

LEGISLATIVE FINANCE-HOUSE/SENATE FINANCE COMM. FILES 8879

SB 100 cont. ; SB 102 609 200

1 under AS 14.11 to a school district that is not in compliance with (a)
2 of this section. The department shall reduce the amount of state
3 foundation aid under AS 14.17.021 for which a school district may
4 qualify, by the amount, if any, paid by the department under (b) of
5 this section.

6 * Sec. 2. AS 14.07.020(a)(13) is amended to read:

7 (13) administer the grants awarded under AS 14.11 [AS 14.-
8 11.020];

9 * Sec. 3. AS 14.07.170 is amended by adding a new subsection to read:

10 (b) The board shall review grant applications recommended under
11 AS 14.11.013 and may approve grant applications under AS 14.11.015.

12 * Sec. 4. AS 14.08.101(7) is amended to read:

13 (7) recommend to the department projects for construction,
14 rehabilitation, and improvement of schools and education-related
15 facilities as specified in AS 14.11.011(b) [AS 14.11.010(a)], and
16 plan, design, and construct the project when the responsibility for it
17 is assumed under AS 14.11.020;

18 * Sec. 5. AS 14.08.101(7) is repealed and reenacted to read:

19 (7) recommend to the department projects for construction,
20 rehabilitation, and improvement of schools and education-related
21 facilities as specified in AS 14.11.009(a), and plan, design, and
22 construct the project when the responsibility for it is assumed under
23 AS 14.11.020;

24 * Sec. 6. AS 14.11 is amended by adding a new section to read:

25 Sec. 14.11.005. SCHOOL CONSTRUCTION GRANT ACCOUNT. There is
26 created a school construction grant fund as an account in the general
27 fund. The fund shall be used to make grants to districts in the state
28 public school system for the costs of school construction. Legisla-
29 tive appropriations for school construction shall be deposited in the

1 fund, and the proceeds from the sale of general obligation bonds for
2 school construction may be deposited in the fund.

3 * Sec. 7. AS 14.11 is amended by adding a new section to read:

4 Sec. 14.11.009. RECOMMENDATIONS AND EVALUATIONS OF PROJECTS.

5 (a) The assembly or council of a municipality that is a school dis-
6 trict or a regional school board may submit a request to the depart-
7 ment for a school or education-related facility construction, rehabil-
8 itation, or improvement project together with a report evaluating the
9 condition of school or education-related facilities in the munici-
10 pality or regional educational attendance area and a determination of
11 the need for the project.

12 (b) With regard to projects requested under (a) of this section
13 the department shall

14 (1) rank each project in the order of priority that serves
15 the best interests of the state;

16 (2) prepare an estimate of the amount of money needed to
17 finance each project approved by the department and recommend to the
18 governor appropriations for projects to be included in the budget
19 submitted to the legislature;

20 (3) provide to the governor a copy of the report of the
21 assembly, council, or regional school board that requested each proj-
22 ect approved by the department;

23 (4) provide to the legislature within the first 10 days of
24 each regular session a summary of the projects requested by each
25 assembly, council, or regional school board.

26 (c) In establishing priorities among requested projects the
27 department shall evaluate at least the following factors:

28 (1) priorities assigned by the assembly, council, or school
29 board to the projects requested;

- 1 (2) emergency requirements;
- 2 (3) the number of students without classroom space;
- 3 (4) new local elementary or secondary programs;
- 4 (5) existing regional, community, and school facilities and
- 5 the condition of the facilities; and
- 6 (6) the economic and social stability of the municipality
- 7 or region.

8 (d) This section does not affect a municipality's eligibility
9 for reimbursement under AS 14.11.100.

10 * Sec. 8. AS 14.11 is amended by adding new sections to read:

11 Sec. 14.11.011. GRANT APPLICATIONS. (a) A district may submit
12 a grant request to the department for a school construction grant.

13 (b) To be eligible for a school construction grant the district
14 shall submit

15 (1) a six-year capital improvement plan that includes a
16 description of the district's fixed asset inventory system and preven-
17 tive maintenance program no later than September 1 of the fiscal year
18 before the fiscal year for which the request is made; the six-year
19 plan must contain for each proposed project a detailed scope of work,
20 a project budget, and documentation of conditions justifying the
21 project; and

22 (2) evidence that the district has secured and will main-
23 tain adequate property loss insurance for the replacement cost of all
24 facilities for which state funds are available under AS 14.11.005 or a
25 program of insurance acceptable to the department.

26 Sec. 14.11.013. DEPARTMENT REVIEW OF GRANT APPLICATIONS. (a)
27 With regard to projects for which grants are requested under AS 14.-
28 11.011, the department shall

29 (1) annually review the six-year plans submitted by each

1 district under AS 14.11.011(b) and recommend to the board a revised
2 and updated six-year construction grant schedule that serves the best
3 interests of the state and each district; in recommending projects for
4 this schedule, the department shall verify that each proposed project
5 qualifies as a project required to

6 (A) avert imminent danger or correct life-threatening
7 situations;

8 (B) house students who would otherwise be unhoused;

9 (C) protect the structure of existing school facil-
10 ities;

11 (D) correct building code deficiencies that require
12 major repair or rehabilitation in order for the facility to
13 continue to be used for the educational program;

14 (E) achieve an operating cost savings;

15 (F) modify or rehabilitate facilities for the purpose
16 of improving the instructional program;

17 (G) meet an educational need not specified in (A) -
18 (F) of this paragraph, identified by the department;

19 (2) prepare an estimate of the amount of money needed to
20 finance each project;

21 (3) provide to the governor, by November 1, and to the
22 legislature within the first 10 days of each regular legislative
23 session, a revised and updated six-year construction grant schedule
24 together with a proposed schedule of appropriations.

25 (b) In preparing the construction grant schedule, the department
26 shall establish priorities among projects for which grants are re-
27 quested and shall award school construction grants in the order of
28 priority established. In establishing priorities the department shall
29 evaluate at least the following factors:

- 1 (1) emergency requirements;
- 2 (2) priorities assigned by the district to the projects
- 3 requested;
- 4 (3) the number of students without classroom space;
- 5 (4) new local elementary and secondary programs;
- 6 (5) existing regional, community, and school facilities,
- 7 and their condition; and
- 8 (6) alternate education program options for accomplishing
- 9 the project's objectives.

10 (c) The department may reject project requests and omit them

11 from the six-year schedule due to

- 12 (1) incomplete information or documentation provided by the
- 13 district;
- 14 (2) a determination by the department that existing facili-
- 15 ties can adequately serve the program requirements, or that alterna-
- 16 tive projects are in the best interests of the state;
- 17 (3) a determination that the project is not in the best
- 18 interest of the state.

19 (d) The department shall reduce a project budget by the cost of

20 those portions of a project design that the department determines are

21 for construction of student residential space, planetariums, hockey

22 rinks, saunas, and other facilities for single purpose sporting or

23 recreational uses that are not suitable for other activities. This

24 subsection does not apply to funding for swimming pools that meet

25 criteria established by the department.

26 (e) By November 15, the department shall provide public notice

27 of the grant applications submitted under (a) of this section and the

28 priorities established under (b) of this section. After public notice

29 has been given, the department shall hold a public hearing on the

1 priorities established under (b) of this section. In this subsection,
2 "public notice" means notice published in a newspaper of general
3 circulation and notice to every person who has requested notice about
4 the grant application program from the department.

5 Sec. 14.11.015. APPROVAL OF GRANT APPLICATIONS. (a) The board
6 shall review grant applications that have been recommended by the
7 department under AS 14.11.013, and may approve a grant application if
8 the board determines that the project meets the criteria specified in
9 AS 14.11.013(a)(1). The department may not award a school construc-
10 tion grant unless the grant application is approved by the board.

11 (b) The department shall award grants approved under (a) of this
12 section in the order of the projects' priority on the date the appro-
13 priation bill funding the school construction grant fund is passed by
14 the legislature, regardless of any appeal pending under AS 14.11.016.
15 Appeals pending under AS 14.11.016 at the time that grants are awarded
16 may not delay the funding of grants awarded under this section.

17 (c) If a project is assigned a new priority ranking under
18 AS 14.11.016 after the date of passage by the legislature of the
19 appropriation bill for the school construction grant fund, the project
20 must be funded in accordance with the new priority ranking at the next
21 time that school construction grants are awarded.

22 Sec. 14.11.016. ADMINISTRATIVE AND JUDICIAL REVIEW. (a) A
23 district may request reconsideration of a decision of the department
24 assigning a priority to the district's project, establishing the scope
25 of the project, or establishing the budget for the project. The
26 request must be in writing and must include a statement of the spe-
27 cific changes desired, and a summary of the evidence supporting the
28 district's claim that the department has erred in its review of the
29 district's grant application. A request for reconsideration must be

1 received by the department by the day of the public hearing held under
2 AS 14.11.013(e). The department shall review its decision on the
3 basis of the request by the district and determine whether its deci-
4 sion should be changed. The department shall issue its determination
5 in writing within 15 days after the last day of the public hearing
6 held under AS 14.11.013(e).

7 (b) A district may appeal an adverse decision of the department
8 under (a) of this section to the commissioner on the ground that the
9 department has not complied with AS 14.11.013. The notice of appeal
10 must be in writing and must include a statement of evidence supporting
11 the district's claim that the department has not complied with AS 14.-
12 11.013. The notice of appeal must be received by the commissioner
13 within 15 days after the department issues its determination under (a)
14 of this section. The commissioner shall issue a written decision on
15 the appeal within 15 days after receiving the notice of appeal.

16 (c) A district may appeal an adverse decision of the commis-
17 sioner under (b) of this section by filing a written notice of appeal
18 with the board within 30 days after the date of the commissioner's
19 decision. The notice of appeal must state the legal and factual basis
20 for the appeal and the precise relief sought. The failure of the
21 district to include an issue in a notice of appeal constitutes a
22 waiver of the right to have the issue considered under this subsec-
23 tion. If the board finds that the notice of appeal does not raise a
24 reasonable issue of fact or law, it shall issue a written decision.
25 If the board finds that the notice of appeal raises a reasonable issue
26 of fact or law, the board shall appoint a hearing officer who is
27 qualified under AS 44.62.350(c) to conduct a hearing on those issues.
28 The hearing officer shall conduct a hearing on the issues raised in
29 the notice of appeal, make findings of fact and law, and recommend a

1 decision to the board within 60 days after the last day for filing a
2 notice of appeal with the board. The board shall consider the recom-
3 mended decision of the hearing officer at its next regularly scheduled
4 meeting and may adopt all, part, or none of the recommended decision
5 or may remand the issue to the hearing officer for further hearings.
6 The board shall issue its decision in writing.

7 (d) The board shall consolidate appeals under (c) of this sec-
8 tion, if the notices of appeal raise related issues of fact or law.

9 (e) A district may appeal an adverse decision of the board under
10 (c) of this section to the superior court in the manner provided by
11 AS 44.62.560 - 44.62.570.

12 (f) The board shall adopt regulations governing procedures for
13 the reconsideration and appeal of decisions under this section. The
14 regulations adopted under this subsection are not required to conform
15 to AS 44.62.330 - 44.62.630, but shall be consistent with minimum
16 standards of due process.

17 (g) A district may not request reconsideration of or appeal a
18 priority determination on the grounds that a revised priority assigned
19 to another project, due to a reconsideration or appeal under this sec-
20 tion, has resulted in a lower priority being accorded to the dis-
21 trict's project.

22 Sec. 14.11.017. SCHOOL CONSTRUCTION GRANT CONDITIONS. (a) The
23 department shall require in the grant agreement that the district

24 (1) agree to construction of a facility of appropriate size
25 and use that meets criteria adopted by the department;

26 (2) demonstrate by a means acceptable to the department
27 that the proposed project should be a capital construction project and
28 not part of a preventive maintenance program or regular custodial care
29 program;

1 (3) provide reasonable assurance by a means acceptable to
2 the department, that the cost of the project will be uniform with the
3 costs of the most current construction projects in the area;

4 (4) agree to limit equipment purchases to that required for
5 the approved school construction plan and account for all equip ent
6 purchased for the project under a fixed asset inventory system ap-
7 proved by the department;

8 (5) submit project budgets for department approval and
9 agree that the grant amount may, at the discretion of the department,
10 be reduced or increased by amounts equal to the amounts by which
11 contracts vary from the budget amounts approved by the department; and

12 (6) submit to the department for approval, before award of
13 the construction contract, a plan for school construction that in-
14 cludes educational specifications, final construction drawings, and
15 contract documents.

16 (b) The cost of any school construction activity encompassed by
17 the definition of "costs of school construction" under AS 14.11.135 is
18 payable under a grant awarded under AS 14.11.015 without regard to
19 whether the costs were incurred prior to the

20 (1) award of the grant;

21 (2) approval of the grant application by the board; or

22 (3) effective date of an appropriation to the school con-
23 struction grant account for the year in which the grant is funded.

24 Sec. 14.11.019. SCHOOL CONSTRUCTION GRANT APPROPRIATIONS.
25 Within the general appropriation bill submitted to the legislature
26 under AS 37.07.020, the governor shall include an appropriation for
27 school construction grants in the succeeding fiscal year as determined
28 by the six-year construction grant schedule prepared under AS 14.-
29 11.013.

1 * Sec. 9. AS 14.11.100(a)(5) is amended to read:

2 (5) subject to (h), (i), and (j) of this section, 80 per-
3 cent of

4 (A) payments made by the municipality during the
5 fiscal year for the retirement of principal and interest on
6 outstanding bonds, notes or other indebtedness authorized by the
7 qualified voters of the municipality after June 30, 1983, but
8 before July 1, 1989, to pay costs of school construction, addi-
9 tions to schools, and major rehabilitation projects that exceed
10 \$25,000 and are approved under AS 14.07.020(11); and

11 (B) cash payments made after June 30, 1983, by the
12 municipality during the fiscal year two years earlier to pay
13 costs of school construction, additions to schools, and major
14 rehabilitation projects that exceed \$25,000 and are approved by
15 the department before July 1, 1990, under AS 14.07.020(11).

16 * Sec. 10. AS 14.11.100(a)(5) is repealed and reenacted to read:

17 (5) subject to (h), (i), and (j) of this section, 80 per-
18 cent of

19 (A) payments made by the municipality during the
20 fiscal year for the retirement of principal and interest on
21 outstanding bonds, notes, or other indebtedness authorized by the
22 qualified voters of the municipality after June 30, 1993, to pay
23 costs of school construction, additions to schools, and major
24 rehabilitation projects that exceed \$25,000 and are approved
25 under AS 14.07.020(11); and

26 (B) cash payments made after June 30, 1993, by the
27 municipality during the fiscal year two years earlier to pay
28 costs of school construction, additions to schools, and major
29 rehabilitation projects that exceed \$25,000 and are approved

1 under AS 14.07.020(11).

2 * Sec. 11. AS 14.11.100(c) is amended to read:

3 (c) The school construction account is established. Funds to
4 carry out the provisions of this section shall be included within the
5 general appropriation bill submitted to the legislature under AS 37.-
6 07.020 and may be appropriated annually by the legislature to the
7 account. If amounts in the account are insufficient for the purpose
8 of providing the share to which a borough or city is entitled under
9 this section, those funds that are available shall be distributed pro
10 rata among the eligible local governments except that the legislature
11 may direct that additional debt service on refunding bonds that ex-
12 ceeds the total debt service on the refunded bonds be disregarded in
13 whole or in part.

14 * Sec. 12. AS 14.11.100(c) is repealed and reenacted to read:

15 (c) The school construction account is established. Funds to
16 carry out the provisions of this section may be appropriated annually
17 by the legislature to the account. If amounts in the account are
18 insufficient for the purpose of providing the share to which a munic-
19 ipality is entitled under this section, those funds that are available
20 shall be distributed pro rata among the eligible local governments
21 except that the legislature may direct that additional debt service on
22 refunding bonds that exceeds the total debt service on the refunded
23 bonds be disregarded in whole or in part.

