

Leg. Finance-House & Senate Finance Comte Files (1991-1992) 852

1	DEPARTMENT OF TRANSPORTATION & PUBLIC FACILITIES (CONT.)				1
2			APPROPRIATION	APPROPRIATION	FUND SOURCES
3		ALLOCATIONS	ITEMS	GENERAL FUND	OTHER FUNDS
4	WALES AIRPORT IMPROVEMENTS	1,100,000			
5	WHITE MOUNTAIN AIRPORT IMPROVEMENTS	2,300,000			
6	NORTHERN REGION FACILITIES				
7	NORTHERN REGION BARRIER FREE PROGRAM		500,000	500,000	
8	NORTHERN REGION WATERS AND HARBORS				
9	SOUTHEAST REGION FEDERAL HIGHWAY PROGRAM		24,120,500		24,120,500
10	SOUTHEAST REGION HIGHWAY SAFETY IMPROVEMENT				
11	PROGRAM	400,000			
12	HAINES HIGHWAY, FERRY TERMINAL TO MP 24	400,000			
13	HAINES HIGHWAY, MP 24 TO BORDER ROADWAY	2,700,000			
14	JUNEAU DOUGLAS HIGHWAY, CORDOVA TO BRIDGE, PHASE				
15	II	1,150,000			
16	JUNEAU, EGAN EXPRESSWAY SAFETY IMPROVEMENTS	1,500,000			
17	JUNEAU, EGAN EXPRESSWAY CAPACITY IMPROVEMENTS	300,000			
18	JUNEAU GLACIER HIGHWAY, HIGHLAND DRIVE/EGAN				
19	EXPRESSWAY IMPROVEMENTS	560,500			
20	JUNEAU GLACIER HIGHWAY, SALMON CREEK TO				
21	VANDERBILT IMPROVEMENTS	1,850,000			
22	JUNEAU GLACIER HIGHWAY, FRED MEYER TO MCNUGGET				
23	IMPROVEMENTS	1,000,000			
24	JUNEAU, NORTH DOUGLAS HIGHWAY PAVEMENT OVERLAY	1,000,000			
25	JUNEAU, THANE ROAD RECONSTRUCTION	500,000			
26	KAKE, GUNNAK CREEK TO BOAT HARBOR PAVING	660,000			
27	KETCHIKAN, DEERMOUNT STREET WIDENING	200,000			
28	PETERSBURG MITKOF HIGHWAY, SCOW BAY/PAPKE'S				
29	LANDING ROAD IMPROVEMENTS	3,500,000			

1 DEPARTMENT OF TRANSPORTATION & PUBLIC FACILITIES (CONT.)		APPROPRIATION		APPROPRIATION FUND SOURCES	
		ALLOCATIONS	ITEMS	GENERAL FUND	OTHER FUNDS
2					
3					
4	SKAGWAY KLONDIKE HIGHWAY, WILLIAM MOORE CREEK				
5	BRIDGE REDECKING	700,000			
6	SITKA, HALIBUT POINT ROAD/SAWMILL ROAD CAPACITY				
7	IMPROVEMENTS	2,500,000			
8	WRANGELL, ZIMOVIA HIGHWAY, BARGER STREET TO MILL				
9	RECONSTRUCTION/PE	400,000			
10	HOONAH ARTERIAL, STAGE I	300,000			
11	JUNEAU, LEMON ROAD OVERLAY/SWITZER CREEK				
12	INTERSECTION TO VANDERBILT	1,000,000			
13	PETERSBURG MITKOF HIGHWAY, PAPKE'S LANDING TO				
14	CRYSTAL LAKE IMPROVEMENTS	1,500,000			
15	JUNEAU GLACIER HIGHWAY, INDIAN POINT TO POINT				
16	LOUISA IMPROVEMENTS	2,000,000			
17	SOUTHEAST REGION STATE HIGHWAY PROGRAM		1,300,000	1,300,000	
18	NORTH TONGASS HIGHWAY, WARD COVE TO WHIPPLE CREEK	1,100,000			
19	BRADFIELD RIVER ROUTE EIS	200,000			
20	SOUTHEAST REGION FEDERAL AVIATION PROGRAM		5,710,000		5,710,000
21	SOUTHEAST REGION, SOUTHEAST ALASKA AIRPORT LAYOUT				
22	PLANS	150,000			
23	SOUTHEAST REGION AVIATION PE, ROW & UTILITIES	300,000			
24	KETCHIKAN AIRPORT APRON AND TAXIWAY IMPROVEMENTS	2,200,000			
25	Klawock AIRPORT LAND ACQUISITION	250,000			
26	PETERSBURG AIRPORT EQUIPMENT BUILDING SUPPLEMENTAL	200,000			
27	PETERSBURG SEAPLANE FACILITY, PHASE I	2,000,000			
28	YAKUTAT AIRPORT OBSTRUCTION REMOVAL	610,000			

1 DEPARTMENT OF TRANSPORTATION & PUBLIC FACILITIES (CONT.)		APPROPRIATION		APPROPRIATION	FUND SOURCES	
		ALLOCATIONS	ITEMS	GENERAL FUND	OTHER FUNDS	
4	SOUTHEAST REGION FACILITIES		215,000	215,000		4
5	JUNEAU COMMUNITY BUILDING HANDICAPPED RESTROOM					5
6	MODIFICATIONS	90,000				6
7	JUNEAU, ALASKA STATE MUSEUM HANDICAPPED RESTROOM					7
8	MODIFICATIONS	50,000				8
9	JUNEAU, STATE/ALASKA OFFICE BUILDINGS & DIMOND					9
10	COURTHOUSE DRINKING FOUNTAINS	50,000				10
11	JUNEAU, GOVERNOR'S MANSION HANDICAP ACCESS					11
12	IMPROVEMENTS	25,000				12
13	ALASKA INTERNATIONAL AIRPORT SYSTEM					13
14	ANCHORAGE INTERNATIONAL AIRPORT		19,458,000		19,458,000	14
15	ANCHORAGE INTERNATIONAL AIRPORT, NORTH TERMINAL					15
16	MODIFICATIONS DESIGN	350,000				16
17	ANCHORAGE INTERNATIONAL AIRPORT, TAXIWAY/LINK					17
18	CONSTRUCTION & OVERLAY	2,790,000				18
19	ANCHORAGE INTERNATIONAL AIRPORT, ACCESS CONTROL					19
20	SYSTEM UPGRADE	2,000,000				20
21	ANCHORAGE INTERNATIONAL AIRPORT, ENVIRONMENTAL					21
22	ASSESSMENT & CLEANUP	2,000,000				22
23	ANCHORAGE INTERNATIONAL AIRPORT, TAXIWAY "T"					23
24	EXTENSION	1,475,000				24
25	ANCHORAGE INTERNATIONAL AIRPORT, RAMP AREA					25
26	RECONSTRUCTION PHASE IV	1,000,000				26
27	ANCHORAGE INTERNATIONAL AIRPORT, ANNUAL					27
28	IMPROVEMENTS	650,000				28

