is in addition to and must [SHALL] be [ADMINISTERED
17 AND] paid in the same manner as the taxes imposed by AS 43.55. Pro-
18 ducers of oil and gas shall [ARE REQUIRED TO] make reports of produc-
19 tion in the same manner and under the same penalties as required by AS
20 43.55.

21 (c) Proceeds from the tax must [SHALL] be paid into the general
22 fund. The commissioner of administration shall separately account for
23 all proceeds of the tax deposited in the general fund.

24 * Sec. 2. This Act takes effect immediately in accordance with AS 01.-
25 10.070(c).

STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE

Bill Version: HB 124
Publish Date: HOUSE 3/25/87

REQUEST _____

Revision Date: 2/17/87
Title: Relating to the Oil and Gas
Conservation Tax
Sponsor: Rules Committee
Requestor: Governor

Agency Affected: Revenue
BRU: _____

Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
OPERATING						
PERSONAL SERVICES	-	-	-	-	-	-
TRAVEL	-	-	-	-	-	-
CONTRACTUAL	-	-	-	-	-	-
SUPPLIES	-	-	-	-	-	-
EQUIPMENT	-	-	-	-	-	-
LANDS & STRUCTURES	-	-	-	-	-	-
GRANTS, CLAIMS	-	-	-	-	-	-
MISCELLANEOUS	-	-	-	-	-	-
TOTAL OPERATING	-	-	-	-	-	-
CAPITAL	-	-	-	-	-	-
REVENUE	408	1561	1501	1391	1341	1241

FUNDING: (Thousands of Dollars)

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

POSITIONS:

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

ANALYSIS: Attach a separate page if necessary

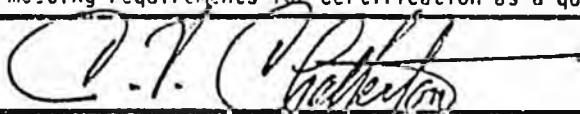
This bill would increase the conservation tax on oil production from 1.25 mills per barrel to 4.0 mills per barrel. At the same time a conservation tax would be levied on natural gas production at the rate of 4.0 mills for every 50,000 cubic feet. This proposed change would increase State revenues by approximately \$1.5 million per year. This analysis assumes an effective date of March 1, 1987.

Prepared By: Charles L. Logsdon *Charles L. Logsdon* Phone: 276-5364
Division: Research/Revenue Date: 2/17/87

Approved by Commissioner: Hugh Malone *Hugh Malone* Date: _____
Agency: Department of Revenue

Distribution (by Agency preparing fiscal note):

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

BUDGET REQUEST UNIT (BRU): Oil and Gas Conservation		Alaska Oil and Gas Conservation Commission	
NAME/POSITION OF BRU MANAGER: C. V. Chattarton, Commissioner/Chairman		PHONE:	(907) 279-1433
NAME/POSITION OF AGENCY CONTACT: Galyn Evans, Administrative Assistant		PHONE:	(907) 279-1433
LIST STATUTORY/REGULATORY BASIS FOR SERVICES PROVIDED (I.E., ALASKA STATUTE, ALASKA ADMINISTRATIVE CODE, OR FEDERAL REGISTER):			
Statutory/Regulatory Citation	: Component/Programs, Services	Statutory/Regulatory Citation	: Component/Programs, Services
AS 31.05/20 AAC 25.	: Operations	_____	: _____
AS 31.05/20 AAC 25.	: Data Processing	_____	: _____
_____	: _____	_____	: _____
DESCRIPTION OF THE BRU SERVICES AND RESPONSIBILITIES: The Alaska Oil and Gas Conservation Commission is an independent quasi-judicial agency established within the Executive Branch by the Legislature to ensure that oil and gas drilling, production, reservoir depletion and metering operations comply with the Alaska Oil and Gas Conservation Act (AS 31.05). The Act prohibits the physical waste of crude oil and natural gas, protects correlative rights, and provides for obtaining the maximum ultimate recovery of oil and gas that is prudently feasible. The Commission is empowered to cite and levy fines for violations of the Act; regulation or order of the Commission, and seek injunctive relief to prevent continuance of a violation. Severance and oil and gas regulation taxes are levied on production. Revenue accrues from royalty production on state leases. The prevention of waste enhances these income sources and serves the public good by providing increased funds to meet the public need.			
Further, the BRU provides funding for the following activities (1) acting as the Alaska jurisdictional agency to determine well categories for meeting the maximum lawful price of gas under the Natural Gas Policy Act of 1978, (2) discharging primary enforcement responsibilities for Class II injection wells under the Safe Drinking Water Act of 1974 as amended and (3) Acting as Alaska jurisdictional agency for the U.S. Dept. of Treasury in approving applications as meeting requirements for certification as a qualified tertiary recovery project.			
SIGNATURE OF BRU MANAGER:		DATE:	
		9/11/86	

B1 BRU
COVER PAGE

AGENCY Department of Commerce and Economic Development
 BRU Oil and Gas Conservation

Page 1 of 1
 Revised Date: _____

FY 88

000248

The regulatory workload of the agency is a function of: (1) the regulatory responsibilities assigned to the commission, and (2) the level of the drilling and production activity performed by the public which the agency regulates.

A major expansion of the regulatory workload is already being experienced subsequent to the June 19, 1986 award by the U.S. Environmental Protection Agency of the primary enforcement responsibility for Class II type underground injection activity in Alaska. The added responsibility stems from Chapter 91 SLA 1984.

During the last half of FY '86 and unquestionably continuing through FY '87, a dramatic drop in drilling activity occurred as a result of the crude price collapse. Well workover activity and increasing production from the Kuparuk, Lisburne and Endicott Pools have more than offset the decline in the drilling workload.

The major challenge facing the agency is the ability to maintain, in the face of loss of funds, a staff capable of ensuring industry compliance with regulatory and statutory law.

B2 BRU ISSUES

(6/86)-b2

AGENCY Department of Commerce and
Economic Development
BRU Oil and Gas Conservation

FY 88

Page 1 of 1

Revised Date:

000249

HOUSE STANDING RESOURCE COMMITTEE

March 4, 1987

8:30 a.m.

Members Present:

Representative Sam Cotten, Co-chairman
Representative Mike Navarre
Representative Lyman Hoffman
Representative John Sund
Representative Dick Shultz
Representative Henry Springer

Members Absent:

Representative Adelheid Herrmann, Co-chairperson
Representative Drew Pearce
Representative Cliff Davidson

COMMITTEE CALENDAR

HB 124: "An Act relating to the oil and gas conservation tax; and providing for an effective date."

WITNESS REGISTER

C.V. Chatterton, Commissioner
Oil and Gas Conservation Commission
Department of Commerce and Economic Development
3001 Porcupine Dr.
Anchorage, Alaska 99501
Telephone: 279-1433
Position Statement: Supports HB 124.

PREVIOUS ACTION

HB 124:	Date	Page	Action
	02/11/87 (H)	194	Read the first time with referral(s)
	02/11/87 (H)	194	Resources, Finance
	02/11/87 (H)	194	Governor's transmittal letter
	02/11/87 (H)	194	Fiscal note published 2/11/87

ACTION NARRATIVE

TAPE #29, SIDE ONE

Number 000

The House Resources Committee meeting is called to order at 8:30 a.m. by Chairman Cotten. Members present are Cotten, Springer, Sund, Hoffman, and Navarre.

Number 008

Chat Chatterton, Chairman of the Oil and Gas Conservation Commission, testifies via teleconference in support of HB 124. Mr. Chatterton summarizes the legislative history of Alaska's oil and gas conservation tax. Chapter 40 of the Session Laws of 1955 established the Oil and Gas Conservation Commission and provided for a tax of five mills, half a cent, for each barrel of oil and for each unit of 50,000 cubic feet of gas produced and sold in the State. The Act also established a special fund known as the oil and gas conservation fund.

Number 026

Mr. Chatterton, quoting from Chapter 40: All monies in the oil and gas conservation fund are appropriated to the Alaska Oil and Gas Conservation Commission. No such monies shall revert to the general fund at the end of any fiscal period but shall remain in the oil and gas conservation fund to cover future operating expenses of the Commission. All monies hereby appropriated shall be expended under the direction of the Commission in accordance with statutes of this Territory.

Number 035

Mr. Chatterton states that at that time the Chairman of the Commission was the Territorial Governor. Following statehood, the fund and tax sections of Chapter 40 became AS 31.05.130 and AS 31.05.140. The oil and gas conservation fund was one of several dedicated funds grandfathered in as an exception to the State Constitution. Some of the special funds, such as the oil and gas conservation fund, were memorialized by Chapter 5 of the Session Laws of 1968, AS 37.05.155.

The oil and gas conservation fund and the five mill tax rate remained unchanged from 1955 until repealed effective July 1, 1970 by section 2, Chapter 246, Session Laws of Alaska 1970. Chapter 32 of the Session Laws of Alaska for 1971 repealed AS 37.05.155(a)(3), which was the oil and gas

conservation fund account. Mr. Chatterton stated that the balance in the account at that time probably reverted to the general fund.

Number 060

Mr. Chatterton: The next step in this history is that Chapter 5 of the first special session of 1973 enacted AS 43.57, known as the oil and gas regulation and conservation act and effective January 1, 1974. That Act levied a tax of one eighth of a cent, 1.25 mills, per barrel of oil produced and no tax upon gas produced. Proceeds went into the general fund because of the Constitutional requirement.

Number 071

Chat Chatterton: House Bill 124 proposes to amend AS 43.57, the oil and gas regulation and conservation tax, to provide revenue for offsetting the funds appropriated for the operation of the Commission. Unamended receipts from the oil and gas regulatory and conservation tax would approximate \$750,000 for FY'88. With passage of HB 124, the revenues would approximate two and a half million dollars. As is the case in several of the oil-producing states, we would like for the tax proceeds to go to a dedicated fund for oil and gas conservation purposes. We are told that the Legislature cannot rescind their 1970 repealer action to keep alive the grandfathered dedicated fund; and Constitutional law closes the door on enacting a new dedicated fund.

8:45 a.m. Representative Shultz arrives.

Number 087

Mr. Chatterton: We view the intent of the amendments as set forth in HB 124 as one of providing funding to offset Commission activities. Should your Committee share this view, may we suggest greater emphasis of this intent by either accompanying the bill with a letter of legislative intent as to why the funds are being asked for, or maybe prepare a committee substitute for HB 124.