24 * Sec. 13. AS 14.11 is amended by adding a new section to read:

25 Sec. 14.11.103. EVALUATION OF PROJECTS. The department shall
26 evaluate projects for which retirement of school construction debt is
27 requested by school districts under the procedures set out in AS 14.-
28 11.009. A request for an allocation of funds under AS 14.11.100 must
29 be submitted to the department by the school district not later than

1 October 15 of the fiscal year before the fiscal year for which the
2 request is made.

3 * Sec. 14. AS 14.11 is amended by adding a new section to read:

4 Sec. 14.11.106. PUBLIC SCHOOL FACILITIES CONSTRUCTION ADVANCE
5 ACCOUNT. The public school facilities construction advance account is
6 established. The account consists of appropriations for distribution
7 under AS 14.11.106 - 14.11.135 to municipalities that are school
8 districts to assist in paying the costs of public school facilities
9 projects approved under AS 14.07.020(11) for which construction is
10 commenced after June 30, 1978, and for which bonding, notes, or other
11 indebtedness was not incurred before July 1, 1978.

12 * Sec. 15. AS 14.11 is amended by adding a new section to read:

13 Sec. 14.11.111. ELIGIBILITY. Eligibility of a proposed con-
14 struction project for funding assistance under AS 14.11.106 - 14.11.-
15 135 shall be determined by the department based on standards and
16 criteria established by regulation. The standards and criteria to be
17 considered in determining eligibility include the following:

- 18 (1) emergency requirements;
- 19 (2) number of unhoused students;
- 20 (3) new elementary or secondary programs;
- 21 (4) existing community and school facilities and their
22 condition; and
- 23 (5) economic and social stability of the community.

24 * Sec. 16. AS 14.11 is amended by adding a new section to read:

25 Sec. 14.11.116. STATE AID. (a) The amount of state aid payable
26 in advance under AS 14.11.106 - 14.11.135 is the amount by which the
27 cost of construction of the approved school construction project would
28 cause the debt-to-valuation ratio of the municipality to exceed 12
29 percent.

1 (b) A payment under (a) of this section is limited to an amount
2 that, when combined with estimated payments to the school district for
3 the retirement of the principal and interest on bonds, notes, or other
4 indebtedness or reimbursement of cash payments for a school construc-
5 tion project for which payment is made under AS 14.11.100(a)(1) or (2)
6 or for an approved school construction project for which payment is
7 made under AS 14.11.100(a)(3), does not exceed 80 percent of the cost
8 of the school construction project.

9 (c) In this section,

10 (1) "debt" means the principal amount of the direct and
11 general obligation indebtedness of the municipality for which all
12 taxable property is subject to taxation to pay the bond, note, or
13 other evidence of the debt, determined annually by the Department of
14 Community and Regional Affairs in consultation with each municipality
15 that is a school district and reported to the municipality and the
16 commissioner of education; the determination shall be made by October
17 1 and report the outstanding debt as of July 1 of that year;

18 (2) "valuation" means the full and true value of the real
19 and personal property of the municipality determined under AS 14.17.-
20 140(a).

21 * Sec. 17. AS 14.11 is amended by adding a new section to read:

22 Sec. 14.11.121. APPLICATION FOR AID. (a) The commissioner
23 shall prescribe the necessary forms and procedures to be used in
24 applying for construction cost assistance under AS 14.11.106 - 14.-
25 11.135.

26 (b) A municipality that is a school district seeking construc-
27 tion cost aid shall apply to the department by October 15 of the prior
28 fiscal year.

29 (c) Based on the commissioner's review of applications and

1 determination of project eligibility, the commissioner shall recommend
2 to the governor an appropriation of funds for state aid for those
3 projects under AS 14.11.106 - 14.11.135.

4 * Sec. 18. AS 14.11 is amended by adding a new section to read:

5 Sec. 14.11.126. **CONDITIONS OF STATE AID.** (a) Funds distributed
6 to a municipality that is a school district during a school year under
7 AS 14.11.106 - 14.11.135 shall be received, held, and expended by the
8 district in accordance with the applicable provisions of law and of
9 regulations adopted by the department. Funds provided under AS 14.-
10 11.106 - 14.11.135, but which are not required for the project for
11 which they were granted or which are in excess of that municipality's
12 entitlement for aid under AS 14.11.116 shall be returned to the de-
13 partment and deposited in the general fund.

14 (b) Each municipality that is a school district shall maintain
15 financial records of the receipt and disbursement of state funds
16 received under AS 14.11.106 - 14.11.135 and money provided toward
17 local effort. The records shall be in the form prescribed by the
18 department and are subject to audit by the department at any time.

19 (c) Upon completion of the construction project, the chief
20 school administrator of the district shall report the total cost of
21 the project and means of financing it to the commissioner.

22 (d) Municipalities that are school districts shall secure and
23 maintain in full force and effect adequate property loss insurance for
24 the replacement cost of all facilities constructed after July 1, 1978,
25 and for which state funds are available under AS 14.11.100 - 14.11.-
26 135.

27 * Sec. 19. AS 14.11 is amended by adding a new section to read:

28 Sec. 14.11.127. **ALLOCATION OF APPROPRIATIONS FOR SCHOOL CON-**
29 **STRUCTION.** (a) If the amount appropriated to the department for

1 school construction in a fiscal year is less than the amount necessary
 2 to fund full entitlements for school construction debt retirement
 3 under AS 14.11.100 and the amount necessary to fully fund all projects
 4 required to avert imminent danger or correct life-threatening situa-
 5 tions that have been approved by the board under AS 14.11.015, then
 6 the amount appropriated for that fiscal year shall be allocated,
 7 unless otherwise provided by law, between the school construction
 8 grant account under AS 14.11.005 and the school construction account
 9 under AS 14.11.100(c) in the following proportions:

| 10 Fiscal year | School Construction | School Construction |
|------------------------|---------------------|---------------------|
| | Grant Account | Account |
| 12 1990 | .11 | .89 |
| 13 1991 | .13 | .87 |
| 14 1992 | .15 | .85 |
| 15 1993 | .21 | .79 |
| 16 1994 | .29 | .71 |
| 17 1995 | .33 | .64 |
| 18 1996 | .44 | .54 |
| 19 1997 | .58 | .42 |
| 20 1998 | .60 | .40 |
| 21 1999 and subsequent | | |
| 22 fiscal years | .62 | .38 |

23 (b) If the amount appropriated to the department for school
 24 construction debt retirement exceeds the amount necessary to pay full
 25 entitlements under AS 14.11.100(c), the excess amount of the appro-
 26 priation may be deposited, unless otherwise provided by law, in the
 27 school construction grant account under AS 14.11.005.

28 * Sec. 20. AS 14.11.130 is repealed and reenacted to read:

29 Sec. 14.11.130. CONSTRUCTION OF CHAPTER. This chapter may not

1 be construed to prevent a district from using other revenue to include
2 additional or expanded facilities as part of approved school construc-
3 tion projects.

4 * Sec. 21. AS 14.11.130 is repealed and reenacted to read:

5 Sec. 14.11.130. CONSTRUCTION AND IMPLEMENTATION. (a) AS 14.-
6 11.106 - 14.11.135 may not be construed so as to create a debt to the
7 state.

8 (b) Funds to carry out the provisions of AS 14.11.106 - 14.11.-
9 135 may be appropriated annually by the legislature into the public
10 school facilities construction advance account. If amounts in the
11 account are insufficient to meet the allocations authorized by the
12 commissioner under AS 14.11.106 - 14.11.135, such funds as are avail-
13 able shall be distributed pro rata among each municipality that is a
14 school district based upon its computed entitlement.

15 * Sec. 22. AS 14.11.135(3) is amended to read:

16 (3) "costs of school construction" means the cost of ac-
17 quiring, constructing, enlarging, repairing, remodeling, equipping or
18 furnishing of public elementary and secondary school buildings and
19 includes the sum total of all costs of financing and carrying out the
20 project; these include, but are not limited to, the costs of all
21 necessary studies, surveys, plans and specifications, architectural,
22 engineering or other special services, acquisition of real property,
23 site preparation and development, purchase, construction, reconstruc-
24 tion and improvement of real property and the acquisition of machinery
25 and equipment as may be necessary in connection with the project [; AN
26 ALLOCABLE PORTION OF THE ADMINISTRATIVE AND OPERATING EXPENSES OF THE
27 GRANTEE; THE COST OF FINANCING THE PROJECT, INCLUDING INTEREST ON
28 BONDS ISSUED TO FINANCE THE PROJECT, AND THE COST OF OTHER ITEMS,
29 INCLUDING ANY INDEMNITY AND SURETY BONDS AND PREMIUMS ON INSURANCE,

1 LEGAL FEES, FEES AND EXPENSES OF TRUSTEES, DEPOSITARIES, FINANCIAL
2 ADVISORS, AND PAYING AGENTS FOR THE BONDS ISSUED AS THE ISSUER CONSID-
3 ERS NECESSARY];

4 * Sec. 23. AS 14.11.135(3) is repealed and reenacted to read:

5 (3) "costs of school construction" means the cost of ac-
6 quiring, constructing, enlarging, repairing, remodeling, equipping or
7 furnishing of public elementary and secondary school buildings and
8 includes all costs of financing and carrying out the project; these
9 include the costs of

10 (A) all necessary studies, surveys, plans and speci-
11 fications, architectural, engineering or other special services,
12 acquisition of real property, site preparation and development,
13 purchase, construction, reconstruction, and improvement of real
14 property and the acquisition of machinery and equipment as may be
15 necessary in connection with the project;

16 (B) an allocable portion of the administrative and
17 operating expenses of the grantee;

18 (C) the cost of financing the project, including
19 interest on bonds issued to finance the project; and

20 (D) the cost of other items, including any indemnity
21 and surety bonds and premiums on insurance, legal fees, fees and
22 expenses of trustees, depositaries, financial advisors, and
23 paying agents for the bonds issued as the issuer considers neces-
24 sary;

25 * Sec. 24. AS 14.11.135 is amended by adding a new paragraph to read:

26 (5) "district" means the districts described in AS 14.12.-
27 010.

28 * Sec. 25. AS 46.11.900(8) is amended to read:

29 (8) "state financial assistance" means a loan, grant,

1 guarantee, insurance, payment, rebate, subsidy, or other form of state
2 assistance other than aid under AS 05.35.010 - 05.35.070, AS 14.11,
3 [AS 14.11.100 - 14.11.135,] and AS 29.60, including the purchase by a
4 state agency of a loan to finance the construction of a new resi-
5 dential, commercial, or industrial building;

6 * Sec. 26. AS 14.11.070, 14.11.102, 14.11.105, 14.11.110, 14.11.115,
7 14.11.120, and 14.11.125 are repealed.

8 * Sec. 27. AS 14.03.150, AS 14.07.170(b), AS 14.11.005, 14.11.011,
9 14.11.013, 14.11.015, 14.11.016, 14.11.017, 14.11.019, 14.11.127, and
10 14.11.135(5) are repealed.

11 * Sec. 28. Sections 1 - 4, 6, 8, 9, 11, 19, 20, 22, and 24 - 26 of this
12 Act take effect July 1, 1989.

13 * Sec. 29. Sections 5, 7, 10, 12 - 13, 21, 23, and 27 of this Act take
14 effect July 1, 1993.

FISCAL NOTE

REQUEST:

Revision Date: _____
Title: Insurance For School Facilities
and Equipment and State Aid...
Sponsor: Sturgulewski and Pearce
Requestor: Sturgulewski

Agency Affected: Education
BRU: CIP Overhead
Components: CIP Overhead

EXPENDITURES/REVENUES: (Thousands of Dollars)

| OPERATING | FY 89 | FY 90 | FY 91 | FY 92 | FY 93 | FY 94 |
|-------------------|-------|-------|-------|-------|-------|-------|
| 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 | -0- | -0- | -0- | -0- | -0- | -0- |
| FEDERAL FUNDS | | | | | | |
| OTHER | | | | | | |
| TOTAL | | | | | | |

POSITIONS:

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

ANALYSIS : (Attach a separate page if necessary)

This bill will not increase administrative costs to the Department.

Prepared by: Mary Hakala Phone: 465-2800
Division: Commissioner's Office Date: 3/2/89
Approved by Commissioner: William G. Demmert Date: 3/2/89
Agency: Education

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

Alaska MUNICIPAL League

TELEPHONE
(907) 586-1325

217 SECOND ST., SUITE 200
JUNEAU, ALASKA 99801

TO: Senator Rick Uehling, Co-Chair
Senator John Binkley, Co-Chair
Members of the Senate Finance Committee

FROM: Scott A. Burgess, Executive Director

DATE: April 12, 1989

SUBJECT: CSSB 100 (HESS) - School Construction Program

The Alaska Municipal League supports CSSB 100 (HESS). The AML formed the AML Task Force on HB 37/SB 100 to review the legislation, follow it through the legislative process, and to work for its passage as an AML priority.

Legislation resolving the issues surrounding the school construction debt reimbursement program is one of the AML's top legislative priorities for 1989 as outlined in our Municipal Platform. Similar legislation was introduced by Representative Swackhammer in the Second Session of the 15th Alaska Legislature, HB 380. This legislation was developed jointly by municipal officials, school officials, legislators and the Department of Education in response to SB 150 and the moratorium imposed on new school debt and requested by Governor Cowper to give the Administration time to develop legislation to provide more state control over school construction and cost.

There have been several adjustments to the reimbursement levels over the years and just as many attempts to make significant changes to the program. The major State concern has been the lack of control it had over school construction costs and specifically its obligation to reimburse municipalities for school debt incurred to meet the State's school construction needs. Municipalities have suffered shortfalls in the amount of state reimbursement obligations in the amount of over \$29 million since FY 85. Both the State and municipalities and REAA's are concerned that adequate schools are built to meet the education needs of Alaskans.

CSSB 100(HESS) represents major changes in the State's school construction funding policy. AML supports SB 100 because the benefits of the policy changes in CSSB 100 (HESS) outweigh concerns over the change in policy. The benefits include a commitment to existing debt reimbursement, 100 percent funding, some local control, equity, a priority system, and state control.

o Commitment to existing debt - The existing statutes entitle municipalities to be reimbursed for a statutorily defined amount of debt for school construction. Municipalities are supporting the proposed legislation with the understanding that the legislature and

the Governor will meet its obligations under AS 14.11.100 in the future (NOTE: the Governor's commitment in HB 100 to full funding of debt in FY 90 with the passage of legislation similar to HB 37). There appears to be no legal or meaningful way to reinforce this obligation in the legislation.

o 100 percent funding - Under HB 37, the State would assume the cost of all school construction through a 100 percent grant program.

o Retaining local control - Municipalities and school districts would retain local control over design, location, construction and ownership of its schools under HB 37. Municipalities could also add local dollars to enhance an approved school and have the ability, if not the voter approval or financial capacity, to bond locally for 100 percent of the cost of a new school.

o Equity - The legislation, as proposed, would treat all school construction equally. The highest priority schools would be built first, all would have to be approved by the State under the same criteria, and the State will pay 100 percent of the cost.

o Priority system - As stated above, all schools would be judged on an equal basis and the highest priority school facility needs will be addressed first. Currently, the Department of Education priorities are not followed by the Governor or the legislature.

o State control - Because the State does the evaluation, ranking, and funding of all schools built with state funds, the State has the fiscal control it seeks.

Support of CSSB 100 (HESS) does not come without some sacrifices by municipalities; specifically, loss of some local control, no guaranteed reimbursement of existing debt, no new debt reimbursement, and some uncertainty about future school construction funds.

o Loss of local control - 1) Municipalities will no longer be able to respond as well to local needs and demands for schools by bonding with assistance of the State, and 2) the decisions of what schools will be built is left entirely to the State Board of Education and the legislature.

o No guarantee for existing debt - The proposed legislation does not provide any guarantee or even intent language that the State will meet its debt reimbursement obligations in the future to those municipalities with existing debt other than the commitments made in the hearings on HB 37 and under existing statutes.

AML Testimony on CSSB 100 (HESS)
April 12, 1989
Page 3

o No new debt reimbursement - Under the proposed legislation, the State would no longer reimburse municipalities for new school debt.

o No future certainty - New schools will be built depending on the state appropriations to the new account either directly or through state general obligation bond funds. Also, as proposed, the State's school construction program sunsets entirely as of 1995.