1 DEPARTMENT OF TRANSPORTATION & PUBLIC FACILITIES (CONT.)					1	
2		APPROPRIATION		APPROPRIATION FUND SOURCES	2	
3		ALLOCATIONS	ITEMS	GENERAL FUND	OTHER FUNDS	3
4	ANCHORAGE INTERNATIONAL AIRPORT, MAINTENANCE					4
5	EQUIPMENT	605,000				5
6	ANCHORAGE INTERNATIONAL AIRPORT, REMOTE RAMP					6
7	SHUTTLE BUSES	500,000				7
8	ANCHORAGE INTERNATIONAL AIRPORT, MAINTENANCE					8
9	FACILITY ROOF UPGRADE	385,000				9
10	ANCHORAGE INTERNATIONAL AIRPORT, SATELLITE DRIVE					10
11	DESIGN	200,000				11
12	ANCHORAGE INTERNATIONAL AIRPORT, ROADWAYS					12
13	RECONSTRUCTION	7,503,000				13
14	FAIRBANKS INTERNATIONAL AIRPORT		4,950,000		4,950,000	14
15	FAIRBANKS INTERNATIONAL AIRPORT, ACCESS CONTROL					15
16	SYSTEM, PHASE II	2,000,000				16
17	FAIRBANKS INTERNATIONAL AIRPORT, NW APRON AND					17
18	TAXIWAY, PHASE II	2,000,000				18
19	FAIRBANKS INTERNATIONAL AIRPORT, MAINTENANCE					19
20	EQUIPMENT	400,000				20
21	FAIRBANKS INTERNATIONAL AIRPORT, ANNUAL					21
22	IMPROVEMENTS	300,000				22
23	FAIRBANKS INTERNATIONAL AIRPORT, DEC APPROVED					23
24	FIRE TRAINING AREA, PHASE II	250,000				24
25	MARINE HIGHWAY SYSTEM FEDERAL PROGRAM		9,103,000		9,103,000	25
26	SITKA UPLANDS IMPROVEMENTS	421,300				26
27	TAKU REPOWER	1,443,700				27
28	TUSTUMENA REPOWER	266,000				28

1 DEPARTMENT OF TRANSPORTATION & PUBLIC FACILITIES (CONT.)		APPROPRIATION		APPROPRIATION FUND SOURCES		1
2		ALLOCATIONS	ITEMS	GENERAL FUND	OTHER FUNDS	2
3						3
4	CORDOVA FERRY TERMINAL BRIDGE REPLACEMENT	1,390,500				4
5	CORDOVA STAGING AREA	425,700				5
6	HYDER FERRY TERMINAL	22,200				6
7	FLEETWIDE SOLAS UPGRADE	177,400				7
8	HOONAH MOORING IMPROVEMENTS	518,800				8
9	KAKE MOORING IMPROVEMENTS	88,700				9
10	HAINES BASIN	44,300				10
11	KETCHIKAN MOORING REALIGNMENT	3,494,000				11
12	MATANUSKA GALLEY AND LINING REFURBISHING	133,000				12
13	MALASPINA HOTEL REFURBISHING	500,000				13
14	SHIPBOARD WASTE HANDLING SYSTEM	177,400				14
15	MARINE HIGHWAY SYSTEM STATE PROGRAM					15
16	ALASKA MARINE HIGHWAY SYSTEM HANDICAPPED VANS		160,000	160,000		16
17	*****		*****			17
18	***** DEPARTMENT OF COMMUNITY & REGIONAL AFFAIRS *****		*****			18
19	*****		*****			19
20	DEVELOPMENT					20
21	WEATHERIZATION/ENERGY CONSERVATION/RETROFIT					21
22	PROJECT		4,500,000	2,000,000	2,500,000	22
23	ECONOMIC DIVERSITY AND RURAL DEVELOPMENT GRANT					23
24	PROGRAMS		6,100,000	1,000,000	5,100,000	24

1		APPROPRIATION	APPROPRIATION FUND SOURCES	1		
2		ALLOCATIONS	ITEMS	GENERAL FUND	OTHER FUNDS	2
3	*****		*****			3
4	***** UNIVERSITY OF ALASKA *****					4
5	*****		*****			5
6	UNIVERSITY OF ALASKA					6
7	UNIVERSITY OF ALASKA, ANCHORAGE					7
8	LIBRARY BOOKS AND PERIODICAL ACQUISITION		500,000	500,000		8
9	(SECTION 2 BEGINS ON PAGE 15)					8

1 \* SEC. 2. THE FOLLOWING SETS OUT THE FUNDING  
2 FOR THE APPROPRIATIONS MADE IN SECTION 1  
3 OF THIS ACT.

4 CAPITAL PROJECTS

5	FEDERAL RECEIPTS	289,268,400
6	GENERAL FUND MATCH	38,401,500
7	GENERAL FUND RECEIPTS	16,105,000
8	HIGHWAY WORKING CAPITAL FUND	12,300,000
9	INTERNATIONAL AIRPORT REVENUE FUND	9,709,500
10	*** TOTAL FUNDING ***	365,784,400

11 \* SEC . 3. THIS ACT TAKES EFFECT JULY 1, 1991.

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2  
3  
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6  
7  
8  
10  
11

**ALASKA STATE LEGISLATURE**  
**SENATE BILL NO. 140**

**HISTORY IN THE SENATE**

1991  
2/25

Read first time and referred to:  
Finance

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\_\_\_\_\_ RPT(\_\_\_\_) CS \_\_\_ DP \_\_\_ NR \_\_\_ DNP \_\_\_ AM  
 \_\_\_\_\_ New Title \_\_\_\_\_ Same Title \_\_\_\_\_ Previous FN  
 \_\_\_\_\_ FN \_\_\_\_\_ OFN \_\_\_\_\_ To \_\_\_\_\_

\_\_\_\_\_ RPT(\_\_\_\_) CS \_\_\_ DP \_\_\_ NR \_\_\_ DNP \_\_\_ AM  
 \_\_\_\_\_ New Title \_\_\_\_\_ Same Title \_\_\_\_\_ Previous FN  
 \_\_\_\_\_ FN \_\_\_\_\_ OFN \_\_\_\_\_ To \_\_\_\_\_

\_\_\_\_\_ RPT(\_\_\_\_) CS \_\_\_ DP \_\_\_ NR \_\_\_ DNP \_\_\_ AM  
 \_\_\_\_\_ New Title \_\_\_\_\_ Same Title \_\_\_\_\_ Previous FN  
 \_\_\_\_\_ FN \_\_\_\_\_ OFN \_\_\_\_\_ To \_\_\_\_\_