Number 098

Mr. Chatterton: I will try and give you a suggestion. I am looking at HB 124 and in particular line 21 of that bill which starts with (c) and it reads, proceeds from the tax must be paid into the, and I would like to insert new verbiage there, oil and gas conservation account within the general fund. Then on line 20 through 2 and line 23, delete the underlined verbiage.

Number 110

Mr. Chatterton suggests that a section 2 be added to the bill which would read: AS 37.05.155(a) is amended by adding a subsection (7), Oil and Gas Conservation Fund, and in AS 43.57.010(c), on line 24, proposes section 2 to be renumbered as section 3.

Number 131

~~Chairman Cotten: What happens if there is more money than the Commission needs?~~

Mr. Chatterton: The way I look at it is it's focusing on the fact that the Commission in effect is paying it's own way and hopefully with this number there will be more than the Commission needs. It's all in the general fund. It's got to just roll over and the Legislature obviously will have to appropriate for it as they do right now for our activity. You can't hold it and carry it over from year to year like we used to, I'm sure of that.

Chairman Cotten: There's a special fund now in the general fund for the railbelt energy account, and in order for the Legislature to use that money it takes a special appropriation from that fund. I know that the Governor is about to introduce a bill that would do something like that, so my guess is that it would have to be a special appropriation from the account that you're referring to should the Legislature wish to remove any excess funds from that account.

Number 148

Mr. Chatterton: That could be. As you know, Mr. Chairman, our BRU is about one and a half million dollars for FY'88.

Number 152

Chairman Cotten states that it looks like the bill would raise about two and a half million dollars and that the Commission uses about one and a half, so there would be an excess million dollars. Mr. Chatterton states that when they first started pushing for this type of legislation in 1983, their budget was about two and a half million dollars.

Number 161

Chairman Cotten: So in addition to your other suggestion, you're suggesting that perhaps the Oil and Gas Conservation Commission could stand to be beefed up a little bit.

Mr. Chatterton: I don't think we have that need at the present time, but I would like the funding there should the need ever arise and the Legislature concurs.

Number 168

Chairman Cotten: What sort of circumstances do you foresee that might require that need to arise?

Mr. Chatterton: ~~Increased activity; the development of some of the new fields such as Seal Island.~~

Number 172

Chairman Cotten notes that Royce Weller is here from the Department of Revenue, if members have questions for Mr. Weller.

Number 178

Chairman Cotten suggests that HB 124 be moved to the Finance Committee. Representative Sund asks about looking at some of Mr. Chatterton's amendments. Chairman Cotten states that he thinks that's more of a question for the Finance Committee than for the Resources Committee; that the Chairman of the Commission's suggestion for a special account in the general fund is probably more appropriately decided in the Finance Committee.

Number 195

Representative Sund moves to pass HB 124 with individual recommendations. There are no objections. HB 124 passes.

Number 209

The House Committee on Natural Resources is adjourned at 8:57 a.m. by Chairman Cotten.

SENATE COMMITTEE REPORT

FURTHER: RESOURCES
FINANCE

3/31/87

DATE TURNED INTO OFFICE 5/11/87

Mr. President:

LABOR & COMMERCE Committee considered HB 124
oil and gas conservation tax; efd.

and recommended:

replace with CS FOR _____) same title
 or adopt _____ CS FOR _____) new title

attached amendment(s) and

do pass

do not pass

no recommendation

individual recommendations

further referral to _____

letter of intent adopted _____

Committee attached or adopted fiscal note(s)

new updated or previous

zero same fiscal impact

MEMBERS SIGNING DO PASS

[Signature]
[Signature]

OTHER RECOMMENDATIONS

Feb 11/87 (No Rec)

Tim Kelly - No Rec
Chairman signature and recommendation

Committee Backup Attached

SENATE COMMITTEE REPORT

FURTHER: FINANCE

5/11/87

DATE TURNED INTO OFFICE 5/14/87

Mr. President:

RESOURCES Committee considered HB 124

oil and gas conservation tax; efd.

and recommended:

- replace with _____ CS FOR _____) same title
- or adopt _____ CS FOR _____) new title
- attached amendment(s) and
- may* do pass
- do not pass
- no recommendation
- individual recommendations
- further referral to _____
- letter of intent adopted _____

Committee attached or adopted fiscal note(s)
 new updated or previous
 zero *None* fiscal impact

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

Paul F. Thayer
Raymond
W. Blanton

Paul Frick NO Pass

John [Signature]
 Chairman signature and recommendation

Committee Backup Attached

JEVE COWPER
GOVERNOR

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

February 10, 1987

The Honorable Ben Grussendorf
Speaker of the House
Alaska State Legislature
P.O. Box V
Juneau, AK 99811

Dear Representative Grussendorf:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill relating to the oil and gas conservation tax.

The primary purpose of the bill is to adjust the existing oil and gas conservation tax in AS 43.57.010 to provide enough additional revenue to the state to cover the amount of the operating costs of the Alaska Oil and Gas Conservation Commission ("commission"). An oil and gas conservation tax is included in most of the conservation Acts of the 30 oil and gas producing states. The tax would be in the amount of four mills per barrel of crude oil and 50,000 cubic feet of natural gas. Proceeds from the tax would be placed in the general fund. The commission has calculated that approximately \$2,680,000 would be collected annually if this bill were enacted.

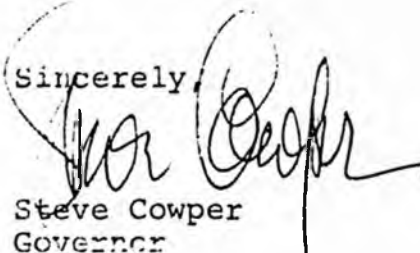
The concept of a tax related to oil and gas conservation activities is not new to the state. Section 15, ch. 40, SLA 1955, which created the commission, provided funding by levying a tax on the gross amount of oil and gas produced. The tax rate was then five mills per barrel of oil and per 50,000 cubic feet of natural gas. After statehood, sec. 15 became AS 31.05.130 and 31.05.140.

The original tax was repealed effective July 1, 1970, by ch. 247, SLA 1970.

Effective July 1, 1974, AS 43.57.010, the Oil and Gas Regulation and Conservation Tax, was enacted. Sec. 1, ch. 5, FSSLA 1973. This tax is still in effect. It assesses a tax of 1.25 mills (one-eighth of one cent) per barrel of oil, a 75 percent reduction from the amount of the conservation tax levied up to July 1, 1970. The amount of revenue generated

by this tax is not even equal to the operating costs of the commission, and may be perceived by the oil and gas industry as little more than a "nuisance tax." As described earlier, the tax in AS 42.57.010 would be adjusted to include a tax on production of natural gas, and to increase the amount of the tax.

Sincerely,

A handwritten signature in black ink, appearing to read "Steve Cowper", written over the typed name and title.

Steve Cowper
Governor

HB

126

HOUSE COMMITTEE REPORT

(11)

Date referred: 3/18/87

FURTHER REFERRALS:

DATE: 4-22-87

The Finance Committee has considered HB 126

"An Act relating to the public school foundation program; and providing for an effective date."

RECOMMENDS:

- replace with CS HB 126 (Finance) the same title
 attached amendment(s) a new title
- do pass
 do not pass
 no recommendation
 individual recommendations
 additional referral to the _____ Committee

ADOPTS: Finance letter of intent

ATTACHES NEW FISCAL NOTE(S):

- fiscal impact same as previous fiscal note published _____
 zero fiscal note same as previous zero fiscal note published _____
 zero with analysis

SIGNING DO PASS:

Albert H. Adams
John J. ...
Ronald J. ...
...
...
...
...

SIGNING OTHER RECOMMENDATIONS:

Tam Brown - No PEC
Steve Rieger - No Recommendation
F. Koylalli - "
Mike Davis

Albert H. Adams
Chairman's signature

STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE

REQUEST: _____

Bill Version: CS HB 126 (Fin)
Publish Date: _____

Revision Date: 4/17/87

Agency Affected: Education

Title: An Act relating to the Public
School Foundation Program

BRU: K-12 Support

Sponsor: Rules by request of the Governor

Components: Foundation

Requestor: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS		10599.3	10599.3	10599.3	10599.3	10599.3
MISCELLANEOUS						
TOTAL OPERATING		10599.3	10599.3	10599.3	10599.3	10599.3

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

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

FUNDING: (Thousands of Dollars)

GENERAL FUND		10599.3	10599.3	10599.3	10599.3	10599.3
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

1) Fully fund Governor's original bill with revised enrollment	4899.3
2) Phase-in local contribution	1500.0
3) Amend area differential based on revised department calculation	4200.0
TOTAL	<u>10599.3</u>

Prepared by: Al Adams, Chair *APA* Phone: _____
Division: House Finance Committee Date: 4/17/87

Approved by Commissioner: _____ Date: _____

Agency: _____

Distribution (by preparer):

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

CS HB 126 (FINANCE)

FISCAL NOTE

ANALYSIS

I. FULL FUND GOVERNOR'S ORIGINAL BILL WITH INCREASED ENROLLMENT ESTIMATES

432,385.8 - HB 126

600.0 - Valdez/Harborview

432,985.8 - Total Foundation Need

428,086.5 - Governor's Revised Budget Request (Foundation Component)

(4,899.3) - Needed to Restore Governor's Underfunding

II. PHASE IN LCCAL CONTRIBUTION (2 MIL MINIMUM FY 88, 3 MIL FY 89 AND 4 MIL FY 90)

1,500.0 - Phase in local contribution

III. ADJUST AREA DIFFERENTIAL PER DEPARTMENT OF EDUCATION REQUEST

4,200.0 - Revised area differential

TOTALS

4,899.3 - Full fund

1,500.0 - Phase in local contribution

4,200.0 - Revised area differential

10,599.3 - Total Fiscal Note

Original sponsor: Rules/Governor

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 126 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the public school foundation
7 program, employer contributions to the Teachers'
8 Retirement System, and community school programs; and
9 providing for an effective date."

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

11 * Section 1. AS 14.17.010 is amended to read:

12 Sec. 14.17.010. PUBLIC SCHOOL FOUNDATION ACCOUNT. (a) The
13 public school foundation account is established. The account consists
14 of appropriations for distribution to districts and [OR] for central-
15 ized correspondence study programs under this chapter.

16 (b) The money of the account may be used only in aid of public
17 schools, including community school programs, and [OR] for centralized
18 correspondence study programs as provided by this chapter.