The AML supports the following changes made by the Senate HESS Committee contained in the CSSB 100 (HESS):

1. Appeals process - As requested by AML, the appeals process has been shortened in order that any appeal can be resolved prior to the end of the legislative session when the appropriation amount is set.

2. Number of students criteria limited - AML supports removing the number of students as a criteria for ranking projects to prevent discriminating against smaller schools and districts. While CSSB 100 (HESS) does not remove the number of students as a criteria entirely, it does say that the Department of Education cannot prioritize projects only on the number of students.

3. Removal of Section 10 - AML supports removing Section 10 (formerly Section 19) which would have provided an allocation formula between existing debt and new construction in the event of underfunding. The formula was intended to provide a floor for funding and to provide some comfort to those municipalities with existing debt. The formula did neither well and, in fact, under some funding scenarios over funded one account at the expense of further under funding the other account. Under the legislation, there are two accounts, existing debt and new construction, and the legislature will make an appropriation each year to both. Municipalities will be lobbying the legislature each year to fully meet its past obligations and for the highest level of funding possible to meet future school construction needs.

Again, the AML strongly supports CSSB 100 (HESS).

cc: Senator Sturgulewski

Alaska State Legislature



2937 SHELDON JACKSON STREET
ANCHORAGE, ALASKA 99508

While in Juneau
P.O. BOX V
JUNEAU, ALASKA 99811
(907) 465-3818

SENATOR
ARLISS STURGULEWSKI
Senate President Pro Tempore
Chairman, Senate Rules Committee

Senate

M E M O R A N D U M

13 April 1989

TO: Senator Rick Uehling, Co-Chairman
Senator John Binkley, Co-Chairman

FROM: Senator Arliss Sturgulewski

RE: Senate Bill 100

I respectfully request that you schedule Senate Bill 100 to be heard in the Senate Finance Committee as soon as is practicable.

This legislation is an important part of an overall fiscal policy for the State. It is designed to ensure funding for schools while at the same time limiting the amount of debt that can be incurred by municipalities for school construction.

As you know, during the past few years under the debt reimbursement program, there have been almost a billion dollars worth of bonds sold the costs of which the state has made a commitment to repay at 80 percent. This led to general fund obligations of over \$100 million a year.

The current and projected decline in state revenue demands we control the obligations of the state. This bill will give legislative control over spending for school construction.

Attached are fiscal notes from the Departments of Commerce and Education, a sectional analysis of the Senate HESS Committee substitute, a copy of current AS 14.11, a memorandum from House Research agency outlining state payment of school construction costs for the past 10 years, and a letter of support for the bill from the Alaska Municipal League. Please call me or Melissa Fouse of my staff if you have any questions.

-SPONSOR'S BACKGROUND MATERIAL

SECTIONAL ANALYSIS
HESS COMMITTEE SUBSTITUTE SB 100

SECTION #1

(a) Requires school districts to purchase and maintain property insurance for the replacement costs of school buildings.

(b) Should a school district not comply, the Department of Education is directed to purchase the required insurance.

(c) Forbids Department of Education to grant school construction dollars to a school district without insurance. Requires the Department to withhold foundation aid from the district that has not purchased insurance in the same amount required to purchase insurance.

SECTION #2

AS 14.07.020 is entitled "(a) Duties of the Department" This changes a statutory reference to conform to changes made by the bill.

SECTION #3

AS 14.07.170 is entitled "Additional powers of the Board" (of Education). This adds the power to review and approve grant applications for school construction projects.

SECTION #4

AS 14.08.101 is entitled "Powers" (of a regional school board). This changes a statutory reference to conform to changes made by the bill.

SECTION #5

This is a new section creating the school construction grant account. Grants from school construction may be made from this account by the Department of Education. This section requires legislative appropriations for school construction be deposited in the account. It allows for the deposit of proceeds from general obligation bond sales.

SECTION #6

AS 14.11.005 is a new section allowing a municipality that is a school district or a regional educational attendance area to apply for school construction grant funds. It sets out criteria for eligibility to receive grants. To be eligible the applicant must:

- (1) submit a six-year capital improvement plan which includes:
- description of the district's fixed asset inventory system
 - description of the district's preventive maintenance program.

- a detailed scope of work for each project
- a project budget
- documentation of conditions justifying the project

(2) evidence of insurance for replacement costs of all school facilities funded through the construction grant account or a program of insurance acceptable to the department.

(3) evidence that the proposed project should be a capital construction project and not part of a preventive maintenance program or regular custodial care program.

The request must be submitted no later than September 1 before the fiscal year for which the request is made.

14.11.013 is a new section. (a) It sets out the procedure by which the Department shall review grant applications.

This procedure includes:

(1) Review all six-year plans submitted by the districts and recommend to the Board of Education a statewide six-year construction grant schedule. In preparing this schedule the department must verify that each project is required to:

- (a) avert imminent danger or correct life-threatening situations;
- (b) house students who would otherwise be unhoused;
- (c) protect the structure of the existing school facilities;
- (d) correct building code deficiencies;
- (e) save operating costs;
- (f) modify or rehabilitate facilities for the purpose of improving the instructional program;
- (e) meet some other educational need.

(2) the Department must also prepare cost estimates for each project and

(3) provide the grant schedule and an appropriation schedule to the governor by November 1 (and to the legislature within 10 days of the beginning of the session).

(b) The department must establish priorities among projects and award grants in the order of priority established. To establish those priorities the department must consider at least the following factors:

- (1) emergency requirements;
- (2) district priority;
- (3) number of students without classroom space;
- (4) new local elementary and secondary programs;
- (5) existing regional, community, and school facilities, and their condition; and
- (6) alternate education program options.

(c) The department may reject project requests and omit those rejected requests from the six-year schedule for the following reasons:

- (1) incomplete information or documentation provided by the district
- (2) a finding by the department that existing facilities

are adequate, or that alternative projects are in the best interests of the state, or

(3) a determination that the project is not in the best interests of the state.

(d) the department may reduce a project budget by the cost of those portions of a project design that the department determines are for construction of student residential space, planetariums, hockey rinks, saunas, and other facilities for single purpose sporting or recreational uses that are not suitable for other activities. This does not apply to funding for swimming pools that meet criteria established by the department.

(e) The department must publish notice of applications received under and priorities determined by November 5th. After public notice is given, the department shall hold a public hearing on the established priorities.

(f) The department may not consider only the number of students when establishing project priorities.

AS 14.11.015. Approval of Grant Applications. This is a new section.

(a) Requires the Board to review grant applications recommended by the department and allows the board to approve an application if the project meets the criteria. The department may not approve a school construction grant unless the application is approved by the board.

(b) Requires the department to award grants in the order of project priority on the date of passage of the appropriation bill funding the school construction grant fund regardless of any pending appeals. Appeals pending may not delay funding of grants.

(c) If a project that has been appealed has been assigned a new priority after the grants are made, the project must be funded in accordance with the new priority ranking at the next time grants are awarded.

AS 14.11.016. Administrative and Judicial Review. This is a new section.

(a) A district may request reconsideration from the department on the following items:

- assignment of priority
- scope of the project
- budget for the project.

The request must be in writing and include specific changes desired and a summary of the evidence of the district's claim that the department has erred.

The reconsideration request must be received by the department by the day of the public hearing held under AS 14.11.013(e).

The department is required to then review its decision and

determine whether the decision should be changed. That determination is to be issued within 15 days of the last day of the public hearing held under AS 14.11.013(e).

(b) A district may appeal an adverse decision of an appeal to the commissioner within 15 days after the department's decision. The grounds for such an appeal are that the department has not complied with AS 14.11.013.

The notice of appeal must be in writing and must include a statement of evidence supporting the district's claim that the department has not complied with AS 14.11.013.

The commissioner shall appoint a hearing officer within 10 days after the appeal. The hearing officer may deny the appeal or may hold hearings on the issue. The hearing officer has 60 days to hold hearings and to issue a decision.

The board, at its next regularly scheduled meeting, shall consider the recommendations of the hearing officer and may adopt all, part, or none of the recommended decision. The board may also remand the issue to the hearing officer for further hearings.

(c) The hearing officer shall consolidate appeals of the notices of appeal raise related issues of fact or law.

(d) An adverse decision of the board may be appealed to the superior court under AS 44.62.560 - 44.62.570 (Judicial Review and Scope of Review).

(e) The board shall adopt regulations governing procedures for the reconsideration and appeal. These regulations are not required to conform to AS 44.62.330 - 44.62.630 (these sections set out procedures for administrative adjudication as part of the Administrative Procedure Act)

(f) A district may not request an appeal because that district's ranking was changed as a result of another district's appeal.

Sec. 14.11.017. SCHOOL CONSTRUCTION GRANT CONDITIONS. This is a new section. The department shall require in the grant agreement that the district

(1) agree to construction of a facility of appropriate size and use that meets the department's criteria

(2) assure the department that the cost of the project will be uniform with the costs of the most current construction projects in the area

(3) agree to limit equipment purchases to that required for the approved plan and to account for all equipment purchased for the project under a fixed asset inventory system approved by the department

(4) submit project budgets for department approval and agree that the grant amount may be reduced or increased by amounts equal to the amounts by which contracts vary from the budget amounts approved by the department

(5) submit a plan that includes educational specifications, final construction drawings, and contract documents to the department before award of the contract.

(b) Eligible construction costs may be paid under a grant without regard to whether the costs were incurred prior to the award of the grant, approval by the board of the application, or effective date of the appropriation to the school construction grant account for the year in which the grant is funded.

Sec. 14.11.019 SCHOOL CONSTRUCTION GRANT APPROPRIATIONS. This is a new section. The Governor is instructed to include an amount for appropriation to the school construction grant account in the general appropriation bill submitted to the legislature under 37.07.020.

SECTION #7

AS 14.11.100(a)(5)(A) is changed to limit the debt reimbursement program to apply only to bonds authorized before July 1, 1989 or reauthorized by the voters before November 1, 1989.

(B) changed to limit the cash reimbursement program to those projects authorized by the department before July 1, 1991.

SECTION #8

AS 14.11.100(c) is changed to require that funds for the school construction account (80% reimbursement) shall be included in the general appropriation bill submitted to the legislature under AS 37.07.020.

SECTION #9

AS 14.11.102 is changed to remove reference to evaluation of projects requested by districts to be eligible for debt reimbursement.

SECTION #10

Current AS 14.11.130 is repealed and reenacted to allow a district to use other sources of funds to include additional or expanded facilities as part of a school construction project.

SECTION #12

AS 14.11.135(3) defines the costs of school construction. It is amended to clarify the schools to which the definition applies.

SECTION #13

AS 14.11.135 has a new section added to ensure that the definition of "district" conforms to the definition in AS

14.12.010.

SECTION #14

AS 46.11.900 (8) adds the statutory reference for the school construction grant account to the definition of "state financial assistance".

SECTION #15

This section takes effect on July 1, 1995 and removes the school construction grant account from the definition of "state financial assistance".

SECTION #16

This section repeals current law.

SECTION #17

This section repeals the changes made by this legislation to current law. That repeal would be in effect July 1, 1995.

SECTION #18

The department is directed to fund:

- projects required to avert imminent danger or correct life-threatening situations,
- projects that are in their final phase before January 1, 1989 and have received \$2,500,000 in grant funds
- projects that are approved by the department and the voters before July 1, 1989 and determined to be a threat to the public.
- all other projects.

SECTION #19

This section makes the bill effective July 1, 1989 except for sections 15 and 17.

SECTION #20

This section makes sections 15 and 17 of the bill effective July 1, 1995.



ALASKA STATE LEGISLATURE
HOUSE OF REPRESENTATIVES
RESEARCH AGENCY

P. O. Box Y, State Capitol
Juneau, Alaska 99811-3100
Mail Stop 3100
(907) 465-1991

March 16, 1989

MEMORANDUM

TO: Representative Ron Larson

ATTN: Wanda Cooksey

FROM: Brad Pierce *BP*
Legislative Analyst

RE: School Construction Costs FY 79 - FY 88
Research Request 89.267

You asked that we update House Research Agency memorandum 87.101 to provide as complete a picture as possible of state payment of school construction costs during the past 10 years. The information you requested is contained in seven tables (attached).

Table 1 lists FY 88 state payments to reimburse city and borough districts for school bond debt service payments. Each district's entitlement is reduced by its cigarette tax payment. If a district's debt service is less than its share of cigarette tax receipts, the state payment to the district is determined by subtracting debt service from the cigarette tax payment. Table 2 provides a summary of state payments for reimbursement of city and borough debt service payments for fiscal years 1979 through 1988. (FY 87 payments were projected in the the original memorandum; these estimates have been replaced with actual payments.)

Table 3 summarizes FY 79 - FY 88 capital appropriations for school construction in Rural Educational Attendance Areas (REAs), while Table 4 does the same for city and borough districts. Table 5 lists FY 81 - FY 88 municipal grants for school construction for city and borough districts. Table 6 summarizes data on municipal grants, capital appropriations and debt service reimbursement to city and borough districts presented in previous tables. Finally, Table 7 ranks all districts by their per student state contributions for school construction.

* * *

I hope we have provided enough information for your purposes. Please call if you have questions.

Attachments

TABLE 1
SCHOOL DISTRICT DEBT RETIREMENT FY 88

| School District | Total District Entitlement | Less FY 86 Cigarette Tax | District Entitlement Pro Rata @ 92.225 |
|-----------------|----------------------------|--------------------------|--|
| Anchorage | \$25,468,125 | \$1,034,514 | \$22,533,983 |
| Bristol Bay | 621,774 | 12,112 | 562,263 |
| Cordova | 51,093 | 16,071 | 32,299 |
| Craig | 0 | 9,854 | 9,854 |
| Dillingham | 27,302 | 20,341 | 6,420 |
| Fairbanks | 15,290,219 | 314,810 | 13,811,123 |
| Galena | 61,626 | 10,673 | 46,991 |
| Haines | 93,398 | 17,540 | 69,960 |
| Hoonah | 0 | 10,405 | 10,405 |
| Hydaburg | 0 | 7,660 | 7,660 |
| Juneau | 6,828,017 | 133,055 | 6,174,452 |
| Kenai | 0 | 11,940 | 11,940 |
| Kenai | 24,020,897 | 236,525 | 21,935,220 |
| Ketchikan | 3,439,801 | 75,872 | 3,102,395 |
| King Cove | 0 | 8,217 | 8,217 |
| Klawock | 0 | 9,336 | 9,336 |
| Kodiak | 4,765,166 | 72,820 | 4,327,532 |
| Mat-Su | 21,254,658 | 230,361 | 19,389,732 |
| Nenana | 199,369 | 9,425 | 175,177 |
| Nome | 910,129 | 28,391 | 813,186 |
| North Slope | 10,471,516 | 53,311 | 9,608,226 |
| Pelican | 0 | 5,559 | 5,559 |
| Petersburg | 733,993 | 21,641 | 656,969 |
| Sand Point | 0 | 6,782 | 6,782 |
| Sitka | 2,352,123 | 51,487 | 2,121,770 |
| Skagway | 0 | 8,749 | 8,749 |
| St. Mary's | 0 | 8,232 | 8,232 |
| Tanana | 0 | 6,807 | 6,807 |
| Unalaska | 238,829 | 8,675 | 212,260 |
| Valdez | 3,204,171 | 30,733 | 2,926,714 |
| Wrangell | 997,143 | 18,589 | 902,475 |
| Yakutat | 78,425 | 9,513 | 63,554 |

Source: Department of Education, Division of Management, Law and Finance.

Note: If the school district has insufficient local debt with which to offset the cigarette tax, the cigarette tax payment made two years previously is included in the pro-rata district entitlement column.

Prepared by the House Research Agency, March 1989 (89.267A).