\_\_\_\_\_ Rules Calendar(\_\_\_\_) CS \_\_\_ AM \_\_\_ Other  
 \_\_\_\_\_ New Title \_\_\_\_\_ Same Title \_\_\_\_\_ Previous FN  
 \_\_\_\_\_ FN \_\_\_\_\_ OFN \_\_\_\_\_

Read second time

\_\_\_\_\_ CS Adopted (\_\_\_\_) \_\_\_\_\_ New Title  
 \_\_\_\_\_ Amended \_\_\_\_\_ Advanced

Read third time

\_\_\_\_\_ Letter of Intent adopted  
 \_\_\_\_\_ Return to second for specific amendment

PASSED	EFD Same ___ or
Yeas	Yeas
Nays	Nays
Excused	Excused
Absent	Absent

Reconsideration  
 Reconsideration not taken up

PASSED	EFD Same ___ or
Yeas	Yeas
Nays	Nays
Excused	Excused
Absent	Absent

Reported correctly engrossed  
 Signed by President, to House

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Secretary of the Senate

**HISTORY IN THE HOUSE**

19

Read first time and referred to:

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\_\_\_\_\_ RPT CS(\_\_\_\_) \_\_\_ New Title  
 \_\_\_\_\_ DP \_\_\_\_\_ DNP \_\_\_\_\_ NR \_\_\_\_\_ AM  
 \_\_\_\_\_ FN \_\_\_\_\_ OFN \_\_\_\_\_ Previous FN

\_\_\_\_\_ RPT CS(\_\_\_\_) \_\_\_ New Title  
 \_\_\_\_\_ DP \_\_\_\_\_ DNP \_\_\_\_\_ NR \_\_\_\_\_ AM  
 \_\_\_\_\_ FN \_\_\_\_\_ OFN \_\_\_\_\_ Previous FN

\_\_\_\_\_ RPT CS(\_\_\_\_) \_\_\_ New Title  
 \_\_\_\_\_ DP \_\_\_\_\_ DNP \_\_\_\_\_ NR \_\_\_\_\_ AM  
 \_\_\_\_\_ FN \_\_\_\_\_ OFN \_\_\_\_\_ Previous FN

Read second time  
 CS(\_\_\_\_) Adopted

Amended

Advanced

Read third time

Return to second for specific amendment

PASSED	EFD Same ___ or
Yeas	Yeas
Nays	Nays
Excused	Excused
Absent	Absent

\_\_\_\_\_ Intent adopted

Reconsideration  
 Reconsideration not taken up

PASSED ON RECON.	EFD Same ___ or
Yeas	Yeas
Nays	Nays
Excused	Excused
Absent	Absent

\_\_\_\_\_ Intent adopted

Reported correctly engrossed, signed by the Speaker  
 and returned to the Senate

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Chief Clerk of the House

SENATE-HOUSE HISTORY Continued

19

Received from the House

Version: \_\_\_\_\_

Concur in House amendment

Y \_\_\_ N \_\_\_ E \_\_\_ A \_\_\_

\_\_\_\_\_ Efd same or Y \_\_\_ N \_\_\_ E \_\_\_ A \_\_\_

Failed to concur in House amendment, ask House recede

Y \_\_\_ N \_\_\_ E \_\_\_ A \_\_\_

House failed to / receded from amendment

Y \_\_\_ N \_\_\_ E \_\_\_ A \_\_\_

CC appointed by Senate \_\_\_\_\_ Chair

CC appointed by House \_\_\_\_\_ Chair

(S) Granted Limited Powers of Free Conference

(H) Granted Limited Powers of Free Conference

19

(S) Adopted CC Rpt \_\_\_\_\_

Y \_\_\_ N \_\_\_ E \_\_\_ A \_\_\_

\_\_\_\_\_ Efd same or Y \_\_\_ N \_\_\_ E \_\_\_ A \_\_\_

(H) Adopted CC Rpt \_\_\_\_\_

Y \_\_\_ N \_\_\_ E \_\_\_ A \_\_\_

\_\_\_\_\_ Efd same or Y \_\_\_ N \_\_\_ E \_\_\_ A \_\_\_

To enrolling

Received from enrolling

Sent to Governor

\_\_\_\_\_ By Governor

Chapter Number \_\_\_\_\_

Filed with Lieutenant Governor

WALTER J. HICKEL  
GOVERNOR



STATE OF ALASKA  
OFFICE OF THE GOVERNOR  
JUNEAU

140

February 25, 1991

The Honorable Richard I. Eliason  
President of the Senate  
P.O. Box V  
Juneau, AK 99811

Dear President Eliason:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill making appropriations for capital projects for fiscal year 1992.

As you know, last week I introduced the first part of my capital appropriations package. Its emphasis was on the deferred maintenance of state facilities and roads, Priority I school construction projects and water and sewer improvements.

The FY 92 capital budget which I am introducing today is of a modest amount. It reflects my continued concern with the level of revenues which will -- or will not -- be available to meet the competing demands for a dwindling supply of state dollars. This legislation's emphasis is on the state dollars necessary to leverage federal dollars for a number of projects, including improvements in the highway and aviation systems throughout the state.

Additional background information on each project is being provided to the Senate Finance Committee by my staff.

Sincerely,

A handwritten signature in cursive script that reads "Walter J. Hickel".

Walter J. Hickel  
Governor



STATE OF ALASKA  
OFFICE OF THE GOVERNOR  
JUNEAU

GOVERNOR'S CAPITAL APPROPRIATIONS PACKAGE

GF

FY 91 Capital Budget - SB 133 \$195,353.7  
(Introduced February 19, 1991)

- \* Deferred Maintenance
- \* School Construction
- \* API Replacement

FY 92 Capital Budget - SB 140 \$54,506.5

- \* Emphasis on transportation Federal Aid eligible aviation and highway projects

Municipal Matching Capital Project Matching Grant Program - SB 141 and SB 142 \$60,000.0

- \* Provides local communities a block grant for capital projects which communities will match
- \* Amount of a community's match based on its population and wealth factor; minimum match of 10% and maximum of 50%
- \* Funds are distributed on a per capita basis with a minimum grant of \$15,000 for unincorporated communities and \$25,000 for incorporated communities

Local Roads Transfer Program - SB 143 \$35,000.0

- \* Appropriates \$35 million to the Department of Transportation and Public Facilities which will begin process of transferring to local communities approximately 1800 centerline miles of routes of a local nature which the state currently maintains
- \* Enables the state to provide funds to local governments so they can perform necessary deferred maintenance, improvements and routine maintenance of these routes