19 * Sec. 2. AS 14.17.021 is repealed and reenacted to read:

20 Sec. 14.17.021. STATE FOUNDATION AID. (a) The amount of state
21 foundation aid for which a school district may qualify in a fiscal
22 year is calculated by subtracting from the basic need defined in (b)
23 of this section the required local contributions under AS 14.17.025(a)
24 and 90 percent of eligible federal impact aid for that fiscal year.

25 (b) The basic need of a school district is determined by multi-
26 plying the area cost differential of the district under AS 14.17.051
27 by the number of instructional units in the district under AS 14.17.-
28 031 and then multiplying that product by the instructional unit value
29 in AS 14.17.056.

1 * Sec. 3. AS 14.17.022 is amended to read:

2 Sec. 14.17.022. MONEY [FUNDS] FOR CENTRALIZED CORRESPONDENCE
3 STUDY. Money [FUNDS] for providing centralized correspondence study
4 programs for students not enrolled in an approved school district
5 correspondence study program includes [SHALL INCLUDE] an allocation
6 [APPROPRIATION] from the public school foundation account in an amount
7 calculated by multiplying the [BASE] instructional unit value in
8 AS 14.17.056 by the total number of instructional units, as determined
9 by applying the number of correspondence students to the formula for
10 elementary schools in AS 14.17.041(b)(1), then multiplying that prod-
11 uct by 65 percent [AS 14.17.041(a)].

12 * Sec. 4. AS 14.17 is amended by adding a new section to read:

13 Sec. 14.17.025. LOCAL CONTRIBUTIONS. (a) Local contributions
14 to a city or borough school district shall include at least the lesser
15 of

16 (1) the equivalent of a four mill tax levy on the full and
17 true value of the taxable real and personal property in the district
18 as of January 1 of the second preceding fiscal year, as determined by
19 the Department of Community and Regional Affairs under AS 14.17.140
20 and AS 29.45.110; or

21 (2) 35 percent of the district's basic need for the preced-
22 ing fiscal year, as determined under AS 14.17.021(b).

23 (b) In addition to the local contributions required under (a) of
24 this section, local contributions to a city or borough school district
25 in a fiscal year may include no more than the greater of

26 (1) the equivalent of a two mill tax levy on the full and
27 true value of the taxable real and personal property in the district
28 as of January 1 of the second preceding fiscal year, as determined by
29 the Department of Community and Regional Affairs under AS 14.17.140

1 and AS 29.45.110; or

2 (2) the product obtained by multiplying

3 (A) 21 percent of the instructional unit value in
4 AS 14.17.056;

5 (B) the number of instructional units approved for the
6 district for the fiscal year; and

7 (C) the area cost differential of the district under
8 AS 14.17.051.

9 (c) The department may by regulation reduce the maximum local
10 contribution specified in (b) of this section if necessary to keep
11 revenue or expenditure disparities among school districts in the state
12 in compliance with federal equalization requirements under sec. 5(d)-
13 (2) of P.L. 81 - 874 (20 U.S.C. 240(d)(2)), as amended, and regula-
14 tions adopted under it.

15 (d) Local contributions are not required in a regional educa-
16 tional attendance area. Interest earnings and other local revenue in
17 a regional educational attendance area are not considered local reve-
18 nue for current operating expenditures, and are subject to regulation
19 and disposition by the department.

20 (e) A state foundation aid payment may not be made to a city or
21 borough school district in which the requirements of (a) of this
22 section have not been met.

23 (f) For the first two fiscal years in which a district is sub-
24 ject to this section, local contributions may be less than the amount
25 that would otherwise be required under (a) of this section. However,
26 local contributions must be at least the greater of

27 (1) the local contributions, excluding any federal impact
28 aid, for the previous fiscal year; or

29 (2) the sum of 10 percent of the district's eligible

1 federal impact aid for that year and, for the first year, the
2 equivalent of a two mill tax levy and for the second year, the
3 equivalent of a three mill tax levy, on the full and true value of the
4 taxable real and personal property in the district as of January 1 of
5 the second preceding fiscal year, as determined by the Department of
6 Community and Regional Affairs under AS 14.17.140 and AS 29.45.110.

7 (g) A school district is eligible for additional state aid in
8 the amount by which the local contributions that would otherwise have
9 been required under (a) of this section exceed the district's actual
10 local contributions under (f) of this section.

11 * Sec. 5. AS 14.17.031 is repealed and reenacted to read:

12 Sec. 14.17.031. ALLOWABLE INSTRUCTIONAL UNITS. (a) The depart-
13 ment shall adopt regulations defining funding communities within each
14 district which reflect geographic and attendance area factors. For
15 the purpose of determining instructional units, students are counted
16 in the district and the funding community from which they receive
17 educational services. The total number of instructional units in a
18 school district is the sum of the following units for each funding
19 community within the district, as determined by the department:

20 (1) the number of units for elementary and secondary stu-
21 dents determined under AS 14.17.041(a) or (b);

22 (2) the number of units for vocational education determined
23 under AS 14.17.043;

24 (3) the number of units for special education determined
25 under AS 14.17.045; and

26 (4) the number of units for bilingual education determined
27 under AS 14.17.047.

28 (b) For purposes of (a)(1) of this section, in fiscal years
29 beginning after July 1, 1987, 90 percent of the district's total

000911

1 elementary and secondary instructional units for the preceding fiscal
2 year is used if that number is greater than the district's total under
3 (a)(1) of this section for the current fiscal year.

4 * Sec. 6. AS 14.17.041 is repealed and reenacted to read:

5 Sec. 14.17.041. ELEMENTARY AND SECONDARY INSTRUCTIONAL UNITS.

6 (a) For funding communities that have an average daily membership of
7 less than 200 in grades K-6 or less than 200 in grades 7-12, combined
8 elementary and secondary instructional units are determined under the
9 following table:

ADM	Units
1 - 10	2
11 - 20	$2 + ((ADM-10)/5)$
21 - 60	$4 + ((ADM-20)/8)$
61 - 120	$9 + ((ADM-60)/12)$
121 - 525	$14 + ((ADM-120)/15)$

16 (b) For funding communities that are not included under (a) of
17 this section,

18 (1) instructional units for elementary students are de-
19 termined by the formula:

20 $units = 15 + ((ADM-200)/17)$, where ADM is the number of
21 students in average daily membership in grades kindergarten through 6;

22 (2) instructional units for secondary students are de-
23 termined by the formula:

24 $units = 18 + ((ADM-200)/13)$, where ADM is the number of
25 students in average daily membership in grades 7 through 12.

26 (c) Kindergarten students who attend school less than four hours
27 a day are counted as 0.5 ADM under (a) and (b) of this section.

28 (d) District correspondence or other students who do not regu-
29 larly attend school on a daily basis are counted in the appropriate

1 grade level of the funding community with the highest ADM in the
2 district.

3 * Sec. 7. AS 14.17 is amended by adding new sections to read:

4 Sec. 14.17.043. VOCATIONAL EDUCATION INSTRUCTIONAL UNITS. Voca-
5 tional education instructional units for vocational education courses
6 approved by the department are calculated as the sum, for all of those
7 courses in the funding community, of the products obtained by multi-
8 plying 0.05 by the ADM full-time equivalent of the course, and then by
9 the cost weighting factor for the course determined under department
10 regulations. A funding community in which a vocational education
11 course approved by the department is operated receives a minimum of
12 0.10 instructional units for vocational education, or each district in
13 which a vocational education course is operated receives a minimum of
14 1.00 instructional units, whichever is greater.

15 Sec. 14.17.045. SPECIAL EDUCATION INSTRUCTIONAL UNITS. (a) An
16 exceptional child, as defined in AS 14.30.350, who is enrolled in a
17 special education program, approved by the department, on the last day
18 of the counting period for which a determination is being made, gener-
19 ates 0.025 instructional units if the child receives gifted services,
20 0.056 instructional units if the child receives resource services, 0.1
21 instructional units if the child receives self-contained services, or
22 0.333 instructional units if the child receives intensive or hospi-
23 tal/homebound services, as those categories of service are defined by
24 the department by regulation, in the funding community in which the
25 child is served. A child may be counted in one special education
26 category only.

27 (b) Notwithstanding (a) of this section, in a district that
28 offers a special education program each funding community receives a
29 minimum of 0.25 instructional units for special education for each

1 funding community in which a child is served or the district receives
2 a minimum of 1.00 instructional units for special education, whichever
3 is greater.

4 Sec. 14.17.047. BILINGUAL EDUCATION INSTRUCTIONAL UNITS. A
5 student for whom an appropriate bilingual program must be provided
6 under regulations adopted by the department, and who is enrolled in a
7 bilingual program, approved by the department, as of the last day of
8 the counting period for which a determination is being made, gener-
9 ates, in the funding community in which the student is served, the
10 number of bilingual education instructional units that is the product
11 obtained by multiplying 0.042 by the student's language dominance
12 category weight under department regulations. A funding community in
13 which a bilingual program approved by the department is operated
14 receives a minimum of 0.10 instructional units for bilingual educa-
15 tion, or a district in which a bilingual program is operated receives
16 a minimum of 1.00 instructional units, whichever is greater.

17 * Sec. 8. AS 14.17.051 is repealed and reenacted to read:

18 Sec. 14.17.051. AREA COST DIFFERENTIAL. The area cost differen-
19 tial for a school district is as follows:

School District	Area Cost Differential
Adak	1.27
Alaska Gateway	1.19
Aleutian Region	1.31
Anchorage	1.00
Annette Island	1.03
Bering Strait	1.39
Bristol Bay	1.27
Chatham	1.03
Chugach	1.14



Alaska State Legislature

HOUSE OF REPRESENTATIVES

Committee on Finance

Official Business

P.O. Box V
State Capitol
Juneau, Alaska 99811

HOUSE FINANCE COMMITTEE
LETTER OF INTENT
FOR
CS HB 126 (FINANCE)

The Legislature recognizes the additional financial burden placed on school districts by the requirement that the full cost of the employer's share of the Teacher's Retirement System (TRS) Match be born by the individual school districts. It is the intent of the Legislature that the Department of Education evaluate along with each individual school district the impact of this change on all school districts and report back to the Legislature by the 10th day of the First Session of the Sixteenth Alaska State Legislature any statutory changes deemed appropriate.

A handwritten signature in cursive script, appearing to read "Al Adams".