TABLE 2
SUMMARY OF SCHOOL DEBT REIMBURSEMENT - CITY AND BOROUGH SCHOOL DISTRICTS
FY 79 - FY 88

| School District | FY 79 | FY 80 | FY 81 | FY 82 | FY 83 | FY 84 | FY 85 | FY 86 | FY 87 | FY 88 | Total Debt Service Reimbursement |
|-----------------|-------------|-------------|--------------|-------------|--------------|--------------|--------------|--------------|--------------|--------------|----------------------------------|
| | | | | | | | | | | | |
| Anchorage | \$9,944,228 | \$9,739,145 | \$11,446,809 | \$9,914,812 | \$10,600,508 | \$18,552,237 | \$17,368,912 | \$22,975,223 | \$24,982,201 | \$22,533,983 | \$158,058,058 |
| Bristol Bay | 115,702 | 66,666 | 83,934 | 18,033 | 248,427 | 369,613 | 348,873 | 644,321 | 401,773 | 562,263 | 2,859,605 |
| Cordova | 88,853 | 79,773 | 100,172 | 107,594 | 92,023 | 105,881 | 102,702 | 255,573 | 388,174 | 32,299 | 1,353,044 |
| Craig | 0 | 0 | 8,870 | 9,615 | 9,494 | 10,673 | 27,579 | 9,784 | 9,211 | 9,854 | 95,080 |
| Dillingham | 0 | 52,527 | 25,773 | 56,244 | 289,767 | 19,752 | 171,456 | 231,945 | 192,981 | 6,420 | 1,046,865 |
| Fairbanks | 3,423,535 | 2,950,046 | 4,682,779 | 4,264,639 | 3,957,939 | 10,572,624 | 12,235,372 | 13,041,071 | 13,647,459 | 13,811,123 | 82,586,587 |
| Galena | 41,472 | 8,900 | 19,591 | 8,861 | 38,899 | 45,998 | 310,177 | 41,543 | 175,742 | 46,991 | 738,174 |
| Haines | 59,180 | 62,281 | 79,347 | 76,815 | 70,287 | 71,383 | 45,375 | 124,535 | 153,541 | 69,960 | 812,704 |
| Hoonah | 0 | 0 | 12,648 | 11,940 | 11,480 | 13,013 | 30,578 | 12,136 | 11,488 | 10,405 | 113,688 |
| Hydaburg | 0 | 0 | 6,641 | 7,234 | 6,451 | 7,589 | 15,585 | 7,268 | 7,776 | 7,660 | 66,204 |
| Juneau | 951,494 | 906,071 | 750,591 | 716,130 | 596,430 | 6,862,038 | 6,459,259 | 6,412,178 | 6,149,528 | 6,174,452 | 35,978,171 |
| Kenai | 2,935,930 | 2,752,344 | 5,137,595 | 5,305,047 | 4,976,771 | 14,689,874 | 14,297,498 | 15,301,526 | 22,886,719 | 21,935,220 | 110,218,524 |
| Ketchikan | 445,871 | 474,445 | 633,000 | 829,553 | 579,141 | 2,497,585 | 2,850,188 | 3,056,251 | 3,852,218 | 3,102,395 | 18,320,647 |
| King Cove | 0 | 45,686 | 8,032 | 7,904 | 8,147 | 9,412 | 21,189 | 67,641 | 16,393 | 8,217 | 192,621 |
| Klawock | 0 | 0 | 5,250 | 5,517 | 5,793 | 7,149 | 15,683 | 9,968 | 9,180 | 9,336 | 67,876 |
| Kodiak | 283,969 | 317,600 | 616,090 | 634,491 | 409,500 | 3,080,245 | 5,581,074 | 6,144,626 | 5,077,079 | 4,327,532 | 26,472,206 |
| Mat-Su | 1,702,368 | 2,013,834 | 3,366,634 | 3,886,096 | 3,649,216 | 10,130,371 | 10,328,641 | 13,868,440 | 19,873,319 | 19,389,732 | 88,208,651 |
| Nenana | 17,644 | 16,569 | 37,045 | 12,520 | 10,231 | 9,956 | 26,007 | 206,567 | 16,919 | 175,177 | 528,635 |
| Nome | 0 | 223 | 28,617 | 28,100 | 22,872 | 34,787 | 90,256 | 29,540 | 761,053 | 813,186 | 1,808,634 |
| North Slope | 1,427,577 | 2,385,356 | 8,874,459 | 9,197,724 | 9,635,035 | 18,269,302 | 17,415,286 | 18,396,493 | 10,279,324 | 9,608,226 | 105,488,782 |
| Pelican | 0 | 0 | 4,539 | 4,535 | 4,779 | 5,000 | 9,293 | 5,733 | 5,344 | 5,559 | 44,782 |
| Petersburg | 272,194 | 268,710 | 417,198 | 491,695 | 539,307 | 874,758 | 779,415 | 984,616 | 678,339 | 656,969 | 5,963,201 |
| Sand Point | 0 | 0 | 0 | 8,081 | 7,684 | 9,064 | 19,222 | 8,461 | 7,457 | 6,782 | 66,751 |
| Sitka | 339,460 | 430,335 | 400,861 | 657,758 | 658,421 | 1,019,581 | 242,348 | 568,642 | 2,400,390 | 2,121,770 | 8,839,566 |
| Skagway | 12,142 | 14,700 | 14,588 | 16,219 | 23,035 | 21,530 | 7,972 | 736 | 8,587 | 8,749 | 128,258 |
| St. Mary's | 76,559 | 0 | 43,963 | 8,486 | 8,424 | 9,522 | 21,532 | 9,677 | 8,345 | 8,232 | 194,740 |
| Tanana | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 7,333 | 7,171 | 6,807 | 21,311 |
| Unalaska | 1,103 | 0 | 8,364 | 8,203 | 9,145 | 144,184 | 215,201 | 221,379 | 214,087 | 212,260 | 1,033,926 |
| Valdez | 103,004 | 1,484,242 | 1,604,466 | 1,993,931 | 2,716,220 | 3,117,975 | 4,056,164 | 2,903,749 | 2,918,270 | 2,926,714 | 23,824,735 |
| Wrangell | 10,799 | 2,485 | 45,261 | 82,855 | 63,803 | 161,514 | 322,277 | 868,475 | 779,488 | 902,475 | 3,239,432 |
| Yakutat | 0 | 0 | 8,165 | 8,049 | 8,473 | 28,130 | 14,785 | 10,113 | 9,432 | 63,554 | 150,701 |

Source: Department of Education, Division of Management, Law and Finance.

Prepared by the House Research Agency, March 1989 (89.2678).

TABLE 3
CAPITAL APPROPRIATIONS FOR SCHOOL CONSTRUCTION--REGIONAL EDUCATIONAL ATTENDANCE AREAS
FY 79 - FY 88

| School District | FY 79 | FY 80 | FY 81 | FY 82 | FY 83 | FY 84 | FY 85 | FY 86 | FY 87 | FY 88 | Total App. FY 79-88 | Average ADM FY 79-88 | Total Approp. Per ADM |
|------------------|-------------|-----------|------------|------------|-----------|-----------|-----------|-----------|-----------|-----------|------------------------|----------------------------|-----------------------------|
| Adak | \$2,000,000 | \$0 | \$0 | \$0 | \$480,800 | \$0 | \$0 | \$0 | \$50,000 | \$0 | \$2,530,800 | 583 | \$4,345 |
| Alaska Gateway | 2,615,000 | 144,000 | 1,529,200 | 3,610,300 | 145,000 | 2,250,000 | 7,900,000 | 0 | 200,000 | 240,000 | 18,633,500 | 459 | 40,631 |
| Aleutian | 2,417,400 | 0 | 0 | 2,630,600 | 1,800,000 | 0 | 1,462,000 | 600,000 | 0 | 0 | 8,910,000 | 121 | 73,636 |
| Annette | 0 | 0 | 4,392,500 | 1,100,000 | 120,000 | 0 | 0 | 1,000,000 | 0 | 0 | 6,612,500 | 370 | 17,881 |
| Bering Strait | 13,310,700 | 0 | 4,666,000 | 8,934,300 | 2,200,000 | 2,340,000 | 4,300,000 | 0 | 0 | 425,000 | 36,176,000 | 865 | 41,827 |
| Chatham | 1,900,000 | 0 | 1,251,000 | 1,216,000 | 435,500 | 1,950,000 | 1,450,000 | 493,700 | 0 | 0 | 8,000,200 | 268 | 32,497 |
| Chugach | 0 | 1,600,000 | 0 | 0 | 0 | 160,000 | 2,170,000 | 325,000 | 0 | 0 | 4,155,000 | 84 | 50,534 |
| Copper River | 0 | 81,500 | 1,200,000 | 75,000 | 1,134,600 | 0 | 1,400,000 | 3,000,000 | 575,000 | 100,000 | 6,466,100 | 545 | 13,878 |
| Delta/Greely | 40,000 | 865,100 | 0 | 3,800,000 | 85,000 | 0 | 3,460,000 | 734,600 | 0 | 10,000 | 8,994,700 | 903 | 9,956 |
| Iditarod | 3,693,500 | 829,300 | 2,711,000 | 2,357,500 | 250,000 | 3,200,000 | 4,300,000 | 50,000 | 856,300 | 1,170,000 | 19,417,600 | 333 | 58,364 |
| Kuspuk | 4,655,500 | 605,000 | 8,438,700 | 5,630,000 | 230,000 | 1,000,000 | 1,640,000 | 0 | 0 | 60,000 | 22,960,200 | 338 | 65,839 |
| Lake & Peninsula | 5,252,700 | 406,900 | 4,305,900 | 2,594,800 | 3,983,400 | 0 | 420,000 | 0 | 900,000 | 1,802,000 | 19,665,700 | 354 | 55,616 |
| Lower Kuskokwim | 24,815,700 | 1,151,100 | 12,432,000 | 7,331,000 | 300,000 | 6,149,000 | 8,785,000 | 3,000,000 | 200,000 | 0 | 64,163,800 | 2190 | 29,295 |
| Lower Yukon | 5,770,500 | 1,670,800 | 3,741,000 | 5,012,200 | 1,631,800 | 0 | 3,421,000 | 200,000 | 0 | 0 | 21,447,300 | 1223 | 17,542 |
| Northwest Arctic | 12,211,400 | 542,900 | 10,658,700 | 10,091,500 | 0 | 2,550,000 | 0 | 2,000,000 | 4,400,000 | 425,000 | 42,879,500 | 1476 | 29,047 |
| Pribilof | 1,000,000 | 0 | 445,000 | 115,000 | 200,000 | 0 | 0 | 0 | 0 | 212,600 | 1,972,600 | 162 | 12,162 |
| Railbelt | 3,400,000 | 401,000 | 2,735,000 | 0 | 100,000 | 500,000 | 2,500,000 | 0 | 0 | 0 | 9,636,000 | 341 | 28,275 |
| Southeast Island | 571,000 | 0 | 856,000 | 776,000 | 0 | 1,590,000 | 1,353,000 | 635,000 | 105,600 | 665,000 | 6,551,600 | 382 | 17,155 |
| Southwest Region | 6,420,900 | 0 | 2,392,000 | 5,523,200 | 1,000,000 | 2,035,000 | 1,750,000 | 0 | 50,000 | 400,000 | 19,571,100 | 485 | 40,344 |
| Yukon Flats | 2,485,100 | 1,665,000 | 2,672,500 | 3,148,500 | 1,070,000 | 500,000 | 6,155,000 | 2,400,000 | 0 | 0 | 20,096,100 | 327 | 61,531 |
| Yukon Koyukuk | 7,536,000 | 400,000 | 1,575,000 | 1,339,000 | 3,420,000 | 1,000,000 | 2,739,000 | 100,000 | 55,800 | 0 | 18,164,800 | 541 | 33,564 |
| Kashunmiut | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Yupit | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 100,000 | 100,000 | 0 | 0 |

Notes: FY 81 appropriations include a \$75,000 municipal grant to Stebbins (Bering Strait) and a \$75,000 municipal grant to Ruby (Yukon-Koyukuk).
 FY 82 appropriations includes municipal grants totaling \$71,000 to Eagle and Tanacross (Alaska Gateway), a grant of \$8,840,000 to Kotzebue (Northwest Arctic) and a \$35,000 municipal grant to Nulatto (Yukon-Koyukuk).
 FY 83 appropriations include municipal grants totaling \$200,000 awarded to Stebbins and Koyuk (Bering Straits).
 FY 85 appropriations include an \$808,300 municipal grant to Teller (Northwest Arctic).
 FY 87 appropriations reflect Governor's budget restrictions imposed September 1985.
 FY 88 appropriations include a \$235,200 municipal grant to Alaska Gateway School District.
 Kashunmiut and Yupit became school districts in FY 86.

ADM - Average Daily Membership

Source: Department of Transportation and Public Facilities, Central Regional Office; Department of Education, Division of Management, Law and Finance; Summaries of Legislative Appropriations, FY 79 - FY 88; Grants Information System, FY 88.

Prepared by: the House Research Agency, March 1989 (89.267C).

TABLE 4
 CAPITAL APPROPRIATIONS FOR SCHOOL CONSTRUCTION--CITY AND BOROUGH SCHOOL DISTRICTS
 FY 79 - FY 88

| | FY 79 | FY 80 | FY 81 | FY 82 | FY 83 | FY 84 | FY 85 | FY 86 | FY 87 | FY 88 | Total App. FY 79-FY 88 |
|-------------|-----------|-----------|-------------|-----------|-----------|--------------|-----------|---------|-----------|-----------|---------------------------|
| Anchorage | \$0 | \$150,000 | \$3,180,000 | \$0 | \$0 | \$17,121,500 | \$0 | \$0 | \$0 | \$665,600 | \$21,117,100 |
| Bristol Bay | 0 | 600,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 600,000 |
| Cordova | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 400,000 | 0 | 400,000 |
| Craig | 1,250,000 | 0 | 2,949,000 | 0 | 0 | 0 | 0 | 941,000 | 100,000 | 0 | 5,240,000 |
| Dillingham | 0 | 4,135,000 | 0 | 1,984,000 | 0 | 190,000 | 2,800,000 | 0 | 0 | 0 | 9,109,000 |
| Fairbanks | 0 | 0 | 10,000 | 0 | 1,859,900 | 2,691,600 | 0 | 0 | 0 | 600,000 | 5,161,500 |
| Galena | 0 | 65,000 | 0 | 0 | 0 | 0 | 3,000,000 | 0 | 0 | 0 | 3,065,000 |
| Haines | 245,000 | 250,000 | 1,332,000 | 1,089,200 | 0 | 0 | 34,000 | 0 | 0 | 0 | 2,950,200 |
| Hoonah | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Hydaburg | 0 | 0 | 0 | 0 | 0 | 0 | 90,000 | 15,000 | 0 | 0 | 105,000 |
| Juneau | 0 | 0 | 2,500,000 | 0 | 0 | 0 | 2,250,000 | 0 | 0 | 0 | 4,750,000 |
| Kenai | 500,000 | 20,000 | 0 | 0 | 0 | 0 | 2,516,000 | 0 | 0 | 0 | 3,036,000 |
| Kenai | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Ketchikan | 0 | 0 | 0 | 1,250,000 | 500,000 | 0 | 0 | 545,000 | 0 | 0 | 2,295,000 |
| King Cove | 0 | 0 | 0 | 0 | 0 | 0 | 3,200,000 | 0 | 0 | 0 | 3,200,000 |
| Klawock | 0 | 150,000 | 1,628,000 | 1,628,000 | 0 | 0 | 0 | 800,000 | 50,000 | 0 | 4,256,000 |
| Kodiak | 2,638,100 | 118,600 | 1,460,000 | 2,000,000 | 0 | 0 | 0 | 100,000 | 0 | 0 | 6,316,700 |
| Mat-Su | 0 | 340,000 | 225,000 | 0 | 106,705 | 2,000,000 | 30,000 | 0 | 0 | 20,000 | 2,721,705 |
| Menana | 0 | 0 | 102,000 | 1,400,000 | 900,000 | 1,300,000 | 5,800,000 | 0 | 0 | 0 | 9,502,000 |
| Nome | 500,000 | 100,000 | 1,850,000 | 1,500,000 | 0 | 0 | 5,000,000 | 0 | 2,500,000 | 900,000 | 12,350,000 |
| North Slope | 400,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 400,000 |
| Pelican | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Petersburg | 0 | 0 | 0 | 0 | 610,000 | 0 | 3,500,000 | 0 | 0 | 0 | 4,110,000 |
| Sand Point | 0 | 0 | 0 | 8,000,000 | 0 | 0 | 0 | 0 | 0 | 0 | 8,000,000 |
| Sitka | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Skagway | 2,500,000 | 0 | 0 | 2,230,000 | 0 | 1,500,000 | 1,500,000 | 0 | 0 | 0 | 7,730,000 |
| St. Mary's | 0 | 208,000 | 2,035,000 | 2,000,000 | 200,000 | 200,000 | 750,000 | 0 | 0 | 0 | 5,393,000 |
| Tanana | 0 | 0 | 0 | 0 | 0 | 0 | 150,000 | 0 | 0 | 0 | 150,000 |
| Unalaska | 0 | 0 | 0 | 0 | 318,000 | 0 | 0 | 0 | 0 | 0 | 318,000 |
| Valdez | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Wrangell | 3,000,000 | 250,000 | 1,500,000 | 0 | 0 | 6,000,000 | 0 | 0 | 0 | 0 | 10,750,000 |
| Yakutat | 0 | 0 | 0 | 0 | 400,000 | 0 | 2,250,000 | 300,000 | 0 | 0 | 2,950,000 |

Source: Department of Transportation and Public Facilities, Central Regional Offices; Department of Education, Division of Management, Law and Finance; Summaries of Legislative Appropriations, FY 79 - FY 88.