157L

2/25/91

5/14/91 emj  
SFC

OMB - Startney

Capital Budget - Agency Areas of Concern

	Gov Amt Requested	Senate Proposal	House Proposal	Comment
<b>Department of Labor</b>				
Workers Comp Claims Handling System Upgrade	404.0	0.0	0.0	
<b>Department of Natural Resources</b>				
(* where House is greater than Senate)				
*Statehood Entitlement Selections	3,600.0	1,500.0	2,500.0	Top priority; original request was 7.2 for two year project; reduced by Gov for one year costs. At Senate's reduced level, department will still proceed but will put other projects on hold
Statewide Five Year Survey Plan	1,200.0	250.0	250.0	OK
*Recorder's Office	100.0 150.0	100.0	50.0	Original request was 305.1; DNR revised downward; basedo on ag agreement with current provider. Still need to upgrade and replace old computer terminals and make other enhancements to better serve the public.
*Forest Health Initiative	2,450.0	0.0	450.0	Department's #4 priority
DNR Facility Maintenance		400.0	400.0	Senate combines funds for all maintenance of DNR facilities; at Senate's proposed level, most likely only Fairbanks office complex will get upgraded
Fairbanks Office Complex Upgrade	572.8			
Eagle River DGGs Office Complex Maintenance	56.8			
Forestry Facilities Deferred Maintenance	78.4			
Visitor Facility Maintenance/Improvements	200.0			
Total	908.0			
*Submerged Lands Recalculation Phase II	630.0 150-GFM 150-FF		600.0 0.0	600.0 75.0
*State Park Repair/Renovation	3,000.0	1,900.0	3,000.0	

Beaufort/Chukchi  
Coastline Mapping

H- 75.0

**Capital Budget - Agency Areas of Concern**

	<i>Gov Amt Requested</i>	<i>Senate Proposal</i>	<i>House Proposal</i>	<i>Comment</i>
<b><u>Office of the Governor</u></b>				
Elctions Communication Network Upgrade	202.5	0.0	0.0	Because of decreases in the division's budget (38% since 1986) funds have not been available for adequate equipment maintenance or upgrade. Existing equipment breaks down resulting in costly inability to get work done. Division is currently running at full capacity of its linkup to the mainframe database and a new system is required. Division also needs to upgrade its vote counting equipment. Last election four card readers malfunctioned during the election test fund and the division had to borrow two at the last moment.
<b><u>DOT/PE</u></b>				
Federal Aid Highways Match	28,400.0	21,700.0	21,700.0	FHWA has currently approved \$174 million in federal obligations. The Senate's reduced level provides for approximately \$144 million in federal obligations. The department assumes the Legislature expects them to request a supplemental if there is shortages before the end of FY 92.
Federal Aid Aviation Match	4,500.0	4,200.0	4,200.0	The department assumes the Legislature expects them to request a supplemental if there is shortages before the end of FY 92.
Corps of Engineers Match	5,300.0	2,000.0	2,000.0	To get the Federal funds, the state must convince the Corp it can match the funds;

*30 mil.*

**Capital Budget - Agency Areas of Concern**

*Gov Amt Senate House  
Requested Proposal Proposal*

*Comment*

	<i>Gov Amt Requested</i>	<i>Senate Proposal</i>	<i>House Proposal</i>	<i>Comment</i>
				at Senate's level expect to be \$300 thousand to \$800 thousand short. Other match is required for anticipated funds for Kodiak harbor improvements
Whittier Breakwater Repairs	4,000.0	1,500.0	1,500.0	Full amount still required; Senate's amount will provide short term repair and would need to be redone in near future. Cost of mobilization and preparation of rock for the project make it uneconomical to do in this manner.
Underground Fuel Tank Replacement	2,000.0	0.0	0.0	State will need to decommission approximately 50 tanks per year through 1998.
Copper River Highway	1,000.0	0.0	0.0	Design and construction of the access to Cordova.
<i>No Tongass overlay - Road Gov - Emery.</i>	<i>1.1</i>			
<b><u>Department of Community and Regional Affairs</u></b>				
Economic Diversity and Rural Development Grants	1,000.0	0.0	0.0	
<b><u>Department of Corrections</u></b>				
Field Probation Offices Automation & Obsics Upgrade	300.0	0.0	0.0	"Offender Based State Correctional Information System" - Currently unable to provide timely and accurate info on offender recidivism and this upgrade will enable them to do it. Propose Senate reduce 3 million for Statewide Facilities Repair/Renovation/Remodel to cover this
<b><u>Department of Fish and Game</u></b>				
Hatcheries	10,000.0	0.0	0.0	

**Clear Hatchery Expansion/Yukon Fisheries Enhancement Initiative**

**FY 92:** \$1.3 million for planning, feasibility studies, site surveys and design work.

Begin work with Interior and Yukon River fishermen to conduct field surveys of Yukon tributaries to identify enhancement and rehabilitation projects, develop a regional plan and assist with formation of Yukon Regional Aquaculture Association.. Begin design work on expansion of Clear Hatchery near Nenana to include a salmon production program.



Official Business

# Alaska State Legislature

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

April 11, 1991

The Honorable Walter J. Hickel  
Governor, State of Alaska  
P.O. Box A  
Juneau, AK 99811

Dear Governor Hickel:

We wanted to bring to your attention a proposal we believe will do much to improve the fisheries up and down the Yukon River, and in turn, stimulate the economy from the Bering Sea coast clear to the Canadian border. This project is a major Yukon Fisheries Enhancement Initiative, a copy of which is attached to this letter.

The Yukon River and its tributaries have provided the resources to support a significant subsistence fishery throughout the years. The commercial harvest of salmon, which dates back to 1918, has enabled many local residents to participate in a cash economy. Yukon River permit holders are almost entirely local residents.

At an historic meeting in Galena last December, fishermen from the upper and lower Yukon River set aside their differences and agreed to work cooperatively on the management and enhancement of the river's salmon. The Yukon River Drainage Fisheries Association was formed during the Galena meeting, and the membership reached a consensus on an approach to increase salmon harvests on the Yukon. The attached initiative, formally adopted during the Association's meeting in St. Mary's February 26-28, 1991, is a cornerstone of that agreement.

Increasing pressures have been placed on the Yukon River salmon stocks. For decades, Yukon salmon have faced a veritable gauntlet of

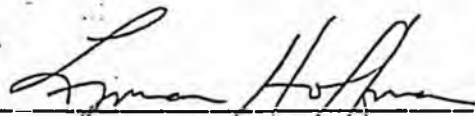
nets both on the high seas and in U.S. waters as they return to the river. High seas driftnets still take their toll on Yukon salmon, although recent agreements with foreign fleets should reduce this take. Foreign trawlers in the U.S. EEZ have been replaced by American trawlers, and the bycatch of Alaska salmon during these groundfish fisheries has increased dramatically. The reduction of this bycatch is a high priority of both state and federal fisheries agencies.


In addition, a growing Canadian commercial fishery on Yukon stocks and ongoing negotiations with Canada concerning the allocation and management of Yukon River chum and chinook have contributed to the difficulties experienced by Alaska fishermen. In the interest of increasing the health of the Yukon River stocks, we support the participation of the State of Alaska in a comprehensive enhancement program. While we believe the Canadians should also participate in this program, there is much that can be done to begin laying the groundwork for implementation of the Yukon Fisheries Enhancement Initiative while the negotiations continue.