Rep. Al Adams, Chair
House Finance Committee

1	Copper River	1.14
2	Cordova	1.11
3	Craig	1.03
4	Delta/Greely	1.16
5	Dillingham	1.27
6	Fairbanks	1.04
7	Galena	1.30
8	Haines	1.05
9	Hoonah	1.08
10	Hydaburg	1.03
11	Iditarod	1.33
12	Juneau	1.00
13	Kake	1.03
14	Kashunamiut	1.33
15	Kenai	1.00
16	Ketchikan	1.00
17	King Cove	1.27
18	Klawock	1.03
19	Kodiak	1.09
20	Kuspuk	1.33
21	Lake & Peninsula	1.31
22	Lower Kuskokwim	1.42
23	Lower Yukon	1.35
24	Matanuska-Susitna	1.00
25	Nenana	1.20
26	Nome	1.34
27	North Slope	1.45
28	Northwest Arctic	1.45
29	Pelican	1.08

1	Petersburg	1.00
2	Pribilof	1.30
3	Railbelt	1.23
4	Sand Point	1.27
5	Sitka	1.00
6	Skagway	1.05
7	Southeast Island	1.04
8	Southwest Region	1.31
9	St. Mary's	1.30
10	Tanana	1.30
11	Unalaska	1.27
12	Valdez	1.11
13	Wrangell	1.00
14	Yakutat	1.08
15	Yukon Flats	1.46
16	Yukon-Koyukuk	1.34
17	Yupiit	1.41

18 * Sec. 9. AS 14.17.056 is amended to read:

19 Sec. 14.17.056. [BASE] INSTRUCTIONAL UNIT VALUE. The [BASE]
 20 instructional unit value [FOR FISCAL YEARS BEGINNING ON OR AFTER
 21 JULY 1, 1986,] is \$60,000 [\$42,184].

22 * Sec. 10. AS 14.17.080 is repealed and reenacted to read:

23 Sec. 14.17.080. STUDENT COUNT ESTIMATES. Each district shall
 24 prepare and submit to the department, by October 15 of each fiscal
 25 year, in the manner and on forms prescribed by the department, an
 26 estimate of its average daily membership and other student count data
 27 for the succeeding fiscal year, upon which computations can be made of
 28 the amount of estimated state foundation aid for which the district
 29 will be eligible under AS 14.17.021 in that fiscal year. In making

1 this estimate, the district shall consider its average daily member-
2 ship, other student count data, the pattern of growth or decline in
3 preceding years, and other pertinent information available to the
4 district. The preliminary reports required by this section are the
5 basis for estimating the need for state foundation aid for the next
6 fiscal year.

7 * Sec. 11. AS 14.17.082 is repealed and reenacted to read:

8 Sec. 14.17.082. FUND BALANCE IN SCHOOL OPERATING FUND. (a) A
9 district may not accumulate in a fiscal year an unreserved portion of
10 its year-end fund balance in its school operating fund, as defined by
11 department regulations, that is greater than 10 percent of its expen-
12 ditures for that fiscal year.

13 (b) The department shall review the annual audit of each dis-
14 trict for the preceding fiscal year to ascertain its year-end operat-
15 ing fund balance. The amount by which the unreserved portion of that
16 balance exceeds the amount permitted in (a) of this section shall be
17 deducted from the state foundation aid that would otherwise be paid to
18 the district in the current fiscal year.

19 * Sec. 12. AS 14.17.140 is amended to read:

20 Sec. 14.17.140. DETERMINATION OF FULL AND TRUE VALUE BY DEPART-
21 MENT OF COMMUNITY AND REGIONAL AFFAIRS. (a) To determine the amount
22 of local effort under AS 14.17.025 and to aid the department and the
23 legislature in planning, [EQUALIZED PERCENTAGE TO BE APPLIED TO BASIC
24 NEED UNDER AS 14.17.021] the Department of Community and Regional
25 Affairs, in consultation with the assessor for each district, shall
26 determine the full value of the taxable real and personal property in
27 each city or borough district. [EXEMPTIONS GRANTED UNDER CH. 129, SLA
28 1957, KNOWN AS THE ALASKA INDUSTRIAL INCENTIVE ACT (AS 43.25), SHALL
29 BE HONORED.] If there is no local assessor or current local assess-

1 ment for a district, then the Department of Community and Regional
2 Affairs shall make the determination of full value from information
3 available. In making the determination, the Department of Community
4 and Regional Affairs shall be guided by AS 29.45.110. The determina-
5 tion of full value shall be made by [BEFORE] October 1 and sent by
6 certified mail, return receipt requested, on or before that date to
7 the president of the school board in each district. Duplicate copies
8 shall be sent to the commissioner. The governing body of a [THE]
9 borough or city that [WHICH] is a school [THE] district may obtain
10 judicial review of the determination. The superior court may modify
11 the determination of the Department of Community and Regional Affairs
12 only upon a finding of abuse of [OR] discretion or upon a finding that
13 there is no substantial evidence to support the determination.

14 (b) Motor vehicles subject to the motor vehicle registration tax
15 under AS 28.10.431 [AS 28.10.255] shall be treated as taxable property
16 under [FOR PURPOSES OF (a) OF] this section.

17 * Sec. 13. AS 14.17.160 is repealed and reenacted to read:

18 Sec. 14.17.160. STUDENT COUNTING PERIODS. (a) Within two weeks
19 after the end of the 20-school-day period ending the fourth Friday in
20 October, each district shall transmit a report to the department that,
21 under regulations adopted by the department, reports its average daily
22 membership for that counting period, and other student count informa-
23 tion that will aid the department in making a determination of its
24 state foundation aid. If it makes the district eligible for more
25 state foundation aid, a district may transmit, within two weeks after
26 the 20-school-day period ending the second Friday in February, a
27 similar report for that counting period. For centralized correspon-
28 dence study, the October report shall be based on the period from
29 July 1 through the fourth Friday in October, except that summer school

1 students shall be counted as a proportionate fraction as determined by
2 the department. The department may make necessary corrections in the
3 report submitted, and shall notify the district of changes made. The
4 commissioner shall notify the governor of additional appropriations
5 the commissioner estimates to be necessary to fully fund the public
6 school foundation program for the current fiscal year.

7 (b) Upon written request and for good cause shown, the commis-
8 sioner may permit a district to use a 20-school-day counting period
9 other than the periods set out in (a) of this section. However, the
10 counting period must be 20 consecutive school days.

11 * Sec. 14. AS 14.17.170 is repealed and reenacted to read:

12 Sec. 14.17.170. DISTRIBUTION OF STATE FOUNDATION AID. (a) The
13 department shall determine the state foundation aid for each school
14 district in a fiscal year on the basis of the district's data reported
15 under AS 14.17.160 for the counting period that makes the district
16 eligible for the greatest number of instructional units. On or before
17 the 15th day of each of the first nine months of each fiscal year,
18 1/12 of each district's state foundation aid shall be distributed on
19 the basis of the data reported for the preceding fiscal year. On or
20 before the 15th day of each of the last three months of each fiscal
21 year, 1/3 of the balance of each district's state foundation aid shall
22 be distributed, after the balance has been recomputed on the basis of
23 student count and other data reported for the current fiscal year.

24 (b) If a district receives more state aid money than it is
25 entitled to receive under this chapter, it shall immediately remit the
26 amount of overpayment to the commissioner, to be returned to the
27 public school foundation account. Upon an adequate showing of a cash
28 flow shortfall, and in the discretion of the commissioner, the depart-
29 ment may make advance payments to a school district. The total of

1 advance payments may not exceed the amount of state foundation aid for
2 which the district is eligible for the fiscal year.

3 * Sec. 15. AS 14.17.190(b) is amended to read:

4 (b) Each district shall maintain complete financial records of
5 the receipt and disbursement of public school foundation money, [AND]
6 money acquired from local effort, and other money received by the
7 district. The records must be in the form required by the department
8 [COMMISSIONER] and are subject to audit by the department [COMMIS-
9 SIONER OR THE BOARD] at any time.

10 * Sec. 16. AS 14.17.220 is amended to read:

11 Sec. 14.17.220. PURPOSE. It is the intention of the legisla-
12 ture, in enacting this public school foundation program, to assure an
13 equitable [ADEQUATE] level of educational opportunities for those in
14 attendance in the public schools of the state. Except for the limita-
15 tions of AS 14.17.025, this [THIS] chapter may [SHALL] not be inter-
16 preted as preventing a public school district from providing educa-
17 tional services and facilities beyond those assured by the foundation
18 program.

19 * Sec. 17. AS 14.17.225 is repealed and reenacted to read:

20 Sec. 14.17.225. CONSTRUCTION AND IMPLEMENTATION OF CHAPTER. (a)
21 This chapter does not create a debt of the state. Each district shall
22 establish, maintain, and operate under a balanced budget. The state
23 is not responsible for the debts of a school district.

24 (b) Money to carry out the provisions of AS 14.17.010 - 14.-
25 17.190 may be appropriated annually by the legislature into the public
26 school foundation account. If amounts in the account are insufficient
27 to meet the allocations authorized under AS 14.17.010 - 14.17.190 for
28 a fiscal year, each district's basic need shall be reduced pro rata as
29 necessary to make the funds available sufficient to meet the alloca-

1 tions for that fiscal year.

2 * Sec. 18. AS 14.17.250(1) is amended to read:

3 (1) "ADM full-time equivalent" means the [QUOTIENT OF THE]
4 aggregate class periods of pupil membership [PER DAY] in specified
5 classes for the student counting period for which a determination is
6 being made, divided by the total number of all class periods in the
7 student counting period [SCHOOL DAY];

8 * Sec. 19. AS 14.17.250(2) is amended to read:

9 (2) "average daily membership" or "ADM" means the aggregate
10 days of membership of pupils divided by the actual number of days in
11 session for the counting period for which a determination is being
12 made [SCHOOL TERM];

13 * Sec. 20. AS 14.17.250(11) is amended to read:

14 (11) "taxable real and personal property" means all real and
15 personal property taxable under the laws of the state [, BUT DOES NOT
16 INCLUDE HOUSEHOLD GOODS AND PERSONAL EFFECTS];

17 * Sec. 21. AS 14.17.250 is amended by adding new paragraphs to read:

18 (13) "eligible federal impact aid" for a fiscal year means
19 the amount of federal aid received by the district as of March 1 of
20 the fiscal year as payment for its entitlement for the application
21 submitted during the preceding fiscal year, including advance
22 payments, and adjustments received since March 1 of the preceding
23 fiscal year from prior year applications, under secs. 2, 3, and 4 of
24 P.L. 81 - 874 (20 U.S.C. 237 - 239), as amended, except payments
25 received under sec. 3(d)(3)(B)(ii) of that Act 20 U.S.C. 238(d)(3)(B)-
26 (ii)), to the extent the state may consider that aid as local
27 resources under that Act and the regulations adopted under it;

28 (14) "local contributions" means appropriations to the
29 school operating fund by the city or borough, interest earnings that a

1 district is allowed to keep and spend on school operations, state
2 tuition payments, the value of in-kind services performed by the city
3 or borough, and 10 percent of the district's eligible federal impact
4 aid.