Prepared by the House Research Agency, March 1989. (89.267D).

TABLE 5
MUNICIPAL GRANTS FOR SCHOOL CONSTRUCTION--CITY AND BOROUGH SCHOOL DISTRICTS
FY 81 - FY 88

| | FY 81 | FY 82 | FY 83 | FY 84 | FY 85 | FY 86 | FY 87 | FY 88 | Total Grants FY 81 - FY 88 |
|-------------|-------------|--------------|--------------|-----------|--------------|--------------|----------|--------------|-------------------------------|
| Anchorage | \$8,048,000 | \$28,618,500 | \$29,335,100 | \$50,000 | \$50,407,300 | \$22,467,000 | \$35,000 | \$10,534,600 | \$149,495,500 |
| Bristol Bay | 0 | 0 | 0 | 0 | 300,000 | 0 | 70,000 | 0 | 370,000 |
| Cordova | 0 | 130,000 | 0 | 0 | 0 | 100,000 | 0 | 0 | 230,000 |
| Craig | 0 | 600,000 | 50,000 | 85,000 | 0 | 0 | 0 | 0 | 735,000 |
| Dillingham | 1,620,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,620,000 |
| Fairbanks | 0 | 2,626,000 | 3,156,200 | 1,875,000 | 7,617,000 | 1,876,200 | 224,000 | 1,710,000 | 19,084,400 |
| Galena | 100,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 100,000 |
| Haines | 0 | 0 | 0 | 186,000 | 0 | 30,000 | 0 | 0 | 216,000 |
| Hoonah | 600,000 | 0 | 295,500 | 1,500,000 | 2,012,500 | 0 | 0 | 0 | 4,408,000 |
| Hydaburg | 0 | 3,829,200 | 0 | 0 | 0 | 0 | 0 | 100,000 | 3,929,200 |
| Juneau | 0 | 0 | 0 | 3,500,000 | 0 | 0 | 0 | 0 | 3,500,000 |
| Kake | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Kenai | 0 | 0 | 0 | 0 | 10,000 | 100,000 | 32,000 | 0 | 142,000 |
| Ketchikan | 0 | 0 | 0 | 250,000 | 750,000 | 0 | 0 | 0 | 1,000,000 |
| King Cove | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Klawock | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Kodiak | 0 | 0 | 450,000 | 463,000 | 900,000 | 2,000,000 | 0 | 0 | 3,813,000 |
| Mat-Su | 0 | 7,860,300 | 4,233,000 | 125,000 | 8,678,100 | 1,010,000 | 0 | 155,000 | 22,061,400 |
| Nenana | 0 | 0 | 25,000 | 0 | 0 | 0 | 0 | 25,000 | 50,000 |
| Nome | 0 | 0 | 0 | 496,500 | 0 | 0 | 0 | 0 | 496,500 |
| North Slope | 0 | 0 | 0 | 0 | 463,500 | 0 | 0 | 0 | 463,500 |
| Pelican | 0 | 0 | 533,000 | 0 | 0 | 0 | 0 | 0 | 533,000 |
| Petersburg | 0 | 2,100,000 | 0 | 287,000 | 23,874 | 0 | 0 | 500,000 | 2,910,874 |
| Sand Point | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Sitka | 0 | 2,905,178 | 1,923,000 | 0 | 1,587,000 | 70,000 | 0 | 350,000 | 6,835,178 |
| Skagway | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| St. Mary's | 165,000 | 0 | 0 | 0 | 0 | 150,000 | 0 | 0 | 315,000 |
| Tanana | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Unalaska | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Valdez | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Wrangell | 0 | 530,000 | 0 | 0 | 0 | 0 | 0 | 0 | 530,000 |
| Yakutat | 0 | 160,000 | 0 | 0 | 0 | 0 | 0 | 0 | 160,000 |

Sources: Department of Administration, Division of Administrative Services; Summaries of Legislative Appropriations, FY 79 - FY 87. FY 88 grants amounts were obtained from the Office of Management and Budget-Grants Information System.

Prepared by the House Research Agency, March 1989 (89.267E).

TABLE 6

SUMMARY OF MUNICIPAL GRANTS, CAPITAL APPROPRIATIONS AND DEBT SERVICE--CITY AND BOROUGH SCHOOL DISTRICTS
FY 79 - FY 88

| | Total Muni Grants FY 81 - FY 88 | Total Capital App. FY 79 - FY 88 | Debt Service Reimbursement FY 79 - FY 88 | Total State Contributions | Avg. ADM FY 79 - FY 88 | State Contributions Per Avg. ADM |
|-------------|---------------------------------------|--|--|---------------------------------|---------------------------|--|
| Anchorage | \$149,495,500 | \$21,117,100 | \$158,058,058 | \$328,670,658 | 37,464 | \$8,773 |
| Bristol Bay | 370,000 | 600,000 | 2,859,605 | 3,829,605 | 217 | 17,681 |
| Cordova | 230,000 | 400,000 | 1,353,044 | 1,983,044 | 427 | 4,641 |
| Craig | 735,000 | 5,240,000 | 95,080 | 6,070,080 | 167 | 36,391 |
| Dillingham | 1,620,000 | 9,109,000 | 1,046,865 | 11,775,865 | 407 | 28,926 |
| Fairbanks | 19,084,400 | 5,161,500 | 82,586,587 | 106,832,487 | 11,809 | 9,046 |
| Galena | 100,000 | 3,065,000 | 738,174 | 3,903,174 | 140 | 26,143 |
| Haines | 216,000 | 2,950,200 | 812,704 | 3,978,904 | 375 | 10,605 |
| Hoonah | 4,408,000 | 0 | 113,688 | 4,521,688 | 228 | 19,797 |
| Hydaburg | 3,929,200 | 105,000 | 66,204 | 4,100,404 | 96 | 42,668 |
| Juneau | 3,500,000 | 4,750,000 | 35,978,171 | 44,228,171 | 4,282 | 10,329 |
| Kenai | 0 | 3,036,000 | 143,642 | 3,179,642 | 196 | 16,206 |
| Kenai | 142,000 | 0 | 110,218,524 | 110,360,524 | 6,926 | 15,934 |
| Ketchikan | 1,000,000 | 2,295,000 | 18,320,647 | 21,615,647 | 2,371 | 9,117 |
| King Cove | 0 | 3,200,000 | 192,621 | 3,392,621 | 120 | 28,272 |
| Klawock | 0 | 4,256,000 | 67,876 | 4,323,876 | 128 | 33,833 |
| Kodiak | 3,813,000 | 6,316,700 | 26,472,206 | 36,601,906 | 2,129 | 17,190 |
| Mat-Su | 22,061,400 | 2,721,705 | 88,208,651 | 112,991,756 | 6,324 | 17,866 |
| Nenana | 50,000 | 9,502,000 | 528,635 | 10,080,635 | 162 | 62,342 |
| Nome | 496,500 | 12,350,000 | 1,808,634 | 14,655,134 | 750 | 19,551 |
| North Slope | 463,500 | 450,000 | 105,488,782 | 106,352,282 | 1,081 | 98,383 |
| Pelican | 533,000 | 0 | 44,782 | 577,782 | 47 | 12,372 |
| Petersburg | 2,910,874 | 4,110,000 | 5,963,201 | 12,984,075 | 517 | 25,120 |
| Sand Point | 0 | 8,000,000 | 66,751 | 8,066,751 | 115 | 70,452 |
| Sitka | 6,835,178 | 0 | 8,839,566 | 15,674,744 | 1,621 | 9,673 |
| Skagway | 0 | 7,730,000 | 128,258 | 7,858,258 | 61 | 48,718 |
| St. Mary's | 315,000 | 5,393,000 | 194,740 | 5,902,740 | 102 | 57,870 |
| Tanana | 0 | 150,000 | 21,311 | 171,311 | 78 | 2,199 |
| Unalaska | 0 | 318,000 | 1,033,926 | 1,351,926 | 157 | 8,633 |
| Valdez | 0 | 0 | 23,824,735 | 23,824,735 | 798 | 29,867 |
| Wrangell | 530,000 | 10,750,000 | 3,239,432 | 14,519,432 | 475 | 30,580 |
| Yakutat | 160,000 | 2,950,000 | 150,701 | 3,260,701 | 154 | 21,119 |

ADM - Average Daily Membership

Prepared by the House Research Agency, March 1989 (89.267F).

TABLE 7

RANKING OF STATE CONTRIBUTIONS FOR SCHOOL CONSTRUCTION--CITY AND BOROUGH SCHOOL DISTRICTS AND REAAs
FY 79 - FY 88

| Rank | Type of District | District | State Contributions Per Avg. ADM | Rank | Type of District | District | State Contributions Per Avg. ADM |
|------|------------------|------------------|----------------------------------|------|------------------|------------------|----------------------------------|
| 1 | C&B | North Slope | \$98,383 | 30 | C&B | Hoonah | \$19,797 |
| 2 | REAA | Aleutian | 73,636 | 31 | C&B | Nome | 19,551 |
| 3 | C&B | Sand Point | 70,452 | 32 | REAA | Annette | 17,881 |
| 4 | REAA | Kuspuk | 65,839 | 33 | C&B | Mat-Su | 17,866 |
| 5 | C&B | Kenai | 62,342 | 34 | C&B | Bristol Bay | 17,681 |
| 6 | REAA | Yukon Flats | 61,531 | 35 | REAA | Lower Yukon | 17,542 |
| 7 | REAA | Iditarod | 58,364 | 36 | C&B | Kodiak | 17,190 |
| 8 | C&B | St. Mary's | 57,870 | 37 | REAA | Southeast Island | 17,155 |
| 9 | REAA | Lake & Peninsula | 55,616 | 38 | C&B | Kake | 16,206 |
| 10 | REAA | Chugach | 50,534 | 39 | C&B | Kenai | 15,934. |
| 11 | C&B | Skagway | 48,718 | 40 | REAA | Copper River | 13,878 |
| 12 | C&B | Hydaburg | 42,668 | 41 | C&B | Pelican | 12,372 |
| 13 | REAA | Bering Strait | 41,827 | 42 | REAA | Pribilof | 12,162 |
| 14 | REAA | Alaska Gateway | 40,631 | 43 | C&B | Haines | 10,605 |
| 15 | REAA | Southwest Region | 40,344 | 44 | C&B | Juneau | 10,329 |
| 16 | C&B | Craig | 36,391 | 45 | REAA | Delta/Greely | 9,956 |
| 17 | C&B | Klawock | 33,833 | 46 | C&B | Sitka | 9,673 |
| 18 | REAA | Yukon Koyukuk | 33,564 | 47 | C&B | Ketchikan | 9,117 |
| 19 | REAA | Chatham | 32,497 | 48 | C&B | Fairbanks | 9,046 |
| 20 | C&B | Wrangell | 30,580 | 49 | C&B | Anchorage | 8,773 |
| 21 | C&B | Valdez | 29,867 | 50 | C&B | Unalaska | 8,633 |
| 22 | REAA | Lower Kuskokwim | 29,295 | 51 | C&B | Cordova | 4,641 |
| 23 | REAA | Northwest Arctic | 29,047 | 52 | REAA | Adak | 4,345 |
| 24 | C&B | Dillingham | 28,926 | 53 | C&B | Tanana | 2,199 |
| 25 | REAA | Railbelt | 28,275 | 54 | REAA | Kashunamiut | 0 |
| 26 | C&B | King Cove | 28,272 | 55 | REAA | Yupit | 0 |
| 27 | C&B | Galena | 26,143 | | | | |
| 28 | C&B | Petersburg | 25,129 | | | | |
| 29 | C&B | Yakutat | 21,119 | | | | |

ADM - Average Daily Membership

Prepared by the House Research Agency, March 1989 (89.267G).

FISCAL NOTE

REQUEST:

Revision Date: _____ Agency Affected: Commerce & Econ. Dev.
 Title: An Act relating to insurance for BRU: Insurance
school facilities and equipment, etc.
 Sponsor: Sturgulewski and Pearce Components: Operations
 Requestor: House Finance

EXPENDITURES/REVENUES: (Thousands of Dollars)

| OPERATING | FY 91 | FY 92 | FY 93 | FY 94 | FY 95 | FY 96 |
|------------------------|-------|-------|-------|-------|-------|-------|
| PERSONAL SERVICES | | | | | | |
| TRAVEL | | | | | | |
| CONTRACTUAL | | | | | | |
| SUPPLIES | | | | | | |
| EQUIPMENT | | | | | | |
| LAND & STRUCTURES | | | | | | |
| GRANTS, CLAIMS | | | | | | |
| MISCELLANEOUS | | | | | | |
| TOTAL OPERATING | 0 | 0 | 0 | 0 | 0 | 0 |
| CAPITAL | 0 | 0 | 0 | 0 | 0 | 0 |
| REVENUE | 0 | 0 | 0 | 0 | 0 | 0 |

FUNDING: (Thousands of Dollars)

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

POSITIONS:

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

ANALYSIS : (Attach a separate page if necessary) No fiscal impact in FY 90.

Prepared by: Joan Brown, Administrative Officer Phone: 465-2515
 Division: Insurance Date: 5/21
 Approved by Commissioner: Larry Merculieff Date: 465-2500
 Agency: Department of Commerce & Economic Development

Distribution (by preparer):

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

STATE OF ALASKA
1989 LEGISLATIVE SESSION

BILL VERSION: CSSB 100 (HESS)
PUBLISH DATE: _____

FISCAL NOTE

REQUEST:

Revision Date: _____ Agency Affected: Commerce & Economic Dev.
Title: An Act relating to insurance for BRU: Insurance
school facilities and equipment, etc.
Sponsor: Sturgulewski and Pearce Components: Operations
Requester: House Finance

EXPENDITURES / REVENUES : (Thousands of Dollars)

| OPERATING | FY 89 | FY 90 | FY 91 | FY 92 | FY 93 | FY 94 |
|-------------------|-------|-------|-------|-------|-------|-------|
| PERSONAL SERVICES | | | | | | |
| TRAVEL | | | | | | |
| CONTRACTUAL | | | | | | |
| SUPPLIES | | | | | | |
| EQUIPMENT | | | | | | |
| LAND & STRUCTURES | | | | | | |
| GRANTS, CLAIMS | | | | | | |
| MISCELLANEOUS | | | | | | |
| TOTAL OPERATING | 0 | 0 | 0 | 0 | 0 | 0 |

| | | | | | | |
|---------|---|---|---|---|---|---|
| CAPITAL | 0 | 0 | 0 | 0 | 0 | 0 |
|---------|---|---|---|---|---|---|

| | | | | | | |
|---------|---|---|---|---|---|---|
| REVENUE | 0 | 0 | 0 | 0 | 0 | 0 |
|---------|---|---|---|---|---|---|

FUNDING: (Thousands of dollars)

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

POSITIONS:

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

ANALYSIS: (Attach a separate page if necessary.)