The price for the attached proposal totals \$13.1 million. However, this project could be phased in over several years. The project will also include a plan for making it self-supporting after a set time.

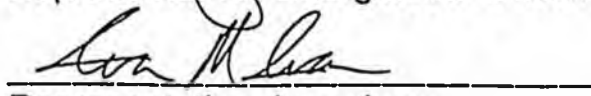
We all strongly support this project and would like your support in this year's capital budget. This project is also strongly supported by Lieutenant Governor Jack Coghill, as well as Commissioners Olds, Rosier and Blatchford, your Deputy Chief of Staff Malcolm Roberts, and your fisheries advisor Clem Tillion. We would like to see that support expressed in the form of a financial commitment in the capital budget.


Sincerely,

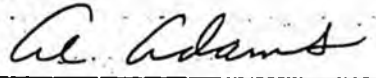
  
\_\_\_\_\_  
Senator Lyman F. Hoffman

  
\_\_\_\_\_  
Representative Georgianna Lincoln

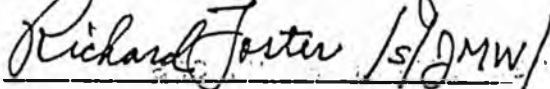
  
\_\_\_\_\_  
Senator Bettye Fahrenkamp

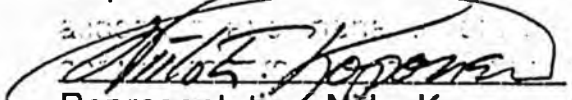
  
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Representative Ivan Ivan

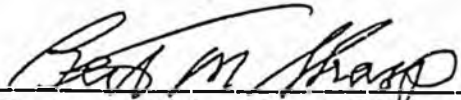
  
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Senator Steve Frank

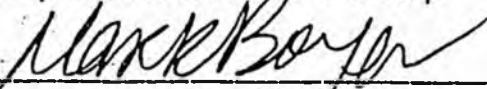
  
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Senator Al Adams

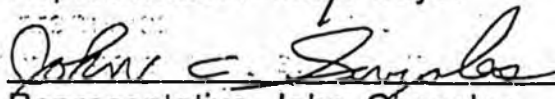
  
\_\_\_\_\_  
Senator Dick Shultz


  
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Representative Richard Foster

  
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Representative Mike Koponen

  
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Representative Bert Sharp

  
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Representative Mark Boyer

  
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Representative John Gonzales

  
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Representative Tom Moyer

  
\_\_\_\_\_  
Representative Mike Miller

- cc: Max Hodel, Chief of Staff  
Malcolm Roberts, Deputy Chief of Staff  
Lt. Governor Jack Coghill  
Shelby Stastny, OMB  
Commissioner Glenn Olds  
Commissioner Edgar Blatchford  
Commissioner Carl Rosier  
Clem Tillion, Governor's Office  
Jerry Ward, Corrections  
Senator Pat Pourchot  
Senator Jay Kerttula  
Senator Mike Navarre  
Senator Eileen MacLean

# Yukon Fisheries Enhancement Initiative

## **HISTORY**

### **The Yukon Initiative**

The meeting in Galena, Alaska on December 11 and 12, 1990 was a significant historic gathering of Alaskans representing Yukon River salmon fishery interests. Resolutions passed at the meeting and the formation of the Fisheries Enhancement and Cooperative Management Subcommittees indicate that a unanimous consensus among user groups and resource managers was reached to increase salmon harvests on the Yukon River. In response to these resolutions the ADF&G Fisheries Rehabilitation, Enhancement, and Development (FRED) Division has been asked to prepare this initiative. For this initiative to succeed, communication, cooperation and active participation from involved users of Alaska's fisheries is essential.

### **The Fisheries**

The Yukon River has supported an important subsistence fishery throughout history. Records dating back to the early 1900s show annual subsistence catches of salmon in certain years of 1 million salmon. Commercial harvest of salmon by Alaskans on the Yukon dates back to 1918 and has enabled many local residents to obtain a cash income. In recent years (1978-1987) Alaskan commercial fishermen on the Yukon received approximately \$7.0 million annually for their catch. The majority of the commercial fishermen are residents of the Yukon River drainage. The 1990 Yukon River salmon season was disappointing for chinook, summer chum and fall chum salmon with catches considerably below the 1985-89 average by 18%, 59%, and 23% respectively. It should be noted that the five year average (1985-89) for fall chum included 1987 when the commercial fishery was closed. The Alaskan

sport harvest of Yukon salmon is relatively small compared to the subsistence and commercial fisheries. In Canada, Yukon River salmon support an Indian food fishery, as well as a small commercial and sport fishery.

### **Fisheries Enhancement**

Fisheries enhancement expertise and technology was developed across the state by the FRED Division during the 1970s and 1980s. As a result of strong interest by fishermen and legislators in Prince William Sound, Cook Inlet, and Southeast Alaska, substantial enhancement programs were developed in these areas over the past two decades. The program has evolved to a cooperative FRED and private non-profit (PNP) endeavor. The economic impact of the statewide commercial fisheries enhancement program currently provides for 3,500 resident jobs and \$102 million in yearly personal income. Interest in fisheries enhancement on the Yukon, combined with the expertise of the FRED Division developed in other areas of Alaska, will be used to address the Yukon River fisheries crisis. Past experience at the Clear Hatchery with chinook and chum salmon fish culture provides the FRED Division with a strong foundation for success on the Yukon.

### **Enhancement techniques**

A wide variety of techniques can be applied to enhance salmon stocks, including rehabilitation of natural spawning areas, rehabilitation of depleted wild stocks, provision of fish ladders to access new habitat, spawning channels, streamside incubators, or full scale enhancement of certain salmon runs. It will be necessary to conduct field surveys of Yukon tributaries with local fishermen to identify opportunities for projects. Regional planning provides a forum for setting goals for enhancement by the public and the state in a coop-

erative fashion to provide for the implementation of programs. With close coordination of resource managers, rehabilitation of fish spawning and rearing habitat and rehabilitation of wild salmon returns can bring the runs back to historic production levels. Enhancement of selected salmon stocks beyond their natural in-river carrying capacity presents yet another set of challenges. Enhancement within a large mixed stock fishery like that of the Yukon River will require implementation of tagging or marking techniques to allow for an assessment of the level of contribution of enhanced fish to the mixed stock fishery such that healthy wild stocks will not be overharvested. Development, implementation and maintenance of that evaluation program will be an essential tool in increasing production beyond wild stock production capabilities.

### **INITIATIVE COMPONENTS**

The initiative has three major interrelated components. The first component involves enhancement pre-engineering design and planning. This component includes Yukon comprehensive salmon planning and stream site and salmon stock selection. The second component involves the Clear hatchery expansion, including design and construction work. The third component involves instream design and construction of remote fisheries enhancement projects through such methods as spawning channels and habitat restoration.