5 * Sec. 22. AS 14.25.070 is amended to read:

6 Sec. 14.25.070. CONTRIBUTIONS BY EMPLOYER. An employer shall
7 contribute to the retirement fund an amount equal to [ONE-HALF] the
8 percentage, as certified by the administrator, of the sum total of the
9 base salaries of all teachers that is required in addition to teacher
10 contributions to provide the benefits of this chapter times the sum
11 total of the base salaries paid to teachers by the employer.

12 * Sec. 23. AS 14.36.030 is amended by adding a new subsection to read:

13 (d) If appropriations in a fiscal year are insufficient to fund
14 the grants authorized under (a) of this section, the department shall
15 award the grants to eligible districts on a pro rata basis.

16 * Sec. 24. TRANSITION. (a) For the purpose of calculating the re-
17 quired local contributions under AS 14.17.025(a)(2) for fiscal year 1988,
18 and for the purpose of (d)(2) of this section, each district's basic need
19 for the preceding fiscal year is as determined by the department based on
20 its projections of student count data for fiscal year 1988 and the allow-
21 able instructional units and instructional unit value as contained in this
22 Act.

23 (b) In fiscal years 1988, 1989, and 1990, a district may receive
24 state aid, in addition to its state foundation aid under AS 14.17.021(a),
25 in the lesser amount of

26 (1) $(p \times \text{sum87} \times \text{current ADM/ADM87}) - \text{current need}$; or

27 (2) $(p \times \text{state87} \times \text{current ADM/ADM87}) - \text{current state}$.

28 (c) In (b) of this section

29 (1) "ADM87" means the average daily membership of the district

1 in the student counting period used for funding for fiscal year 1987;

2 (2) "current ADM" means the average daily membership of the
3 district in the student counting period used for funding for the current
4 fiscal year;

5 (3) "current need" means the basic need of the district under
6 AS 14.17.021(b), as amended by sec. 2 of this Act, for the current fiscal
7 year;

8 (4) "current state" means the state foundation aid to the dis-
9 trict under AS 14.17.021(a), as amended by sec. 2 of this Act, for the
10 current fiscal year;

11 (5) "p" means the transition percentage, which is 90 percent in
12 fiscal year 1988, 80 percent in fiscal year 1989, and 70 percent in fiscal
13 year 1990;

14 (6) "state87" means the state aid received by the district for
15 fiscal year 1987 under AS 14.17.021, as it read before July 1, 1987;

16 (7) "sum87" means the sum of

17 (A) state aid received by the district under AS 14.17.021,
18 as it read before July 1, 1987, for fiscal year 1987;

19 (B) 90 percent of that portion of the federal impact aid
20 received by the district from the application submitted in fiscal year
21 1986 under secs. 2 - 4 of P.L. 81-874 (20 U.S.C. 237 - 239), as amend-
22 ed, to the extent that that money could be considered as local re-
23 sources under that Act and the regulations adopted under it; and

24 (C) for city or borough school districts, the total of

25 (i) the district's revenue from earnings in the dis-
26 trict's operating fund in fiscal year 1987;

27 (ii) state tuition payments to the district in fiscal
28 year 1987; and

29 (iii) city or borough appropriations or in-kind contri-

1 butions for fiscal year 1987.

2 (d) The amount determined under (c)(7)(C) of this section may not
3 exceed the lesser of

4 (1) the equivalent of a four-mill tax levy on the full and true
5 value of taxable real and personal property in the district as of January
6 1, 1986, as determined by the Department of Community and Regional Affairs
7 under AS 14.17.170; or

8 (2) 35 percent of the district's basic need as determined under
9 (a) of this section.

10 (e) Notwithstanding AS 14.17.021(a), in fiscal year 1988 amounts
11 received by a district under P.L. 81-874 (20 U.S.C. 237 - 239), as amended,
12 between March 1, 1987, and July 1, 1987, based upon applications submitted
13 before or during fiscal year 1986 may not be subtracted from the district's
14 basic need under AS 14.17.021(b).

15 * Sec. 25. AS 14.17.023, 14.17.027, 14.17.061, 14.17.090, 14.17.150,
16 14.17.180, 14.17.205, 14.17.250(5), 14.17.250(7), 14.17.250(10), 14.-
17 17.250(12); and AS 14.25.080 are repealed.

18 * Sec. 26. Sections 4 and 24 of this Act take effect immediately under
19 AS 01.10.070(c).

20 * Sec. 27. Sections 1 - 3, 5 - 23, and 25 of this Act take effect July
21 1, 1987.

**STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE**

REQUEST: _____

Bill Version: CSHB 126 (Fin)
Publish Date: _____

Revision Date: April 12, 1987
Title: An Act Relating to the Public
School Foundation Program
Sponsor: House Finance
Requestor: HB126 Finance Subcommittee

Agency Affected: Education
BRU: K-12 Support
Components: Foundation

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS		4,899.3				
MISCELLANEOUS						
TOTAL OPERATING						
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND		4,899.3				
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

432,385,796 - CSHB126 (HESS)
600,000 - Valdez - Harborview
 432,985,796 - Total Foundation Need
 428,086,500 - Governor's FY88 Revised Request
 <4,899,296> - Difference needed to fund CSHB126 (HESS)

Prepared by: Ronald J. [Signature] Phone: _____
 Division: _____ Date: 4/12/87

Approved by Commissioner: _____ Date: _____
 Agency: _____

Distribution (by preparer):

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

HOUSE BILL 126

I COMPARISON - GOVERNOR'S REVISED AND CSHB126 (HESS)

432,385,796 - CSHB126 (HESS) - see Footnote (1) below
600,000 - Valdez - Harborview
 432,985,796 - Total Foundation Need
428,086,500 - Governor's FY88 Revised Request
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Action of Sub Committee II AMENDMENTS - FISCAL, POLICY AND TECHNICAL BEFORE HB126 SUBCOMMITTEE

F	1,000,000	#1(a)	Community School - funding source?
		or	
F	2,200,000	#1(b)	Community School - funding source?
P	0	#2	PL81-874 Special Fund (No. Slope Bor. S.D.)
P	400,000	#3	Secondary Student Cost, State Corresp. Study
P	0	#4(a)	Local Effort Cap - 6 mills or 21% of Inst. Unit value (DOE)
		or	
N/A	0	#4(b)	Local Effort Cap - reduce to 5.5 mills
-	0	#5	Pulled - see #18
P	0	#6	Adjust Special Education - funding whether students or not (return to original bill)
F	700,000	#7(a)	Bilingual Count - increase funding to present level (with Hold Harmless impact) - funding source?
F	4,200,000	#7(b)	Revised area differential cost (DOE) - funding source?
P	22,146,700	#8	Teachers Retirement System employer match removed from Foundation or leave as is in CSHB126
F	0	#9	Fund balance allowed - from 5% to 10%
P	0	#10	State Correspondence Study Summer School - allow students to be part time (similar to HB77)
P	0	#11	Drafting error correction
P	0	#12	Instructional Unit prorata language
-	0	#13	Pulled - see #18
P	0	#14	Fund balance effective data
P	0	#15	Language on vocational education
F	2,000,000	#16	Gifted and Talented - increase funding - funding source?
F	2,000,000	#17	Grants to small single site school districts with enrollment between 100-500 (Rep. Herrmann) funding source?
P / Amended	2,100,000	#18	Phase in on Local Contribution with State Subsidy (include impact of using PL81-874) funding source?
-	?	#19	Rep. Hoffman - use of PL874 as Local Effort

P = passed
F = failed

(1) FOOTNOTE:

CSHB126 (HESS) - What the Cost Factors are without Amendments.
 426,826,928 - Basic State Aid (with original area differential and February enrollment projection)
 3,333,528 - Hold Harmless
2,225,340 - State Correspondence Study
 432,385,796 - Total as proposed in CSHB126 (HESS)

4/10/87 (revised)

**STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE**

REQUEST: _____

Bill Version: CSHB 126 (Fin)
Publish Date: _____

Revision Date: April 12, 1987
Title: An Act Relating to the Public
School Foundation Program
Sponsor: House Finance
Requestor: HBI26 Finance Subcommittee

Agency Affected: Education
BRU: K-12 Support
Components: Foundation

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS		1,500.0				
MISCELLANEOUS						
TOTAL OPERATING						

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

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

FUNDING: (Thousands of Dollars)

GENERAL FUND		1,500.0				
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

Funds required to fund Amendment #18 - phase in on local contribution with state assistance.

Prepared by: Ron L. Larson *Ronald L. Larson* Phone: _____
Division: _____ Date: 4/12/87

Approved by Commissioner: _____ Date: _____
Agency: _____

Distribution (by preparer):

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

HOUSE BILL 126

I COMPARISON - GOVERNOR'S REVISED AND CSHB126 (HESS)

432,385,796 - CSHB126 (HESS) - see Footnote (1) below
600,000 - Valdez - Harborview
 432,985,796 - Total Foundation Need
428,086,500 - Governor's FY88 Revised Request
 <4,899,296> - Difference needed to fund CSHB126(HESS)

Action II AMENDMENTS - FISCAL, POLICY AND TECHNICAL BEFORE HB126 SUBCOMMITTEE
Subcommittee

F	1,000,000	#1(a)	Community School - funding source?
		or	
F	2,200,000	#1(b)	Community School - funding source?
P	0	#2	PL81-874 Special Fund (No. Slope Bor. S.D.)
F	400,000	#3	Secondary Student Cost, State Corresp. Study
P	0	#4(a)	Local Effort Cap - 6 mills or 21% of Inst. Unit value (DOE)
		or	
N/A	0	#4(b)	Local Effort Cap - reduce to 5.5 mills
-	0	#5	Pulled - see #18
P	0	#6	Adjust Special Education - funding whether students or not (return to original bill)
F	700,000	#7(a)	Bilingual Count - increase funding to present level (with Hold Harmless impact) - funding source?
F	4,200,000	#7(b)	Revised area differential cost (DOE) - funding source?
P	22,146,700	#8	Teachers Retirement System employer match removed from Foundation or leave as is in CSHB126
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P	0	#10	State Correspondence Study Summer School - allow students to be part time (similar to HB77)
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P	0	#15	Language on vocational education
F	2,000,000	#16	Gifted and Talented - increase funding - funding source?
F	2,000,000	#17	Grants to small single site school districts with enrollment between 100-500 (Rep. Herrmann) funding source?
P / Amended	2,100,000	#18	Phase in on Local Contribution with State Subsidy (include impact of using PL81-874) funding source?
-	?	#19	Rep. Hoffman - use of PL874 as Local Effort

P = passed
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(1) FOOTNOTE:

CSHB126 (HESS) - What the Cost Factors are without Amendments.
 426,826,928 - Basic State Aid (with original area differential and February enrollment projection)
 3,333,528 - Hold Harmless
2,225,340 - State Correspondence Study
 432,385,796 - Total as proposed in CSHB126 (HESS)

4/10/87 (revised)

AMENDMENT

CSHB 126 (Fin.)

page 2, line 19
(2) [35] 36.4

NOTE:

- (1) This amendment will keep the local contribution at the level in the three districts that meet their requirement by contributing 35 percent instead of 4 mills.

**STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE**

Revision Date: April 15, 198

REQUEST

Bill/Resolution No.: CSHB 126 (Fin)
 Title: An Act Relating to the Public School Foundation Program

Sponsor: House Finance
 Requestor: HR126 Finance Subcommittee
 Date of Request: _____

FISCAL DETAIL

Agency Affected: Education
 BRU: K-12 Support

Components: Foundation

EXPENDITURES/REVENUES : (Thousands of Dollars)

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS		1,000,000				
MISCELLANEOUS						
TOTAL OPERATING						

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

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

FUNDING : (Thousands of Dollars)

GENERAL FUND		1,000,000				
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS :

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : Attach a separate page if necessary

Hold Harmless
 @90% with I.U. @ \$57,700 4,346,793
 @90% with I.U. @ 60,000 3,333,528
 <1,013,265>

NOTE:
 Additional cost associated with removing TRS match from foundation. This represents cost if the local contribution requirement is amended to 36.4%.

Prepared by: *Ronald J. ...* Phone: 463 3727
 Division: _____ Date: 4/14/87

Approved by Commissioner: _____ Date: _____
 Agency: _____

Distribution (by Agency preparing fiscal note):

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

DEPARTMENT OF EDUCATION
GOVERNOR'S PUBLIC SCHOOL FOUNDATION FUNDING PROPOSAL
58119/HB126 REVISED APRIL 14, 1987

Handwritten: 21 = 57700
N.H. @ 90%

SCHOOL DISTRICT	FY87 ADM FINAL	FY88 PROJECTED ADM	FY87 TOTAL REV. HARMLESS	FY88 BASIC NEED/FY 87 TOTAL REV.	FY87 90% BASIC COMPARISON	SUM FY87 HOLD HARMLESS	FY87 STATE 1 INCLUDES BOR SFACCOUNT	FY88 STATE/ FY87 STATE	FY87 90% STATE COMPARISON	STATE FY87 HOLD HARMLESS	FY88 HOLD HARMLESS
ADAK	601.7	600	83,787,818	101.5	83,399,405	(8435,914)	81,995,186	102.7	81,790,594	(252,093)	10
ALASKA GATEWAY	510.6	523	84,254,162	107.0	83,921,727	(8742,164)	83,627,611	108.7	83,344,137	(8693,203)	10
ALEUTIAN REGION	90.5	90	81,533,676	100.6	81,374,472	(8159,194)	81,261,025	100.4	81,110,751	(8128,264)	10
ANCHORAGE	39752.1	38874	8179,071,815	101.4	8157,608,604	(820,045,618)	8116,576,863	101.0	8102,601,575	(812,553,693)	10
ANNETTE ISLAND	421.1	432	82,815,876	81.9	82,599,887	8233,610	81,409,040	66.4	81,300,962	8311,521	8233,610
BERING STRAIT	1223.8	1251	814,497,905	95.7	813,338,120	(8843,963)	810,298,596	94.8	819,474,742	(8508,032)	90
BRISTOL BAY	233	231	82,212,932	92.3	81,974,543	(849,573)	81,851,146	74.0	811,651,730	8293,033	10
CHATYAH	351.6	310	82,883,168	103.9	82,287,838	(8352,516)	82,100,196	100.3	81,666,538	(8190,843)	10
CHUGACH	130	132	81,424,957	106.4	81,302,191	(8237,822)	81,261,025	107.6	81,134,106	(8221,975)	10
COPPER RIVER	560.7	561	83,926,442	116.5	83,535,689	(81,042,806)	83,528,329	118.4	83,177,195	(81,003,187)	10
CORDOVA	432.2	431	82,548,477	99.8	82,287,261	(8248,654)	82,036,945	99.7	81,828,161	(8196,222)	10
CRAIG	231	219	81,515,733	94.1	81,293,294	(8159,194)	81,454,025	84.9	81,240,643	870,347	10
DELTA GREELY	1018.7	1027	85,126,212	109.5	84,651,181	(81,007,458)	84,083,926	112.1	83,705,480	(81910,872)	10
DILLINGHAM	461.5	469	83,944,771	78.4	83,607,991	8466,803	83,395,120	68.3	83,105,266	8748,792	8466,803
FAIRBANKS	13116.8	13158	862,081,027	101.0	856,048,422	(86,857,849)	843,161,244	101.6	838,949,076	(85,017,412)	10
GALENA	166.5	172	81,935,035	73.6	81,799,060	8328,287	81,611,591	65.0	81,312,398	8366,069	8328,287
HAINES	351.7	360	82,375,613	94.5	82,188,509	(8108,528)	81,938,963	93.7	81,786,249	(876,138)	10
HOONAH	234.3	235	81,730,262	88.9	81,561,888	819,567	81,444,679	85.2	81,304,096	869,533	819,567
HYDABURG	107	108	8330,740	116.6	8754,654	(8206,051)	8828,540	108.5	8752,655	(8154,379)	10
IDITAROD	383.8	392	85,386,074	84.8	84,951,034	8284,258	84,536,423	82.4	84,170,010	8352,886	8284,258
JUNEAU	4599.4	4244	821,444,712	100.9	817,808,893	(82,147,806)	814,661,846	97.4	812,176,020	(8997,813)	10
KAKE	196	178	81,537,036	91.9	81,256,292	(826,956)	81,278,887	88.3	81,045,294	820,195	10
KASHOUMIUT	172	189	81,835,395	90.7	81,815,120	(815,126)	81,336,488	90.7	81,321,725	(819,613)	10
KENAI	8143.6	8414	845,280,206	91.9	842,105,320	(8905,991)	829,475,621	91.2	827,408,896	(8365,238)	10
KETCHIKAN	2435.4	2450	811,126,948	102.1	810,074,288	(81,356,082)	87,503,207	103.4	86,793,369	(81,013,260)	10
KING COVE	132.7	133	81,315,893	101.7	81,186,981	(8154,544)	81,164,887	94.7	81,050,769	(855,184)	10
KLAMOCK	162	168	81,343,439	88.1	81,253,876	826,597	81,109,877	86.3	81,035,885	842,168	826,597
KODIAK	2221.6	2319	813,534,997	100.6	812,715,562	(81,503,449)	811,194,652	101.5	810,516,906	(81,345,566)	10
KUSLUK	350.85	371	85,184,290	81.7	84,933,831	8452,272	83,971,279	77.8	83,779,422	8510,874	8452,272
LAKE & PENINSULA	354.4	369	85,610,983	88.8	85,070,506	870,224	84,374,135	87.0	84,098,900	8335,466	870,224
LOMER KUSKOKWIM	2564.39	2682	827,181,406	105.1	825,585,218	(84,288,957)	821,248,253	107.7	820,000,481	(83,940,542)	10
LOMER YUKON	1314.1	1343	812,240,228	105.6	811,258,476	(81,946,746)	87,606,527	110.3	86,996,430	(81,575,090)	10
MAT-SU	8680.9	8940	838,186,588	105.1	835,393,713	(85,920,641)	827,300,538	108.2	825,303,843	(85,124,461)	10
MEMANA	123	208	81,168,235	84.3	81,777,997	8112,198	81,113,668	84.3	81,694,949	8108,114	8108,114
NOPE	781.8	759	85,479,829	93.4	84,788,016	(8181,108)	85,097,450	86.5	84,453,912	8174,052	10
NORTH SLOPE	1151.3	1231	813,210,130	79.2	812,712,154	81,524,124	88,296,919	70.7	87,984,154	81,709,335	81,524,124
NORTHWEST ARCTIC	1530	1637	816,239,358	103.8	813,534,739	(82,080,612)	811,008,844	100.2	810,464,084	(81,190,572)	10
PELICAN	54.4	54	8562,367	111.2	8502,409	(8118,443)	8538,261	105.0	8480,855	(880,047)	10
PETERSBURG	601	597	83,096,954	101.2	82,768,708	(8345,361)	82,547,377	101.3	82,277,381	(8287,111)	10
PRIBILOF	155.6	152	81,444,739	122.0	81,270,182	(8451,009)	8441,968	136.0	8740,256	(8378,183)	10
RAILBELT	365.8	344	83,390,864	92.3	82,886,591	(875,150)	83,274,396	91.9	82,787,444	(857,830)	10
SAND POINT	118.3	135	8957,425	117.6	8983,323	(8301,079)	8451,916	101.4	8474,960	(8110,878)	10
SITKA	1610	1637	87,478,524	101.7	86,843,546	(8887,100)	85,629,812	102.8	85,151,802	(8730,132)	10
SKAGWAY	137	136	8498,163	149.2	8623,760	(8410,224)	8627,163	128.1	8560,327	(8237,512)	10
SOUTHEAST ISLAND	619.4	635	84,435,135	96.1	84,140,094	(8278,572)	83,670,378	96.0	83,426,212	(8227,698)	10
SOUTHWEST REGION	472.1	491	85,751,835	99.5	85,383,893	(8566,708)	84,009,665	100.9	83,752,981	(8455,250)	10
ST. MARY'S	101.2	125	81,451,953	73.0	81,614,078	8305,442	81,371,535	72.5	81,324,680	8296,463	8296,463
TANANA	81	86	81,241,893	80.6	81,186,698	8123,864	81,008,079	77.5	8963,275	8134,255	8123,864
UNALASKA	159	170	81,387,667	100.9	81,335,302	(8161,436)	81,111,194	80.9	81,069,263	8109,255	10
VALDEZ	695	697	84,441,194	84.8	84,008,577	8229,804	83,109,492	78.5	82,806,597	8359,526	8229,804
WRANGELL	494	497	82,543,130	104.7	82,302,717	(8375,140)	82,106,411	105.8	81,907,283	(8333,855)	10
YAKUTAT	157	147	81,246,559	96.2	81,050,444	(871,821)	81,134,896	93.5	8956,348	(836,983)	10
YUKON FLATS	372	390	85,303,295	95.8	85,003,915	(8320,064)	84,599,429	95.8	84,339,783	(8280,329)	10
YUKON-KOYUKUK	612.6	556	87,269,553	97.4	85,938,107	(8487,942)	85,785,085	94.1	84,725,525	(8216,057)	10
YUPIIT	294.6	281	84,433,987	85.7	83,806,364	8162,806	83,390,861	79.8	82,910,892	8330,458	8162,806