Prepared by: Joan Brown, Administrative Officer
Division: Insurance

Phone: 465-2515
Date: 4-11-89

Approved by Commissioner: Larry Mercurieff
Agency: Department of Commerce & Economic Development

Phone: 465-2500
Date: 4/12/89

Distribution (by preparer):

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

S

B

L

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Q

SENATE COMMITTEE REPORT

FURTHER

1/9/89

DATE TURNED INTO OFFICE 2/1/89

Mr. President:

FINANCE

Committee considered SB 102

Winter Olympic funding; efd

and recommended

- replace with _____ CS _____) same title
- or adopt _____ CS _____) new title
- attached amendment(s) and technical title change (HB only)
- _____ letter of intent adopted

do pass

do not pass

no recommendation

individual recommendations

further referral to _____

FISCAL NOTE(S) zero DR fiscal impact appropriation no FN
 new updated previous
 same as previous fiscal note(s) published _____

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

Joseph P. Haroff Haroff
Jim Duffin Duffin
Debra Frank Frank
Paul Fischer Fischer

Paul Kelly Kelly
 Chairman signature and recommendation **(DO PASS)**

Committee Backup attached

FISCAL NOTE

REQUEST

Revision Date: _____
Title: An Act relating to Winter
Olympic Funding
Sponsor: Kelly
Requestor: Senate State Affairs

Agency Affected: Revenue
BRU: Permanent Fund Dividend Division
Components: Permanent Fund Dividend
Division

EXPENDITURES/REVENUES: (Thousands of Dollars)

| | FY 89 | FY 90 | FY 91 | FY 92 | FY 93 | FY 94 |
|------------------------|-------|-------|-------|-------|-------|-------|
| OPERATING | | | | | | |
| PERSONAL SERVICES | -0- | -0- | -0- | -0- | -0- | -0- |
| TRAVEL | -0- | -0- | -0- | -0- | -0- | -0- |
| CONTRACTUAL | -0- | -0- | -0- | -0- | -0- | -0- |
| SUPPLIES | -0- | -0- | -0- | -0- | -0- | -0- |
| EQUIPMENT | -0- | -0- | -0- | -0- | -0- | -0- |
| LANDS & STRUCTURES | -0- | -0- | -0- | -0- | -0- | -0- |
| GRANTS, CLAIMS | -0- | -0- | -0- | -0- | -0- | -0- |
| MISCELLANEOUS | -0- | -0- | -0- | -0- | -0- | -0- |
| TOTAL OPERATING | -0- | -0- | -0- | -0- | -0- | -0- |
| CAPITAL | -0- | -0- | -0- | -0- | -0- | -0- |
| REVENUE | -0- | -0- | -0- | -0- | -0- | -0- |

FUNDING: (Thousands of Dollars)

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

POSITIONS:

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

ANALYSIS: If the United States Olympic Committee makes its decision by December 31, 1989 as in Section 3(a)(1), or the International Olympic Committee makes its decision by December 31, 1991 as in Section 3(a)(2), the Permanent Fund Dividend application form can be changed in time so there will be no fiscal impact. If the above committees makes its decision by October 1 and does not select Anchorage, the Permanent Fund Dividend Division can ignore the checkoff by applicants and pay the applicant the full value of the dividend

Prepared By: Ervin Jones
Division: Permanent Fund Dividend Division

Phone: 465-2323
Date: January 17, 1989

Approved by Commissioner: [Signature]
Agency: Revenue

Date: 1/17/89

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

1 IN THE SENATE

BY KELLY

2

SENATE BILL NO. 102

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

SIXTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6 For an Act entitled: "An Act relating to Winter Olympic funding; and
7 providing for an effective date."

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

9 * Section 1. Section 3(a), ch. 6, SLA 1986, is repealed and reenacted
10 to read:

11 (a) Section 2 of this Act takes effect as follows:

12 (1) on December 31, 1989, if during 1989 the United States
13 Olympic Committee does not select Anchorage, Alaska as America's
14 choice to host the 1998 Olympic Winter Games;

15 (2) on December 31, 1991, if before or during 1991 the
16 International Olympic Committee does not select Anchorage, Alaska to
17 host the 1998 Olympic Winter Games;

18 (3) on December 31, 1998, if before or during 1991 the
19 International Olympic Committee selects Anchorage, Alaska to host the
20 1998 Olympic Winter Games.

21 * Sec. 2. This Act takes effect immediately under AS 01.10.070(c).

'NO OLYMPICS 98'

(907) 344-2998

STATEMENT OF POSITION:

'NO OLYMPICS 98' is a grass roots organization of Anchorage residents that opposes bringing the 1998 Winter Olympics to Anchorage. 'NO 98' feels that the effort to bring the Winter Olympics to Anchorage is another in a long line of quick fix schemes, a continuation of the "big boom" theory of economics. In reality, the Winter Olympics is a two week event, ten years in the future, that will cost the taxpayers of Anchorage untold millions of dollars. Please consider the following:

*The Anchorage Organizing Committee has said on many occasions that their proposed budget is based on guesses and estimates and that it is subject to daily change and that the same can be said of the proposed venues. What the AOC is saying is that their budget has no basis in fact, that the proposed venues are just that, proposed. 'No Olympics 98' takes the AOC at it's word. Their budget and venue proposals are not worth the paper they are written on and are therefore not worth discussing.

*The Anchorage Organizing Committee is a private organization with no public obligations yet they expect the public to back their venture with tax dollars. A blank check from the taxpayers.

*No Olympics, not even Los Angeles, has been held without public (taxpayer) funds. If these public funds are subtracted from the Olympic budgets there is no surplus, only a loss.

*The facilities at Lake Placid, New York are in a sad state of disrepair (Sports Illustrated September, 1988). Many of the Olympic athletes prefer to train close to home. Anchorage is 1400 plus miles from the nearest lower 48 airport and airfare and housing are more expensive than lower 48 locations. Why would Anchorage be any different than Lake Placid?

*Why is the Anchorage Organizing Committee attempting to bid for the 1998 games without a vote of the people? The August 23 vote applied to the 1994 bid only.

*The Anchorage Organizing Committee has twice been rejected by the International Olympic Committee. Both times they finished next to last in the voting. We hear many excuses, but the bottom line is this, they failed.

*Anchorage and Alaska are already world class tourist destinations. Tourists come to Alaska to see our unmatched scenery, to feel the Alaska mystique, to experience the last frontier. Anyone with a mountain and some snow can be a ski resort, only Alaska can be Alaska.

*According to newspaper reports the AOC will finish 1988 with a DEFICIT OF \$50,000 TO \$100,000. If the AOC cannot handle it's own finances, how can we trust them with a blank check from the taxpayers of Anchorage?

'NO OLYMPICS 98' believes in real economic development. Real jobs that pay real wages, jobs that can support a family, economic development that will fill the empty buildings in Anchorage. The Federal Express Cargo Facility, Flying Tigers expansion, the proposed ski resorts at Hatcher Pass and Eagle River, the continuation of the expansion of our tourist industry, the promotion of our fishing industry, further oil exploration and much more. These projects and projects like them produce two things: tax dollars and jobs. This is what we need today and tomorrow. The Olympics offers none of this.

FOR FURTHER INFORMATION ON 'NO OLYMPICS 98' CALL 344-2998

MICHAEL P. CITTI----CHAIRMAN
WILLIAM PATTERSON----VICE CHAIRMAN

AOC plans include dividend check-off

By STEVE RINEHART
Daily News reporter

With most of its operating money coming from permanent fund dividends, the Anchorage Organizing Committee for the 1998 Olympics is hedging its bets.

Adopting its 1989 budget on Wednesday, the AOC added \$50,000 to lobby individual Alaskans to check off the \$10 contribution when they file their dividend applications this spring.

The committee is banking on about \$850,000 from the check-off program this year, to support a roughly \$1 million budget aimed at getting Anchorage named as the U.S. candidate for the 1998 Winter Olympics.

That is about \$100,000 less than the AOC expects to collect from check-offs made last year. Some members said they are concerned that, with the economy in poor health and with the governor talking about spending permanent fund earnings, people may be less willing to part with a portion of their annual checks.

"We are being confident, yet conservative," said committee Treasurer Sharon Gagnon.

Last year, fewer people checked off the donation than in the past two years. But at \$10 apiece in 1988, instead of \$5 the previous

Please see Page B-3, AOC

Anchorage Daily News Thursday, January 19, 1989 B3

AOC: Dividend check-off a major portion of budget

Continued from Page B-1

years, the AOC still made more money.

Legislation introduced last week would continue the check-off "as long as Anchorage stays in the running" in the international contest to be named host city for 1998, said Senate President Tim Kelly, R-Anchorage, who sponsored the bill.

Monday, when the AOC's executive committee met to hash out the proposed budget, some members urged a strong campaign to encourage people to check off donations. Rick Mystrom said he expected the bulk of the public relations budget to be

spent in the few weeks of March and April when most people fill out their dividend applications. And, Tony Smith suggested the AOC commission a poll to survey people's attitude toward the check-off.

The legislature has given the AOC an exclusive right to be listed as an individual funding option on the dividend application forms. Kelly said Wednesday he would work to keep the Olympics check-off on, and other organizations off, the dividend form.

Under the bill, Kelly said, the AOC check-off would be allowed this year. And if the U.S. Olympic Committee this spring chooses Anchor-

age to vie against foreign cities to host the 1998 Games, the check-off would be allowed in successive years, and would continue if the International Olympic Committee in 1991 names Anchorage for 1998.

The organizing committee has collected about \$2.24 million from dividend check-offs in the past three years, with collections from 1988 continuing to come in. According to Ervin Jones, director of the Permanent Fund Dividend Division, 153,428 people checked the Olympics box on their dividend forms in 1986; 155,267 did so in 1987; and 96,161 did in 1988, when the donation rose to \$10.

About 550,000 state residents filed applications each of those years. The AOC is counting on support from at least 85,000 Alaskans.

In the first two years of the check-off, the AOC got \$710,635 and \$743,420. As of Tuesday, Jones said \$785,370 had been disbursed.

According to figures released by the AOC Wednesday, the committee expects to break even financially for 1988, and will be about \$46,000 ahead when bills and receipts are tallied for the entire Olympics 1994 campaign.

In the \$1,061,000 budget for 1989, the biggest expense is \$418,000 for administration.

ONLY 15% OF Budget FROM PRIVATE SOURCES

REALLY LESS SUPPORT

LESS SUPPORT

NOTHING TO SHOW FOR IT

ONLY 15.4% SUPPORT 84.6% DEFECT!

Why? Is the AOC "so special"?

IF THE AOC & OLYMPICS IS SUCH A GREAT IDEA why do we need to "sell it"?

Much Less Than ORIGINAL Budget Figure. ANOTHER AOC screw-up



**Anchorage Organizing
Committee
for the 1998 Olympics®**

The Frontier Building 3601 C Street, Suite 370 Anchorage, Alaska 99503
Phone (907) 561-1998 Fax (907) 562-0413 Telex 25311

January 26, 1989

Senator Rick Uehling
Senate Finance Committee
P. O. Box V
Juneau, Alaska 99811

Dear Senator Uehling:

I understand SB-102 will be considered in your committee in the near future. The Anchorage Organizing Committee wishes to go on record in support of this legislation. The bill would continue the Permanent Fund Dividend checkoff program while Anchorage pursues its bid for the 1998 Olympic Winter Games.

We appreciate your support.

Sincerely,

Rick Nerland
Secretary-General

RN126/cag



Alaska State Legislature

SENATE

Office of the President

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

January 24, 1989

TO: Senator Rick Uehling
Senate Finance Co-Chair

FROM: Tim Kelly *TJK*
Senate President

re: Background information on SB 102 , relating to the Winter Olympic checkoff.

Senate Bill 102 was introduced to create sunset provisions for the Winter Olympic checkoff program.

Specifically, the program ends on:

1. December 31, 1989 if the Anchorage is not selected by the United States Olympic Committee as America's choice to host the 1998 Olympic Winter Games;
2. December 31, 1991 if the International Olympic Committee does not select Anchorage as the host for the 1998 Olympic Winter Games;
3. December 31, 1998 if Anchorage is selected to host the 1998 Olympic Winter Games.

According to Mr. Rick Nerland, the Executive Director of the AOC, these proposed sunset provisions meet with the approval of the Anchorage Organizing Committee.

Additionally, it should be noted that this program is self-funded: any costs associated with running the program are paid for with checkoff funds before the funds are distributed to the AOC. Thus, there is "zero" fiscal impact with this legislation.

S

B

L

O

Q

(11)

Date Referred: February 20, 1989

FURTHER REFERRALS:

Date of Committee Action: 3/2/89

The FINANCE Committee considered:

SB 102

SENATE BILL NO. 102 [WINTER OLYMPIC FUND]

"An Act relating to Winter Olympic funding; and providing for an effective date."

RECOMMENDS:

- replacing with _____ the same title
- the 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
- zero fiscal note
- zero with analysis

APPROVES PREVIOUS:

- fiscal note(s) published:
- zero fiscal notes(s) published:
1/19/89 Rev.

SIGNING DO PASS:

[Signature] Hoffman

[Signature] Larson

[Signature] Ulmer

[Signature] Barnes

[Signature] Rieger

SIGNING OTHER THAN DO PASS:

(Do Not Pass, No Recommendation, Amend)

[Signature] Swackhamm NO REC

[Signature] Brown No REC

[Signature] Koponec no REC

[Signature] Shultz No REC

[Signature] Phillips No REC

CO- [Signature]
Chairman's signature

CO- [Signature]

R/O HFC

3-2-89

STATE OF ALASKA
1989 LEGISLATIVE SESSION

BILL VERSION: SB 102
PUBLISH DATE: _____

FISCAL NOTE

9/89

REQUEST

Revision Date: January 18, 1988
Title: An Act relating to Winter Olympic Funding
Sponsor: Kelly
Requestor: Senate State Affairs

Agency Affected: Revenue
BRU: Permanent Fund Dividend Division
Components: Permanent Fund Dividend Division

EXPENDITURES/REVENUES: (Thousands of Dollars)

| | FY 89 | FY 90 | FY 91 | FY 92 | FY 93 | FY 94 |
|--------------------|-------|-------|-------|-------|-------|-------|
| OPERATING | | | | | | |
| PERSONAL SERVICES | -0- | -0- | -0- | -0- | -0- | -0- |
| TRAVEL | -0- | -0- | -0- | -0- | -0- | -0- |
| CONTRACTUAL | -0- | -0- | -0- | -0- | -0- | -0- |
| SUPPLIES | -0- | -0- | -0- | -0- | -0- | -0- |
| EQUIPMENT | -0- | -0- | -0- | -0- | -0- | -0- |
| LANDS & STRUCTURES | -0- | -0- | -0- | -0- | -0- | -0- |
| GRANTS, CLAIMS | -0- | -0- | -0- | -0- | -0- | -0- |
| MISCELLANEOUS | -0- | -0- | -0- | -0- | -0- | -0- |
| TOTAL OPERATING | -0- | -0- | -0- | -0- | -0- | -0- |
| CAPITAL | -0- | -0- | -0- | -0- | -0- | -0- |
| REVENUE | -0- | -0- | -0- | -0- | -0- | -0- |

FUNDING: (Thousands of Dollars)

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

POSITIONS:

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

ANALYSIS: If the United States Olympic Committee makes its decision by December 31, 1989 as in Section 3(a)(1), or the International Olympic Committee makes its decision by December 31, 1991 as in Section 3(a)(2), the Permanent Fund Dividend application form can be changed in time so there will be no fiscal impact.