#### **Pre-engineering design and planning**

##### *Regional enhancement planning*

Legislation enacted in 1976 (AS 16.10.375) authorized the Commissioner of ADF&G to designate regions of the state for the purpose of enhancing salmon production. In accordance with this mandate, comprehensive salmon plans have been developed and approved for many coastal areas of the state. These plans have been developed by Regional Planning Teams (RPTs) composed of department personnel and representatives from the regional aquaculture associations. In areas where regional aquaculture associations have not been

formed, planning core groups representing ADF&G fisheries divisions, fishermen, and other agencies are established for the purpose of developing comprehensive salmon plans. The primary responsibility of the RPTs is to develop and update comprehensive salmon plans (including a 20 year long-range plan and a short-range 5 year action plan) that identify potential rehabilitation and enhancement projects for increasing salmon production.

For the Yukon River, the FRED Division will establish a Yukon planning group responsible for developing a comprehensive salmon plan that identifies fisheries enhancement and cooperative management. This effort would require representation from the entire Yukon drainage in Alaska. The planning group would have at least nine representatives from communities along the river in addition to ADF&G representatives. Initial discussions would include salmon stock assessment to determine where stocks may be distressed or damaged.

Concurrent with plan development, and authorized under AS 16.10.380, FRED Division would assist in and encourage the formation of a Yukon Regional Aquaculture Association. This association would provide a forum for dialogue among commercial, subsistence and sport fishermen, processors, and local communities regarding salmon production. It would also provide Yukon River fishermen with an opportunity to generate partial project funding through an enhancement tax.

##### *Rehabilitation and enhancement site surveys*

Enhancement and rehabilitation involves the building of salmon stocks to production levels beyond their former capabilities and restoration of depressed stocks to higher or former levels of abundance. A system-wide approach must be used to develop a comprehensive enhancement plan for the Yukon River drainage. Surveys of existing and potential salmon rearing and spawning habitat will help clarify the manner and extent to which wild salmon stocks can be enhanced and will provide critical data for the distribution of

hatchery produced fish so that user benefits can be maximized and harvest management conflicts minimized.

The development of the fall chum and chinook salmon production program at Clear Hatchery will provide for a major increase in salmon available for harvest. The distribution of enhanced fish is critically important to the numerous user groups along the river and therefore it is important to identify various stocks of salmon that can be used for hatchery broodstock and to select strategic release/imprinting sites along the mainstem and tributaries for hatchery produced chum fry and chinook smolts.

Due to the expanse and complexity of the Yukon River system, a comprehensive site survey study should be completed before the initiation of major hatchery releases in order to best define Yukon River enhancement opportunities.

#### Clear Hatchery Expansion

The Clear A.F.S. Hatchery near Nenana is currently operating at full production in support of the interior Alaska sport fisheries enhancement program. Currently 60% of the sport catch in the Tanana Valley comes from the Clear Hatchery. Expansion of the fish production program at Clear Hatchery offers a unique opportunity to provide support for enhancement and rehabilitation projects on the Yukon River system. An experienced staff and large quantities of excellent quality water would allow for the production of chum fry and chinook smolt at this location.

In order for a salmon production program to be brought on line a new module will have to be constructed at the existing hatchery since the present facility is fully committed to producing sport fish for interior Alaska waters. The initial design concept involves an incubation and rearing system that would be capable of producing approximately 20 million chum fry and 3.3 million chinook smolts which would result in an estimated annual adult return of 200,000 chums and 100,000 chinook. The facility would be designed to incubate multiple stocks in support of a broad-based enhancement program as determined by the

Regional Planning process in coordination with U.S. - Canada treaty negotiations.

Capital construction cost of a 20 million egg chum salmon hatchery at Clear were estimated at \$5 million in a preliminary design study completed in 1988. Another \$2 million would be required to add additional incubation and rearing capacity for the chinook program and to purchase major equipment items for the new facility.

Phase I production of chum salmon at Clear Hatchery will begin in the fall of 1991, if operational and capital funding is available, with the incubation of approximately 2 million chum eggs. Phase II, in 1992, would incubate 8 million chum eggs. Phase III involves final completion of the hatchery expansion in 1993 and would allow for major increases in chum production and the initiation of chinook production. Production levels would depend on the availability of selected donor stocks.

The management of the Yukon River salmon fisheries to obtain an optimal harvest and escapement balance is complicated by many issues. Management efficiency is frequently limited by the insufficient understanding of biological characteristics or lack of in-season adult return data for the numerous stocks within the drainage. The addition of large numbers of enhanced fish could further complicate management challenges if fisheries managers are unable to differentiate between wild and enhanced salmon in order to facilitate selective harvest strategies.

One primary management criterion is that the introduction of supplemental stocks into the Yukon River fisheries should not significantly complicate management of the wild stocks. In order for this to occur fisheries managers must be able to determine the run strength and timing of hatchery produced fish on an in-season basis. Marking, tagging and recovery will be a required component of the hatchery enhancement program. The technology is available to tag adequate numbers of hatchery produced fish for identification during in-river fisheries. Technology for mass marking of hatchery fish is currently being developed and may be available when the development of the hatchery program reaches production levels.

## Instream Design and Construction

In addition to supplemental hatchery production, other techniques will be used to increase natural salmon production. Techniques such as improved access to under-utilized spawning areas, spawning habitat restoration, and streamside incubation have been used effectively in other areas of the state to rehabilitate or enhance localized stocks of salmon.

This component of the initiative has potential to not only benefit Alaska fisheries but also open up opportunities for cooperation with Canada. It would provide resources to fund instream enhancement projects throughout the drainage identified by rehabilitation and enhancement site survey work and the regional planning process.

The statewide enhancement program has provided new employment in many coastal communities and regions of Alaska and positive net benefits to Alaskans. The Yukon Fisheries Enhancement Initiative will not only restore depleted stocks, but it is also an opportunity to provide a positive return on investment for Alaska with increased employment and social/economic stability of local villages along this unique river system.

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## COST SUMMARY

### CIP (Development and Construction Costs)

1. Pre-engineering design and planning	
a. Enhancement planning	\$ 150,000
b. Site and stock selection	\$ 500,000
2. Clear Hatchery Expansion	
a. Design and construction costs	
1. Salmon component	\$ 7,000,000
2. 35% Dept of Transportation and Public Facilities (DOTPF) overhead charge	\$ 2,450,000
3. Instream design and construction	\$ 3,000,000
TOTAL:	\$ 13,100,000.