TOTALS	102,212.0	102,162	8580,739,805		8525,401,444		8411,491,267		8372,787,265		84,346,793
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DEPARTMENT OF EDUCATION
GOVERNOR'S PUBLIC SCHOOL FOUNDATION FUNDING PROPOSAL
SB119/MB126 MARCH 26, 1987

*D. N. = \$60,000
N. N. @ 90%*

SCHOOL DISTRICT	FY87 ADM FINAL	FY88 PROJECTED ADM	FY87 TOTAL FOR HOLD HARMLESS	FY88 BASIC NEED/FY 87 TOTAL REV.	FY87 90% BASIC COMPARISON	SUM FY87 HOLD HARMLESS	FY87 STATE 1 INCLUDES SR ACCOUNT	FY88 STATE/ FY87 STATE	FY87 90% STATE COMPARISON	STATE FY87 HOLD HARMLESS	FY88 HOLD HARMLESS
ADAK	501.7	600	43,787,818	105.6	13,399,405	1588,7951	11,995,156	110.6	11,790,594	1404,9761	
ALASKA GATEWAY	510.6	523	34,254,162	111.3	13,921,727	1928,0731	13,627,611	113.7	13,344,137	1489,1121	
ALUTTIAN REGION	90.5	90	11,535,676	104.6	11,374,472	1220,3281	11,241,025	105.3	11,110,751	1189,3981	
ANCHORAGE	39752.1	38174	1181,562,951	104.0	1159,797,101	1824,934,4991	1116,576,863	105.0	1102,601,575	117,143,9371	
ANNETTE ISLAND	421.1	432	12,815,876	45.2	12,599,887	1139,287	11,409,040	72.9	11,300,962	1217,198	1139.21
BERING STRAIT	1223.8	1251	114,497,905	99.5	113,338,120	11,409,2801	110,298,596	100.2	109,676,742	11,073,3491	
BRISTOL BAY	233	231	12,212,932	95.9	11,974,543	1130,2571	11,331,146	79.4	11,651,730	1212,348	
CHATHAM	351.6	310	12,883,168	108.0	12,287,838	1457,7621	12,100,196	106.0	11,966,538	1296,0901	
CHUGACH	130	132	11,424,957	110.7	11,302,191	1299,2091	11,241,025	112.5	11,134,106	1283,3621	
COPPER RIVER	560.7	561	13,926,442	121.2	13,535,689	11,225,3111	13,528,329	123.6	13,177,195	11,185,6921	
CORDOVA	432.2	431	12,551,675	103.6	12,290,131	1346,8491	12,036,945	104.5	11,928,161	1294,1291	
CRAIG	231	219	11,515,733	97.9	11,293,294	1113,1061	11,454,025	58.8	11,240,643	116,435	
DELTA GREELY	1018.7	1027	15,125,212	113.9	14,651,181	11,233,0191	14,083,926	117.6	13,705,480	11,136,4341	
DILLINGHAM	461.5	469	13,944,771	81.5	13,607,991	1341,591	13,395,120	71.9	13,105,266	1623,580	1341.59
FAIRBANKS	13116.8	13158	142,081,091	105.0	136,048,479	189,349,3211	143,161,244	107.4	138,949,076	17,524,8771	
GALENA	166.5	172	11,935,035	76.5	11,799,060	1269,640	11,411,591	69.0	11,312,396	1306,442	1269.66
HAINES	351.7	360	12,375,613	98.2	12,188,509	1220,0911	11,938,963	78.3	11,786,249	1165,7011	
HOONAH	234.3	-235	11,730,262	92.4	11,561,848	141,9121	11,444,679	89.4	11,304,096	18,054	
HYDABURG	107	108	1430,740	119.1	1754,654	1244,3461	1428,540	113.0	1752,655	1192,6741	
IOITAROD	343.8	392	15,346,074	88.2	14,951,034	198,234	14,536,423	86.4	14,170,010	1166,861	198.23
JUNEAU	4599.4	4244	121,444,712	104.9	117,808,893	12,943,3071	116,661,846	103.3	112,176,020	11,793,3141	
KAKE	196	178	11,595,345	92.1	11,303,950	130,4501	11,278,887	87.6	11,045,294	127,352	
KASHUNARUT	172	189	11,833,395	94.6	11,815,120	148,0801	11,336,488	95.6	11,321,725	142,568	
KENAI	1143.6	1414	145,287,112	95.6	142,111,742	12,414,0581	129,475,621	74.9	127,629,896	11,505,4131	
KETCHIKAN	2435.4	2450	111,127,549	106.2	110,074,850	11,811,1501	17,503,207	109.5	16,793,249	11,468,2691	
KING COVE	132.7	133	11,315,893	105.8	11,186,981	1208,0191	11,164,887	99.3	11,050,769	1108,4591	
KLADOK	162	168	11,343,439	91.6	11,253,876	122,3241	11,109,877	70.6	11,035,865	146,7531	
KOOTAK	2221.6	2319	113,534,997	104.7	112,715,562	12,070,2381	111,194,652	106.4	110,516,906	11,912,3531	
KUSPUK	350.85	371	15,184,290	85.0	14,933,831	1273,631	13,971,279	32.1	13,779,422	1332,233	1273.63
LAKE & PENINSULA	354.4	369	15,410,983	92.3	15,070,506	1129,0941	14,374,135	91.6	14,098,900	1163,4521	
LOWER KUSKOKWIM	2564.39	2682	127,181,406	109.3	125,585,218	15,479,7821	121,248,233	113.1	120,000,481	15,131,3661	
LOWER YUKON	1314.1	1343	112,240,228	109.8	111,258,476	12,473,1241	17,606,527	117.0	16,996,430	12,101,4691	
MAT-SU	8680.9	8940	138,191,246	109.2	135,398,031	17,565,1691	127,300,538	114.1	125,303,243	16,765,6491	
NEENAH	123	208	11,164,235	87.7	11,777,997	145,797	11,113,668	97.8	11,694,949	141,713	141.71
NOPE	781.8	759	15,479,829	97.1	14,788,016	1379,1841	15,097,450	70.5	14,453,912	124,0241	
NORTH SLOPE	1151.3	1231	113,405,981	81.2	112,900,622	11,266,622	10,296,919	73.6	17,984,154	11,459,216	11,266.62
NORTHWEST ARCTIC	1550	1637	114,239,358	108.0	113,534,739	12,703,0611	111,008,844	105.6	110,664,084	11,813,0211	
PELICAN	54.4	54	1562,347	115.7	1502,409	1143,1911	1538,261	109.6	1480,855	1104,7951	
PETERSBURG	601	597	13,096,954	105.3	12,768,708	1449,4921	12,547,377	106.3	12,277,381	1411,2421	
PRIBILOF	155.6	152	11,444,739	126.8	11,270,182	11519,6181	1441,988	114.3	1740,256	1444,7931	
RAILBELT	345.8	346	13,390,864	96.0	12,886,591	1193,2091	13,274,396	95.7	12,787,444	1175,5881	
SAND POINT	118.3	135	1997,425	122.2	1983,323	1352,2771	1451,916	104.7	1474,960	1162,0761	
SITKA	1610	1637	17,500,694	105.6	16,863,834	11,174,9641	15,629,812	107.8	15,151,802	11,016,1161	
SKAGWAY	137	136	1498,163	155.1	1423,760	1451,4401	1427,163	134.8	1560,327	1278,7271	
SOUTHEAST ISLAND	419.4	435	14,435,133	99.9	14,140,094	1454,7061	13,670,378	100.6	13,426,212	1403,8311	
SOUTHWEST REGION	672.1	691	15,751,833	103.4	15,383,893	1483,9071	14,009,445	106.6	13,752,981	1469,4491	
ST. MARY'S	101.2	125	11,645,092	87.0	11,828,783	1447,983	11,371,535	64.2	11,526,680	1437,437	1437.43
TANANA	81	86	11,241,893	83.8	11,186,696	141,498	11,008,079	81.4	1063,275	191,489	181.49
UNALASKA	159	170	11,387,667	104.9	11,335,302	1221,0981	11,111,194	85.8	11,049,263	149,594	
VALDEZ	695	697	14,494,277	87.2	14,056,489	1127,089	13,109,692	81.6	12,806,597	1261,982	1127.08
WRANGELL	494	497	12,543,130	108.8	12,302,717	1441,8831	12,106,611	110.8	11,907,283	1440,5981	
YAKUTAT	157	147	11,244,559	100.0	11,050,444	1116,5561	11,134,896	97.7	1056,348	1181,7191	
YUKON FLATS	372	390	15,303,295	99.6	15,003,915	1532,2851	14,599,429	100.2	14,339,783	1492,5511	
YUKON-KOTLIK	612.6	556	17,269,553	101.3	15,938,107	1741,0931	15,785,085	99.0	14,725,525	1472,7071	
YUPIIT	294.6	281	14,433,987	83.9	13,804,366	1256,766	13,390,861	77.5	12,910,892	1404,418	1256.76
TOTALS	102,212.0	102,142	1583,768,740		1528,127,222		1411,491,247		1372,787,265		13,333.52

STATE OF ALASKA 1987 LEGISLATIVE SESSION FISCAL NOTE

Revision Date: April 15, 1987

REQUEST

Bill/Resolution No.: CSHB 126 (Fin)
 Title: An Act Relating to the Public School Foundation Program
 Sponsor: House Finance
 Requestor: HR126 Finance Subcommittee
 Date of Request: _____

FISCAL DETAIL

Agency Affected: Education
 BRU: K-12 Support
 Components: Foundation

EXPENDITURES/REVENUES : (Thousands of Dollars)

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS		4,500,000				
MISCELLANEOUS						
TOTAL OPERATING						

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

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

FUNDING : (Thousands of Dollars)

GENERAL FUND		4,500,000				
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS :

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : Attach a separate page if necessary

Additional funds required with I.U. @ \$57,700; Hold Harmless @ 90% and required local effort @ 35%.