Prepared By: Ervin Jones
Division: Permanent Fund Dividend Division

Phone: 465-2323
Date: January 18, 1989

Approved by Commissioner: [Signature]
Agency: Revenue

Date: 1/18/89

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

R/O HFC 3-2-89

Introduced: 1/11/89
Referred: State Affairs and
Finance

6-0206A

1 IN THE SENATE BY KELLY

2 SENATE BILL NO. 102

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to Winter Olympic funding; and
7 providing for an effective date."

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

9 * Section 1. Section 3(a), ch. 6, SLA 1986, is repealed and reenacted
10 to read:

11 (a) Section 2 of this Act takes effect as follows:

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15 (2) on December 31, 1991, if before or during 1991 the
16 International Olympic Committee does not select Anchorage, Alaska to
17 host the 1998 Olympic Winter Games;

18 (3) on December 31, 1998, if before or during 1991 the
19 International Olympic Committee selects Anchorage, Alaska to host the
20 1998 Olympic Winter Games.

21 * Sec. 2. This Act takes effect immediately under AS 01.10.070(c).



Alaska State Legislature

SENATE

Office of the President

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

January 24, 1989

TO: Senator Rick Uehling
Senate Finance Co-Chair

FROM: Tim Kelly
Senate President

DK

re: Background information on SB 102 , relating to the Winter Olympic checkoff.

Senate Bill 102 was introduced to create sunset provisions for the Winter Olympic checkoff program.

Specifically, the program ends on:

1. December 31, 1989 if the Anchorage is not selected by the United States Olympic Committee as America's choice to host the 1998 Olympic Winter Games;
2. December 31, 1991 if the International Olympic Committee does not select Anchorage as the host for the 1998 Olympic Winter Games;
3. December 31, 1998 if Anchorage is selected to host the 1998 Olympic Winter Games.

According to Mr. Rick Nerland, the Executive Director of the AOC, these proposed sunset provisions meet with the approval of the Anchorage Organizing Committee.

Additionally, it should be noted that this program is self-funded: any costs associated with running the program are paid for with checkoff funds before the funds are distributed to the AOC. Thus, there is "zero" fiscal impact with this legislation.

Item 4



Alaska State Legislature

House of Representatives COMMITTEE ON STATE AFFAIRS

February 16, 1989

HOUSE STATE AFFAIRS COMMITTEE

LETTER OF INTENT For Senate Bill 102

Testimony before the House State Affairs Committee has revealed that the Department of Revenue, Division of Permanent Fund Dividends, has not received adequate funding for administrative costs resulting from the Alaska Olympic Committee Permanent Fund Dividend checkoff program.

The House State Affairs Committee respectfully requests that the House Finance Committee, when reviewing the Department of Revenue's budget, determine whether the Division of Permanent Fund Dividends receives adequate program receipts to cover the actual administrative costs for the checkoff program.


Representative H.A. "Red" Boucher



**Anchorage Organizing
Committee
for the 1998 Olympics[®]**

The Frontier Building 3601 C Street, Suite 370 Anchorage, Alaska 99503
Phone (907) 561-1988 Fax (907) 562-0413 Telex 25311

January 26, 1989

Senator Rick Uehling
Senate Finance Committee
P. O. Box V
Juneau, Alaska 99811

Dear Senator Uehling:

I understand SB-102 will be considered in your committee in the near future. The Anchorage Organizing Committee wishes to go on record in support of this legislation. The bill would continue the Permanent Fund Dividend checkoff program while Anchorage pursues its bid for the 1998 Olympic Winter Games.

We appreciate your support.

Sincerely,

A handwritten signature in cursive script, appearing to read "Rick Nerland".

Rick Nerland
Secretary-General

RN126/dag

NO OLYMPICS 98

JAN 23 1989

7801 SCHOON STREET SUITE B, ANCHORAGE, ALASKA 99518
(907) 344-0302

January 22, 1989

Dear Senator:

The purpose of this letter is to introduce you to our group "No Olympics 98" and to protest the exclusion of many worthy groups from the permanent fund check-off.

"No Olympics 98" is a grass-roots organization of Anchorage residents who see the proposed Winter Olympics for what it really is: a quick fix nine years down the road that will benefit a very small minority of Alaskans and damage the economy of Anchorage and Alaska for the long term. We have enclosed one of our position papers for your consideration. "No Olympics 98" would be pleased to answer any and all questions you or your staff may have concerning our group or the Olympic issue.

The issue of the permanent fund check-off is a very serious one. We have included a copy of a story that appeared in the 1/19/89 issue of the Anchorage Daily News and have taken the liberty of adding a few comments in the margins. You will notice that the AOC receives about 85% of its budget from the check-off, their fund raising shows a glaring weakness when you consider that less than 15% of the AOC's financial support comes from the very industries it proports to help. This amounts to a free ride that other, more deserving groups do not receive. Please also note that over 80% of Alaskans reject the AOC, this is a very significant measure of support or rather lack of it. Why, if the Olympics are such a great idea does the AOC plan a \$50,000 advertising campaign to encourage donations?

Perhaps the most disturbing of all mentions in the article is the statement that the legislature has given the AOC exclusive rights to the dividend check-off and that Senator Kelly would fight to keep all others off. WHY IS THE AOC THE PRIVILEGED CHILD? WHY ARE THEY MORE EQUAL THAN ANY OTHER NON-PROFIT GROUP? "No Olympics 98" feels that The United Way, The Alaska Visitors Association, The Cancer Society, The Boys and Girls Club and many other non-profit groups accomplish more for the people of Alaska year in and year out than the AOC will ever accomplish.

Perhaps the problem is that these and other groups do good and are not the "fun loving bunch" that the AOC is. Perhaps because these groups do not spend their time lobbying for more money to spend, but spend their time doing good for the community. The AOC has a track record of rubbing shoulders with European royalty, jet setters, and near-do wells and ignoring the wants and needs of Alaska, Anchorage, and the winter sporting people. This is not just the opinion of "No Olympics 98" but the views of many within the AOC itself as reported in the January 17, 1989 issue of the Anchorage Times. In that article AOC Executive Board members Tony Smith and Ron Petro are said to be concerned that the AOC ignores Alaska and socializes too much with the International Olympic Committee.

"No Olympics 98" urges you to end the free ride the AOC has enjoyed, REMOVE THIS FAILED GROUP FROM THE PERMANENT FUND CHECK-OFF THIS YEAR AND IN IT'S PLACE PUT GROUPS THAT ARE INTERESTED IN ALASKA AND ALASKANS.

Thank you for your support.



Michael P. Citti
Chairman

History of Payments for Oil Imprec Checkoff

| Payments made during | | | | |
|----------------------|----------|------------|--|---|
| October 1986 | | | | |
| | 10/30 | 238,575.00 | | |
| November 1986 | | | | |
| | 11/4 | 163,950.00 | | |
| | 11/19 | 132,775.00 | | |
| December 1986 | | | | |
| | 12/10 | 212,290.00 | | |
| | 12/29 | 567,150.00 | | 3 |
| January 1987 | | | | |
| | 1/29/87 | 341,500.00 | | |
| March 1987 | | | | |
| | 3/25/87 | 224,000.00 | | |
| May 1987 | | | | |
| | 5/1/87 | 67,500.00 | | |
| October 1987 | | | | |
| | 10/9/87 | 58,335.00 | | |
| | 10/13/87 | 51,336.50 | | |
| | 10/20/87 | 61,830.00 | | |
| November 1987 | | | | |
| | 11/4/87 | 127,220.00 | | |
| | 11/18/87 | 133,110.00 | | 4 |
| | 11/30/87 | 678,150.00 | | |
| December 1987 | | | | |
| | 12/5/87 | 650,850.00 | | |
| | 12/14/87 | 641,000.00 | | |
| | 12/21/87 | 112,560.00 | | |
| October 1988 | | | | |
| | 10/10/88 | 232,400.00 | | |
| | 10/15/88 | 74,335.00 | | |
| | 10/22/88 | 75,385.00 | | |
| | 10/29/88 | 680,350.00 | | |
| November 1988 | | | | |
| | 11/5/88 | 800,100.00 | | |
| | 11/14/88 | 784,200.00 | | |
| | 11/19/88 | 784,250.00 | | |
| | 11/26/88 | 809,300.00 | | |
| December 1988 | | | | |
| | 12/5/88 | 781,600.00 | | |
| | 12/10/88 | 842,500.00 | | |

History of Payments for Oil per check

Payments made during

December 1988 (continued)

| | |
|----------|----------|
| 12/22/88 | 55330.00 |
| 12/24/88 | 3085.00 |
| 12/31/88 | 1775.00 |
| 1/9/89 | 14700.00 |
| 1/17/89 | 2520.00 |

January 1989

us 1/17/89

785,370

3:00 PM
 Mailer, gave message
 to Dave Gray.

Mill, 1 Star, Kin, 1, 1
 Daily News of ...

210,635
 743,420
 785,310
 2,239,485

SENATE COMMITTEE REPORT

FURTHER

4/25/89

DATE TURNED INTO OFFICE _____

Mr. President:

Finance

SB 104

_____ Committee considered _____

fourth class boroughs

and recommended

- replace with _____ CS _____) same title
- or adopt _____ CS _____) new title
- attached amendment(s) and technical title change (HB only)
- _____ letter of intent adopted

do pass

Bill died in committee.

do not pass

no recommendation

individual recommendations

further referral to _____

- FISCAL NOTE(S)** zero fiscal impact appropriation no FN
 new updated previous
 same as previous fiscal note(s) published _____

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

Chair: _____ signature and recommendation

Committee Backup attached

SENATE COMMITTEE REPORT

FURTHER

FIN

3/22/89

DATE TURNED INTO OFFICE 4/25/89

Mr. President:

HESS

Committee considered SB 104

fourth class boroughs

and recommended

+ reports it back as follows:

- replace with _____ CS _____) same title
- or adopt _____ CS _____) new title
- attached amendment(s) and technical title change (HB only)
- _____ letter of intent adopted

do pass

do not pass

no recommendation

individual recommendations

further referral to _____

Previous FM

FISCAL NOTE(S) zero fiscal impact appropriation no FN
 new updated previous
 same as previous fiscal note(s) published 3/22/89

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

1 *[Signature]*

2 *[Signature] - No Rec*

Paul G. [Signature] (Do Pass)
Chairman signature and recommendation

Committee Backup attached

SENATE COMMITTEE REPORT

FIRST COMMITTEE OF REFERRAL

Date of 5-DAY NOTICE 3-16-89
IN ACCORDANCE WITH UNIFORM RULE 23

FURTHER

HESS
FIN

**FISCAL NOTE(S) MUST BE ATTACHED
IN ACCORDANCE WITH AS 24.08.035

DATE TURNED INTO OFFICE 3-21-89

1/11/89
Mr. President:

C&RA Committee considered SB 104

fourth class boroughs

*and a majority of the committee report it back
with no recommendation*

and recommended:

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

DFM

FISCAL NOTE(S) attached zero fiscal impact
 appropriation no FN attached Gov. FN introduced w/ bill

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

Mr. Samuels - No Rec.
Drunk No Rec
[Signature]

[Signature]
Chairman signature and recommendation

Committee backup attached

Introduced: 1/11/89
Referred: Community and Regional
Affairs, Health, Education
and Social Services and Finance

6-0229A

1 IN THE SENATE

BY COGHILL

2 SENATE BILL NO. 104

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to fourth class boroughs."

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

8 * Section 1. AS 14.08.031(a) is amended to read:

9 (a) The Department of Community and Regional Affairs in consul-
10 tation with the Department of Education and local communities shall
11 divide the area in the unorganized borough and fourth class boroughs
12 into educational service areas using the boundaries or sub-boundaries
13 of the regional corporations established under the Alaska Native
14 Claims Settlement Act, unless by referendum a community votes to merge
15 with another community contiguous to it but within the boundaries or
16 sub-boundaries of another regional corporation.

17 * Sec. 2. AS 14.08.031(b) is amended to read:

18 (b) An educational service area established [IN THE UNORGANIZED
19 BOROUGH] under (a) of this section constitutes a regional educational
20 attendance area. As far as practicable, each regional educational
21 attendance area shall contain an integrated socio-economic, linguis-
22 tically and culturally homogeneous area. In the formation of the
23 regional educational attendance areas, consideration shall be given to
24 the transportation and communication network to facilitate the admin-
25 istration of education and communication between communities that
26 comprise the area. Whenever possible, municipalities, other govern-
27 mental or regional corporate entities, drainage basins and other
28 identifiable geographic features shall be used in describing the
29 boundaries of the regional school attendance areas.

1 * Sec. 3. AS 14.12.010 is amended to read:

2 Sec. 14.12.010. DISTRICTS OF STATE PUBLIC SCHOOL SYSTEM. The
3 districts of the state public school system are as follows:

4 (1) each first class and home rule city in the unorganized
5 borough or in a fourth class borough is a city school district;

6 (2) each unified municipality and first, second, or third
7 class [ORGANIZED] borough is a borough school district;

8 (3) the area outside a city or borough school district
9 [ORGANIZED BOROUGHS AND OUTSIDE FIRST CLASS CITIES] is divided into
10 regional educational attendance areas.

11 * Sec. 4. AS 29.04.030 is amended to read:

12 Sec. 29.04.030. CLASSES OF GENERAL LAW. General law municipal-
13 ities are of six [FIVE] classes:

14 (1) first class boroughs;

15 (2) second class boroughs;

16 (3) third class boroughs;

17 (4) fourth class boroughs;

18 (5) first class cities;

19 (6) [(5)] second class cities.

20 * Sec. 5. AS 29.04 is amended by adding a new section to read:

21 Sec. 29.04.070. RECLASSIFICATION OF FOURTH CLASS BOROUGHS. A
22 fourth class borough may reclassify as a first or second class borough
23 in the manner provided by AS 29.35.320 - 29.35.330 for the addition of
24 an areawide power by a first or second class borough, except the
25 petition or proposal requests reclassification instead of requesting
26 addition of a power.

27 * Sec. 6. AS 29.05.031(a) is amended to read:

28 (a) An area that meets the following standards may incorporate
29 as a home rule, first class, [OR] second class, or fourth class

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borough:

(1) the population of the area is interrelated and integrated as to its social, cultural, and economic activities, and is large and stable enough to support borough government;

(2) the boundaries of the proposed borough conform generally to natural geography and include all areas necessary for full development of municipal services;

(3) the economy of the area includes the human and financial resources capable of providing municipal services; evaluation of an area's economy includes land use, property values, total economic base, total personal income, resource and commercial development, anticipated functions, expenses, and income of the proposed borough;

(4) land, water, and air transportation facilities allow the communication and exchange necessary for the development of integrated borough government.

* Sec. 7. AS 29.35.160(a) is amended to read:

(a) Each unified municipality, first class borough, second class borough, and third class borough constitutes a borough school district and establishes, maintains, and operates a system of public schools on an areawide basis as provided in AS 14.14.060. A military reservation in a borough is not part of the borough school district until the military mission is terminated or until inclusion in the borough school district is approved by the Department of Education. However, operation of the military reservation schools by the borough school district may be required by the Department of Education under AS 14.-14.110. If the military mission of a military reservation terminates or continued management and control by a regional educational attendance area is disapproved by the Department of Education, operation, management, and control of schools on the military reservation

1 transfers to the borough school district in which the military reser-
2 vation is located.

3 * Sec. 8. AS 29.35 is amended by adding a new section to article 3 to
4 read:

5 Sec. 29.35.230. FOURTH CLASS BOROUGH POWERS. (a) A fourth
6 class borough may

7 (1) borrow money and issue negotiable or nonnegotiable
8 bonds or other evidences of indebtedness as provided by AS 29.47;

9 (2) acquire the power to provide for planning, platting,
10 and land use regulation as provided in AS 29.40 for first and second
11 class boroughs, except the power may only be exercised within a ser-
12 vice area; and

13 (3) acquire any power not otherwise prohibited by law,
14 except the power may only be exercised within a service area.

15 (b) A fourth class borough may not

16 (1) exercise an areawide power other than tax assessment
17 and collection; or

18 (2) function as a borough school district or establish a
19 school system.