### Operational Costs

1. Annual cost of salmon production at Clear Hatchery	
Phase I     FY 92	\$ 50,000
Phase II    FY 93	\$ 270,000
Phase III   FY 94	\$ 900,000
2. Annual cost of mark/tag evaluation program (FY 98)	\$ 350,000

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# STATE OF ALASKA

**OFFICE OF THE GOVERNOR**  
OFFICE OF MANAGEMENT AND BUDGET

WALTER J. HICKEL, GOVERNOR

P.O. BOX AM  
JUNEAU, ALASKA 99811-0199  
PHONE: (907) 465-3568

MAY - 2 1991

May 2, 1991

The Honorable Pat Pourchot  
Co-Chair, Senate Finance Committee  
Alaska State Legislature  
P.O. Box V  
Juneau, AK 99811

Dear Senator Pourchot:

The Administration has been conducting negotiations on transferring the four public hatcheries to regional aquaculture associations in order to implement the user-pays philosophy and thereby reduce future fiscal impact on the General Fund. In order to do this, we would grant the associations funds necessary to upgrade the hatcheries to the extent necessary to be self-sustaining. I am pleased to report to you that these negotiations are nearing a successful completion. The amounts agreed to are as follows.

Hatchery	Capital (million)	Aquaculture Association
Beaver Falls	\$ 3.0	Southern Southeast
Gulkana	-.-	Prince William Sound
Main Bay	5.0	Prince William Sound
Tutka	2.0	Cook Inlet
TOTAL	\$10.0	

It is respectfully requested that you include these amounts in the Governor's capital budget request. These should be appropriated as grants to the aquaculture associations for upgrading of facilities which we have transferred

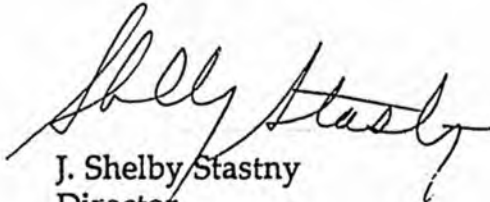
The Honorable Pat Pourchot  
Co-Chair, Senate Finance Committee  
May 2, 1991  
Page 2

to them. The Main Bay request will replace the \$2.0 million requested in the administration's original capital budget request.

If for any reason the aquaculture associations do not agree to the terms negotiated these grants will not be made and the hatcheries will not be transferred.

Thank you for your help in this matter.

Sincerely,



J. Shelby Stastny  
Director

JSS/CLR/dmc/91-271

cc: Office of the Governor  
Max Hodel, Chief of Staff  
Bruce Kendall, Legislation Liaison  
Clem Tillion, Special Staff Assistant

Alaska Department of Fish & Game  
Commissioner Rosier

# STATE OF ALASKA

## OFFICE OF THE GOVERNOR

OFFICE OF MANAGEMENT AND BUDGET

WALTER J. HICKEL, GOVERNOR

P.O. BOX AM  
JUNEAU, ALASKA 99811-0199  
PHONE: (907) 465-3568

May 13, 1991

The Honorable Pat Pourchot  
Co-Chairman  
Senate Finance Committee  
P. O. Box V  
Juneau, Alaska 99811

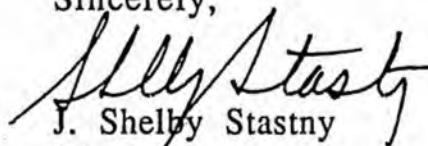
Dear Senator Pourchot:

On behalf of the Governor, I request the Senate Finance Committee's consideration of \$26,000 included in the capital budget for a monument in honor of the 200th anniversary of the signing of the United States Constitution.

For your reference, attached is background information on this request. Should you need additional information, please let me know.

The Senate Finance Committee's consideration is appreciated.

Sincerely,

  
J. Shelby Stastny  
Director

attachment

cc: Senator Jalmar Kerttula, Co-Chairman, Senate Finance  
Representative Mike Navarre, Co-Chairman, House Finance  
Representative Eileen MacLean, Co-Chairman, House Finance  
Max Hodel, Chief of Staff, Office of the Governor

M E M O R A N D U M

TO: Shelby Stasny *W. G. H.*  
Director  
Office of Management and Budget

FROM: Don Tanner *[Signature]*  
Director  
Boards and Commissions

SUBJECT: Capital Budget Request for Funds to Establish a  
Constitutional Monument

DATE: May 10, 1991

REQUEST:

This serves as a request for funds in the amount of \$26,000 from the Capital Budget to establish a Constitutional monument in honor of the 200th anniversary of the signing of the Constitution of the United States of America.

BACKGROUND:

The Commission on the Bicentennial of the United States Constitution designated Wasilla, Alaska, as a Bicentennial Community. The Constitution Forum is the official organization for planning programs and events to celebrate this historic event.

As one of its celebratory events, the Bicentennial Park, located in the Matanuska-Susitna Borough, will be dedicated on July 4, 1991. It is a living memorial to the 200th anniversary of the United States Constitution and Bill of Rights.

We think it is only fitting to have all of Alaska share in this celebration by honoring this event with a monument to be placed within the Bicentennial Park.

Governor Walter J. Hickel has proclaimed the Constitutional Forum as Alaska's Bicentennial Task Force for the Year 1991. It is our intent to have them manage the funds appropriated for the monument. A task force will be appointed by Governor Walter J. Hickel to handle the design of the monument.

The scheduled completion date for this project is July 4, 1992.

# STATE OF ALASKA

## OFFICE OF THE GOVERNOR

OFFICE OF MANAGEMENT AND BUDGET

WALTER J. HICKEL, GOVERNOR

P.O. BOX AM  
JUNEAU, ALASKA 99811-0199  
PHONE: (907) 465-3568

May 13, 1991

The Honorable Pat Pourchot  
Co-Chairman  
Senate Finance Committee  
P. O. Box V  
Juneau, Alaska 99811

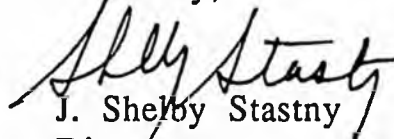
Dear Senator Pourchot:

On behalf of the Governor, I request the Senate Finance Committee's consideration of including \$4.5 million in the capital budget for the University of Alaska's Butrovich Building.

This requested amount coupled with the \$1 million from the Fairbanks legislative delegation's funding will enable the University to provide the necessary facilities for the \$25 million "super computer" which Senator Stevens has successfully provided through federal funding.

The Senate Finance Committee's consideration of this request will be appreciated.

Sincerely,

  
J. Shelby Stastny  
Director

cc: Senator Jalmar Kerttula, Co-Chairman, Senate Finance  
President Jerome Komisar, University of Alaska  
Representative Mike Navarre, Co-Chairman, House Finance  
Representative Eileen MacLean, Co-Chairman, House Finance

## UNIVERSITY OF ALASKA -- Capital Construction Request

John Butrovich Building  
University of Alaska Statewide Administration

Option I:	Completion:	\$10,600.0
Option II:	Phase V:	\$5,500.0

### OPTION I - COMPLETION - \$10,600.0

\$10.6 million in general funds are needed to complete the Butrovich Building. This facility, designed to house the statewide administration offices for the UA system, was begun in FY82. After four partial appropriations, the 90,000 square foot facility remains a shell with only 30,000 square feet of completed office space.