*Hold Harmless - difference between I.U. @ \$60,000 and \$57,700	\$1,013,265
*Additional State Aid to districts contributing 35% instead of 4 mills	3,500,000
	4,513,265

Prepared by: *Ronald J. Finn*
 Division: _____

Approved by Commissioner: _____
 Agency: _____

Distribution (by Agency preparing fiscal note):

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

DEPARTMENT OF EDUCATION
GOVERNOR'S PUBLIC SCHOOL FOUNDATION FUNDING PROPOSAL
SB119/MB126
APRIL 13, 1987

SCHOOL DISTRICT	A	B	C	D	E	F	G	H
	FY87 BUDGETED LOCAL REVENUES	ONE HUNDRED PERCENT ASSESSED VALUE	COLUMN B AT 2 HILLS	AMOUNT REQUIRED TO REACH 4 HILLS	AMOUNT REQUIRED TO REACH 2 HILLS	COLUMN D MINUS COLUMN E	10% OF ELIGIBLE PL874	COLUMN G MINUS COLUMN F
ADAK	1229,600		10	10	10	10	10	10
ALASKA GATEWAY	10		10	10	10	10	10	10
ALEUTIANS REGION	116,500		10	10	10	10	10	10
ANCHORAGE	171,812,316	119,343,356,800	138,636,716	10	10	10	10	10
ANNETTE ISLAND	175,321		10	10	10	10	10	10
BERING STRAIT	1180,000		10	10	10	10	10	10
BOSTON BAY	1102,532	1101,541,000	1203,082	1303,152	1100,550	1203,082	128,206	1174,276
CHATHAM	130,000		10	10	10	10	10	10
CHUGACH	115,000		10	10	10	10	10	10
COPPER RIVER	119,090		10	10	10	10	10	10
CORDOVA	1321,642	1123,782,300	1247,965	10	10	10	10	10
CRAIG	128,735	117,304,700	1374,609	1120,434	115,274	174,610	15,564	170,946
DELTA GREELY	1103,454		10	10	10	10	10	10
DILLINGHAM	1195,000	1107,515,700	1215,031	1235,063	120,331	1215,032	129,406	1175,626
FALCONERS	126,049,962	14,726,918,900	19,453,828	10	10	10	10	10
GALENA	128,224	120,106,700	113,214	10	10	10	10	10
HAINES	1401,474	197,621,600	1195,213	10	10	10	10	10
HODANAH	194,775	129,237,500	156,475	122,175	10	122,175	121,201	174
HYDABURG	12,200	113,417,500	126,836	151,471	124,536	125,835	10	126,835
IDITAROD	1155,000		10	10	10	10	10	10
JUNEAU	19,255,132	11,688,992,300	13,377,965	10	10	10	10	10
KAKE	145,703	112,188,400	124,377	10	10	10	10	10
KASHMARIUT	10		10	10	10	10	10	10
KENAI	118,258,125	13,905,341,700	17,210,683	10	10	10	10	10
KETCHIKAN	15,472,063	1904,324,100	11,208,768	10	10	10	10	10
KING COVE	113,000	124,391,400	148,763	124,596	135,783	148,763	115,254	133,449
KLAGWICK	129,428	15,841,100	111,682	10	10	10	10	10
KODIAK	12,193,536	1552,447,400	11,104,895	116,194	10	116,194	116,205	10
KUSKOKUM	1163,496		10	10	10	10	10	10
LAKE & PENINSULA	1140,000		10	10	10	10	10	10
LOWER KUSKOKUMIN	1395,598		10	10	10	10	10	10
LOWER YUKON	1600,000		10	10	10	10	10	10
MAT-SU	119,147,502	12,716,755,900	15,433,512	10	10	10	10	10
MEMPHIS	148,001	118,099,500	136,179	124,397	10	124,397	1720	123,667
MOOSE	1299,655	1151,635,000	1303,270	1306,865	13,515	1303,270	19,192	1294,078
NORTH SLOPE	113,962,700	113,570,786,300	127,141,573	10	10	10	10	10
NORTHEAST ARCTIC	1210,000	1235,045,250	1470,391	1750,181	1260,091	1470,040	1335,613	1134,477
PELICAN	124,126	114,987,400	129,975	135,324	15,849	129,975	10	129,975
PETERSBURG	1490,323	1135,355,400	1270,711	10	10	10	10	10
PRIBILOF	120,000		10	10	10	10	10	10
RAZLIDLET	150,000		10	10	10	10	10	10
SAND POINT	1105,509	174,641,100	1149,282	1193,055	143,773	1149,282	10	1149,282
SITKA	13,064,801	1441,175,000	1482,350	10	10	10	10	10
SKAGWAY	171,000	159,036,600	1118,073	1165,146	147,073	1118,073	10	1118,073
SOUTHEAST ISLAND	1100,000		10	10	10	10	10	10
SOUTHWEST REGION	1250,000		10	10	10	10	10	10
ST. MARY'S	1100,000	14,451,200	18,902	10	10	10	10	10
TAPSIN	152,350	111,755,200	123,510	10	10	10	10	10
UNALASKA	1122,000	195,564,500	1191,129	1260,258	149,129	1191,129	117,164	1173,965
VALDEZ	14,468,037	11,693,326,700	13,386,653	10	10	10	10	10
WASSELL	1569,192	1108,670,500	1217,341	10	10	10	10	10
YAKUTAT	155,277	118,136,700	136,273	117,270	10	117,270	16,265	111,005
YUKON FLATS	130,000		10	10	10	10	10	10
YUKON-KOYUKUK	1105,000		10	10	10	10	10	10
YUPIIT	152,466		10	10	10	10	10	10

TOTALS 1180,634,903 151,044,006,850 1102,088,016 12,566,601 1656,604 11,910,197 1492,610 11,416,628

NOTE: ANCHORAGE, NORTH SLOPE AND VALDEZ HAVE BEEN EXCLUDED FROM THESE CALCULATIONS BECAUSE THEY MEET THE 35% REQUIREMENT OF BASIC NEED.

A M E N D M E N T

Offered in the FINANCE COMMITTEE

By Pourchot

TO: CSHB 126(Finance)

Page 1, line 7, following "program":

Insert "and community school programs"

Page 15, following line 5:

Insert a new bill section to read:

"* Sec. 22. AS 14.36.030(a) is amended to read:

(a) A district operating a community school program under an approved plan of operation may receive an annual grant from the state of one-half of one percent of its public school foundation support. If appropriations in a fiscal year are insufficient to fund the grants authorized under this subsection, the department shall award the grants to eligible districts on a pro rata basis [OR \$10,000, WHICH- EVER IS GREATER]."

Renumber remaining bill sections accordingly.

Page 17, line 8:

Delete "22"

Insert "23"

Page 17, line 10:

Delete "5 - 21, and 23"

Insert "5 - 22, and 24"

STEVE COWPER, GOVERNOR

DEPARTMENT OF EDUCATION

OFFICE OF THE COMMISSIONER

April 22, 1987

GOLDBELT PLACE
801 WEST 10th STREET
POUCH F
JUNEAU, ALASKA 99811

The Honorable Pat Pourchot
Alaska State Legislature
PO Box V, Mail Stop 3100
Juneau, Alaska 99811

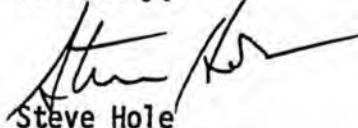
Dear Representative Pourchot:

At your request, the Department has reviewed the statutes regarding distribution of funds for the Community Schools program. As specified under AS 14.36.030, a district operating an approved program may receive a grant of one-half of one percent of its foundation support or \$10,000, whichever is greater. Under that statutory language, each eligible district would receive \$10,000 as the initial allocation determination. Any amount remaining after that allocation would be distributed on a prorata basis to those districts whose entitlements exceed the \$10,000 minimum.

In FY 87, 51 school districts received community schools grants. To meet the minimum basic grant requirement of \$10,000, a total of \$510,000 would be necessary. For FY 88, any funds appropriated in excess of this sum would be allocated on a prorata basis, as a percentage of entitlement of each district's foundation support.

If the legislature wishes to allocate funds in a manner different from that specified in existing statutes, repeal or revision of these statutes is necessary. If AS 14.36.030(a) and (b) were repealed, and funds were appropriated for the community schools program, sufficient intent language would be necessary to direct the Department in the distribution approach desired by the Legislature.

Sincerely,



Steve Hole
Deputy Commissioner

Attachment



Official Business

Alaska State Legislature

HOUSE OF REPRESENTATIVES

Committee on Finance

P.O. Box V
State Capitol
Juneau, Alaska 99811

HOUSE FINANCE COMMITTEE
LETTER OF INTENT
FOR
CS HB 126 (FINANCE)

The Legislature recognizes the additional financial burden placed on school districts by the requirement that the full cost of the employer's share of the Teacher's Retirement System (TRS) Match be born by the individual school districts. It is the intent of the Legislature that the Department of Education evaluate the impact of this change on all school districts and report back to the Legislature by the 10th day of the First Session of the Sixteenth Alaska State Legislature any statutory changes deemed appropriate.

Rep. Al Adams, Chairman
House Finance Committee

A M E N D M E N T

Offered in the FINANCE COMMITTEE

TO: CSHB 126(Fin)

Page 1, line 7, following "program":

Insert "and employer contributions to the Teachers' Retirement System"

Page 15, following line 5:

Insert a new bill section to read:

"* Sec. 22. AS 14.25.070 is amended to read:

Sec. 14.25.070. CONTRIBUTIONS BY EMPLOYER. An employer shall contribute to the retirement fund an amount equal to [ONE-HALF] the percentage, as certified by the administrator, of the sum total of the base salaries of all teachers that is required in addition to teacher contributions to provide the benefits of this chapter times the sum total of the base salaries paid to teachers by the employer."

Renumber remaining bill sections accordingly.

Page 17, line 6:

Delete "and"

Page 17, line 7, following "14.17.250(12)":

Insert "; and AS 14.25.080"