20 * Sec. 9. AS 29.35.250(c) is amended to read:

21 (c) A home rule city in a third or fourth class borough shall
22 provide for planning, platting, and land use regulation as provided by
23 AS 29.35.180(b) for home rule boroughs. A first class city in a third
24 or fourth class borough shall provide for planning, platting, and land
25 use regulation as provided by AS 29.35.180(a) for first and second
26 class boroughs. A second class city in a third or fourth class bor-
27 ough may provide for planning, platting, and land use regulation as
28 provided by AS 29.35.180(a) for first and second class boroughs.

29 * Sec. 10. AS 29.35.260(b) is amended to read:

1 (b) A home rule or first class city in the unorganized borough
2 or in [OUTSIDE] a fourth class borough is a city school district and
3 shall establish, operate, and maintain a system of public schools as
4 provided by AS 29.35.160 for unified municipalities, first class
5 boroughs, second class boroughs, and third class boroughs. A second
6 class city in the unorganized borough or in [OUTSIDE] a fourth class
7 borough is not a school district and may not establish a system of
8 public schools.

9 * Sec. 11. AS 29.35.490(b) is amended to read:

10 (b) If the exercise of the power is approved by a majority of
11 the voters residing in the service area, a third or fourth class
12 borough may exercise in a service area any power not otherwise prohib-
13 ited by law.

14 * Sec. 12. AS 29.35.490(c) is amended to read:

15 (c) A second, [OR] third, or fourth class borough may establish
16 a service area that includes only vacant, unappropriated, and unre-
17 served land owned by the borough. A second, [OR] third, or fourth
18 class borough may establish a service area, with the concurrence of
19 the commissioner of natural resources, that includes only vacant,
20 unappropriated, and unreserved land owned by the state and classified
21 for disposal to individuals. By ordinance a second, [OR] third, or
22 fourth class borough may provide the services in a service area estab-
23 lished under this subsection necessary to develop state or municipal
24 land as required by the planning, platting, and land use regulations
25 of the borough.

26 * Sec. 13. AS 38.05.037(a) is amended to read:

27 (a) In areas of the unorganized borough [STATE OUTSIDE FIRST,
28 SECOND OR THIRD CLASS BOROUGHS] where there is no city exercising the
29 power of land use regulation [MUNICIPALITY WITH A ZONING POWER], the

1 division of lands shall exercise the zoning power by adopting zoning
2 regulations.

3 * Sec. 14. AS 38.05.037(b) is amended to read:

4 (b) The division of lands may exercise its zoning power

5 (1) within federal land in the unorganized borough only at
6 the times and in the areas it is requested to do so by the Secretary
7 of the Interior to facilitate sales of federal land within the unor-
8 ganized borough under P.L. 88-608, 78 Stat. 988;

9 (2) within any portion of a third or fourth class borough
10 covered by the Alaska coastal management program adopted in accordance
11 with the provisions of AS 46.40 if the municipality has not done so.

12 * Sec. 15. AS 40.15.070 is amended to read:

13 Sec. 40.15.070. PLATTING AUTHORITY. If land proposed to be
14 subdivided or dedicated is situated within a first or second class
15 borough, the proposed subdivision or dedication shall be submitted to
16 the borough planning commission for approval. If the land is situated
17 within a city in the unorganized borough, [OR] the third class bor-
18 ough, or a fourth class borough, the proposed subdivision or dedica-
19 tion shall be submitted to the city planning commission for approval.
20 The borough planning commission is the platting authority for the
21 first or second class borough, the city planning commission is the
22 platting authority for the city, and the Department of Natural Re-
23 sources is the platting authority in the remaining areas of the state
24 [AND THIRD CLASS BOROUGH] for the change or vacation of existing plats
25 or a portion of such plats, as provided in AS 40.15.075. If the
26 borough or the city does not have a planning commission, the borough
27 assembly or the city governing body, respectively, is the platting
28 authority and the proposed subdivision or dedication shall be submit-
29 ted to it. A subdivision may not be filed and recorded until it is

1 approved by the platting authority.

2 * Sec. 16. AS 40.15.075 is amended to read:

3 Sec. 40.15.075. AUTHORITY IN THE UNORGANIZED BOROUGH AND IN
4 THIRD AND FOURTH CLASS BOROUGHES. The Department of Natural Resources
5 is the platting authority in the area outside organized boroughs and
6 outside cities in the unorganized borough, [AND] in the third class
7 borough and, in each fourth class borough for only the purposes of
8 hearing and acting on petitions for the change or vacation of plats
9 and shall execute this function substantially in conformity with the
10 provisions of AS 29.40.130 - 29.40.160. Costs of publication and
11 mailing authorized in AS 29.40.130 shall be paid to the Department of
12 Natural Resources by the petitioner. The Department of Natural Re-
13 sources shall adopt reasonable regulations governing the exercise of
14 the authority conferred by this section.
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FISCAL NOTE

REQUEST:

Revision Date: _____
 Title: "An Act relating to fourth class boroughs."
 Sponsor: Cochill
 Requestor: _____

Agency Affected: Community & Regional Affairs
 BRU: _____
 Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

| OPERATING | FY 89 | FY 90 | FY 91 | FY 92 | FY 93 | FY 94 |
|------------------------|-------|-------|-------|-------|-------|-------|
| PERSONAL SERVICES | | | | | | |
| TRAVEL | | | | | | |
| CONTRACTUAL | | | | | | |
| SUPPLIES | | | | | | |
| EQUIPMENT | | | | | | |
| LAND & STRUCTURES | | | | | | |
| GRANTS, CLAIMS | | | | | | |
| MISCELLANEOUS | | | | | | |
| TOTAL OPERATING | -0- | -0- | -0- | -0- | -0- | -0- |

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|---------|--|--|--|--|--|--|
| CAPITAL | | | | | | |
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|---------|--|--|--|--|--|--|
| REVENUE | | | | | | |
|---------|--|--|--|--|--|--|

FUNDING: (Thousands of Dollars)

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

POSITIONS:

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

ANALYSIS : (Attach a separate page if necessary)

See attached.

Prepared by: Jim Plasman, Deputy Director
 Division: Municipal & Regional Assistance

Phone: 465-4750
 Date: 2/7/89

Approved by Commissioner: [Signature] DC, CRA
 Agency: Community & Regional Affairs

Date: 6 Feb 89

Distribution (by preparer):

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

FISCAL NOTE CONTINUATION

SB 104

The department has taken the position of zero fiscal impact from this bill because this bill does not mandate the creation of any new boroughs. However, it should be noted that any fourth class boroughs that are created pursuant to this legislation would be entitled to receive financial assistance from the state through a number of different programs. As any other new borough, a fourth class borough would be entitled to organizational grants under AS 29.05.190 in the amounts of \$300,000 the first year, \$200,000 the second year, and \$100,000 the third year. The borough would be entitled to participate in various tax sharing programs, such as the fish tax revenue sharing program. These impacts would fall upon the state. Any new borough would also be entitled to participate in the state revenue sharing and municipal assistance programs. The financial impact in these programs would fall predominately on other recipients (mainly municipalities) unless the state put in additional funds to compensate for the new participants.

Senator John B. (Jack) Coghill

Alaska State Legislature

Box V
Juneau, Alaska 99811
(907) 465-4797

Box 55028
North Pole, Alaska 99705
(907) 488-0862



MEMORANDUM

To: Senator Al Adams

From: Senator Jack Coghill

Re: Bill hearing

Date: January 19, 1989

Senate Bill 104, "An Act relating to fourth class boroughs" has been referred to the Senate Community and Regional Affairs Committee.

SB 104 would provide for the establishment of a fourth class borough as a class of general law municipality. Establishment of a fourth class borough has been modeled after a third class borough with one exception, a fourth class borough is prohibited from exercising educational powers.

A fourth class borough would constitute a minimal form of government. It would enable areas in the unorganized borough to ease into an organized form of government. By establishing a fourth class borough, we have provided a stair-step approach to organized government. I believe residents in the unorganized area will have more of an incentive to organize themselves into a government entity under the fourth class borough proposal.

Enclosed is the sectional analysis on SB 104. We have requested a fiscal note from the Department of Community and Regional Affairs, but have not received it yet. I would appreciate if you would schedule SB 104 for a hearing as soon as possible.

If you have any questions regarding SB 104, please feel free to contact my office.

memo to Adams

TOLSONA COMMUNITY CORPORATION
Box 23
Glennallen AK 99588

January 21, 1989

JAN 27 1989

Senator Jack Coghill
Box V
Juneau AK 99811

Dear ~~Senator Coghill~~ ^{JACK}:

Thanks for the information regarding your borough bill. It seems to address most of the concerns of the residents in the Copper River area.

1. Education:

The cost of operating the schools would take so much of the budgets of many of the proposed boroughs that they become unfeasible to operate. Your proposal solves this by retaining state funding of the schools.

2. Political:

In the Copper River basin, the school board is the only political game in town and it therefore becomes the stage for all local would-be politicians to play their games. By having another elected body in the area, some of these types would choose to act in that arena and leave the school board to those who are sincerely interested in education.

3. Protection:

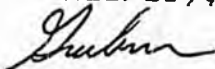
By forming a 4th class borough the area would protect itself from encroachment from neighboring boroughs and yet not have to assume the massive burden of the schools and large borough bureaucracy.

4. Existing Services:

A concern I do have, as president of Tolsona Community Corporation, is the status of revenue sharing under a 4th class borough. Village councils and Non-profit corporations share about \$150,000 in the Copper River area and if the new borough would tax itself, it could easily raise enough money to continue the services provided by these organizations as well as operate the borough and provide additional funds for the school district. But, what would happen if the borough chose not to tax? (operate with volunteers)

Except for this concern, I think that your proposal would be a good vehicle to allow formation of boroughs in many of the REAAs in the state.

Sincerely,



Graham Ward

FOURTH CLASS BOROUGH NOTES

SB 104 would provide for the establishment of a Fourth Class Borough as a class of general law municipality. Establishment of a Fourth Class Borough has been modeled after a Third Class Borough.

A Fourth Class Borough would constitute a minimal form of government. It is similar to a Third Class Borough with the exception that a Fourth Class Borough is prohibited from exercising educational powers.

The standards for incorporation of a Fourth Class Borough are identical to those for other boroughs. The only area-wide power granted to Fourth Class Boroughs upon incorporation is taxation. However, a Fourth Class Borough would not have to tax if the assembly did not want to. Any taxation would be passed by the assembly in the form of an ordinance. Any other power the borough wants to acquire, can only be exercised in a service area.

A Fourth Class Borough can establish service areas. Any power which is not otherwise prohibited by law to be exercised in a service area must be voted on by the residents of the service area, unless nobody lives in the area.

Unlike the other classifications of boroughs, when a Fourth Class Borough incorporates, it does not have any mandatory powers. Other classifications usually have a mandatory provision to provide for education and taxation

One thing to keep in mind is that the establishment of a Fourth Class Borough does not give 100% protection from annexation of the borough's territory by another borough. The Local Boundary Commission can consider any boundary changes. However, by the establishment of a Fourth Class Borough, it would give the area a form of government to oppose annexation and make annexation more difficult.

STATE OF ALASKA
THE LEGISLATURE

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

January 13, 1989

SUBJECT: Fourth class boroughs
(Work Order No. 6-0229A)

TO: Senator Jack Coghill

FROM: Tamara Brandt Cook *bc*
Director
Division of Legal Services

Here is the sectional analysis that you requested of the draft bill relating to fourth class boroughs.

Sec. 1. Fourth class boroughs are to be included into educational service areas.

Sec. 2. Deletes a reference to the unorganized borough, since service areas will include fourth class boroughs under this legislation.

Sec. 3. First class and home rule cities in a fourth class borough are city school districts, as is the case now with those types of cities located in the unorganized borough. Makes some technical, but not substantive changes, to properly identify all classifications of municipalities and their powers with respect to education.

Sec. 4. Adds the fourth class borough as a class of general law municipality.

Sec. 5. Permits a fourth class borough to reclassify as a first or second class borough in the manner that reclassification is currently permitted for other types of boroughs.

Sec. 6. Establishes standards for incorporation of a fourth class borough that are identical to those for other boroughs.

Sec. 7. Identifies boroughs that are school districts. A fourth class borough is not included. Under existing law all boroughs are school districts.

Sectional Analysis

Sec. 8. Sets out powers of a fourth class borough which are similar to those of the third class borough, except a fourth class borough may not function as a school district.

Sec. 9. Requires a home rule city and first class city in a fourth class borough to provide for planning, platting and land use regulation, as is the case for those types of cities in the third class borough. Permits a second class city to do so.

Sec. 10. Provides that a home rule or first class city in a fourth class borough is a school district, as is the case for such cities located in the unorganized borough.

Sec. 11. Permits a fourth class borough to exercise in a service area any power not otherwise prohibited, as is the case for the third class borough.

Sec. 12. Treats fourth class boroughs the same as second and third class boroughs with respect to service areas containing only vacant land.

Sec. 13. Provides that in areas of the unorganized borough where no city exercises the power of land use regulation the division of land shall exercise the zoning power. This provision treats fourth class and third class boroughs alike, but neither type can provide land use regulation except on a service area basis. Perhaps the provision should be modified to allow the division of lands to zone in any area where no municipal land use regulation is being exercised, including within third class and fourth class boroughs and certain second class cities. This, however, would go beyond the scope of this bill.

Sec. 14. Fourth class boroughs are treated like the third class borough with respect to the power of the division of lands to exercise zoning power in areas covered by the Alaska coastal management program.

Sec. 15. Fourth class boroughs are treated like the third class borough with respect to subdivisions of state land. Like the provision dealt with in Section 13, this provision does not now appear to adequately recognize the existing scheme for municipal exercise of land use regulation, but to correct the provision would be beyond the scope of this bill.

Sec. 16. Fourth class boroughs are treated like the third class borough with respect to the platting authority of the

Senator Jack Coghill
Page 3
January 13, 1989

Department of Natural Resources. Like the provision dealt with in Sections 13 and 15, this provision does not now appear to adequately recognize the existing scheme for municipal exercise of land use regulation, but to correct the matter would be beyond the scope of this bill.

TBC:kb
wkk1/033

Senator John B. (Jack) Coghill

Alaska State Legislature

Box V
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LEGISLATIVE REPORT

BY

SENATOR JACK COGHILL



I have recently introduced Senate Bill 104, "an Act relating to fourth class boroughs." This bill would provide for the establishment of a fourth class borough as a class of general law municipality. A fourth class borough would constitute a very minimal form of organized government. It would enable areas in the unorganized borough, that want to form a government structure, to ease into an organized form of government. Unlike the other classifications of boroughs, when a fourth class borough incorporates, it would not have any mandatory powers. Other boroughs usually have a mandatory provision to provide for education and taxation.

The standards for incorporation of a fourth class borough are identical to those for other boroughs. A fourth class borough would be prohibited from establishing a school district. In fact, the only area-wide power granted to a fourth class borough upon incorporation, would be taxation. However, just because they have that power, it does not mean the new borough would have to exercise it. The borough would only have to tax to generate revenues to provide for "extra" services that residents may want.

You may be wondering why on earth I would introduce a fourth class borough bill. Well, as you may recall, during the 15th Legislature Representative Ron Larson introduced legislation that would create mandatory boroughs. This session he introduced a similar bill. I am adamantly opposed to any form of mandatory borough. I believe local government should be up to the people, not forced upon them. But we must keep in mind the interest and support that is developing on the concept of new borough formation in the unorganized areas of the state. I felt, by introducing legislation that allows for the establishment of fourth class boroughs, we would be providing an alternative for the Administration to consider instead of them advocating a mandatory borough policy. We would also be allowing residents of an area to protect their interests from annexation procedures by other established boroughs.

Please keep in mind that SB 104 does not mandatorily force the establishment of fourth class boroughs. It merely provides an avenue to establish a very minimal borough government. I assure you I will continue to fight against the mandatory borough concept. On a final note, I would like to take this opportunity to publicly thank the Copper River Borough Committee for their help and input in formulating SB 104.

If you have any questions regarding SB 104, please feel free to contact my office at P.O. Box V, Juneau AK 99811.