The building completion will allow consolidation of all the statewide programs and services and greatly increase efficiency. At the present time, the financial offices and the computer center are located in much needed space on the UAF campus that should be released to the campus for academic use. The completion of the first and lower floor levels (approximately 60,000 square feet) will allow the consolidation of the statewide offices and provide for the creation of the Arctic Region Supercomputer Center.

### OPTION II - PHASE V -- \$5,500.0

\$5.5 million in state funds are needed to complete the lower level of the Butrovich building. Approximately 30,000 square feet will be developed for two primary uses: The University of Alaska Computer Network (UACN) and the Arctic Region SuperComputer Center. Co-location of these two facilities provide an economical installation, allow combining of heating/ventilating systems, and reduce operating and maintenance costs. Completion of this space will free up approximately 15,000 square feet of prime classroom/office space currently being used by the UACN on the UAF lower campus.

The UACN will house computers and support functions, link all parts of the university with each other and national/regional networks by satellite with land-line communications' facilities. It is a resource available to all university students, staff, and faculty, as well as researchers and governmental agencies outside of the university. The Arctic Region supercomputer Center space will house the supercomputer and its support facilities.

HOUSE FINANCE COMMITTEE AMENDMENTS TO SENATE CAPITAL PLAN

5/14/91  
SFC

Sen. Pouchot

PURPOSE	FUNDS
<b>Reduce funding for Priority I school:</b>	
Reduce Kasgluk from 7,405.0	-6,505.0
<b>Add funding for a school not on the Priority I list:</b>	
Aniak School rehabilitation	300.0
<b>Add funds for state park renovations (Senate 1,900.0)</b>	1,100.0
<b>Add funds to DHSS for purchase of defibrillators</b>	158.0
<b>Increase funding for Village Safe Water (add 9,925.3):</b>	
Angoon-Tillinghast Lake water development	1,280.0
Gambell-water/sewer	2,800.0
Kokhonak-water/sewer	100.0
New Stuyahok-water/sewer/solid waste	477.0
Selawik-storage/washeteria	800.0
Togalak-water/sewer	257.0
Unalakleet-solid waste	1,414.0
Emmonak-sewer/water	1,000.0
Golovin-water/sewer expansion	427.3
Kotzebue-sewer main rehabilitation	1,370.0
<b>Change funding source from PDRLF to G.F.:</b>	
Economic Development Matching Grants	750.0
Procurement Technical Assistance Program	75.0
* Intend to lapse the balance to the GF in the front section of the budget	
<b>Reprioritize Department of Corrections requests:</b>	
Add funds for long term plan	1,300.0
Delete design funds for women's correctional facility	-1,400.0
Delete funds for addition to Lemon Creek facility	-1,000.0
<b>Add funds to DNR:</b>	
Statehood entitlement selections (Senate 1,500.0)	1,000.0
Forest Health Initiative (Senate 0)	450.0
Beaufort/Chukchi Seas coastline mapping (Senate 0)	75.0
Fairbanks historic project-F.E. Gold Co (Senate 0)	350.0
Anchorage historic project-4th Avenue Theatre (Senate 0)	600.0
Juneau historic project-Wickersham House (Senate 0)	300.0
<b>Add funding for hospital/health facility (20% of total cost):</b>	
Ketchikan Hospital	3,750.3
Kodiak Hospital	3,800.0
Unalaska Health Care Facility	1,160.0
Fairbanks Long-Term Care Facility	2,560.0
Seward Hospital	2,381.5
Southeast Regional Delox. Center	900.0
Southcentral/CIRI Substance Abuse Facility	1,500.0
<b>Other additions:</b>	
Alaska Marine Highway Vessel Replacement Fund	10,000.0
Anchorage Courthouse	20,000.0
Mat-Su Job Corps facility	2,000.0
Kachemak Bay State Park buy-back	7,000.0
To AIDEA for Northwest Alaska transportation study	200.0

TOTAL 62,730.1

THE FOLLOWING DOCUMENT HAS NOT  
BEEN FILMED BUT IS AVAILABLE IN THE  
ORIGINAL FILE.

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DRAFT -- DRAFT -- CAPITAL BUDGET -- 1991 SESSION -- DRAFT -- DRAFT

	A	B	C	D	E	F	G
1	ED.	PROJECT	SEN. GF	GF/OTHER	OTHER		NOTE
3		<b>DEPARTMENT OF ADMINISTRATION</b>					
4	99	Pioneers Home Repairs/Renovation/Deferred Maint	2,000.0				FY 91 1,000.0. Request 8,659.0 / 5-year plan \$20m
5	99	OAC: Senior Center Transportation Improvements	70.0	30.0	.		30.0 MHTIA
6	99	Senior Center Adult Day Care Rep/Renov/DeferMaint	70.0	30.0			30.0 MHTIA
7	4	Div. Retirement&Benefits phone system		30.2	62.3		30.2 Program Receipts; 62.3 I/A Receipts
8	4	Saddle Mountain communications equipment		33.0	67.0		33.0 Program Receipts; 67.0 I/A Receipts
9	4	Telecommunications Computer Replacement	.0		100.0		100.0 I/A Receipts
10	99	Replace Central Duplicating Equipment	.0		295.0		295.0 I/A Receipts Rec'd 450.0 FY 91
11	99	Duplicating Equipment Replace & Cost Accounting	.0		155.0		155.0 I/A Receipts
12	99	Mainframe computer/peripheral computer equipment	2,900.0		210.1		210.1 I/A Receipts
13	99	Relational Database Implementation	.0		256.0		256.0 I/A Receipts. Long-term operational savings
14		<b>TOTAL G.F.</b>	<b>5,040.0</b>	<b>123.2</b>	<b>1,268.6</b>		
15							
16		<b>DEPARTMENT OF EDUCATION</b>					
17	6	AVTEC Maintenance and Equipment	650.0				FY 91 535.0
18	99	Information System Upgrade and Conversion	850.0				Operating savings over time
19		<b>SCHOOL CONSTRUCTION GRANT ACCOUNT PROJECTS</b>					
20	23	Nome-Beltz Life Safety Upgrade/Asbestos	2,540.0				Priority 1 School (#5) (TOTAL PRIORITY I 51,639.3)
21	2	Hydaburg Elementary Roof Replacement/Remodel	1,213.0				Priority 1 School (#6) (GOV. PROPOSE 25,077.8)
22	25	Lower Kuskokwim, Chefornak Elementary Addition	4,288.0				Priority 1 School (#2) (SENATE TOTAL 36,474.5)
23	23	Lower Yukon, Emmonak Elementary Replacement	1,575.0				Priority 1 School (#3)
24	24	Iditarod Area, McGrath School Reroof	765.0				Priority 1 School (#1)
25	1	Ketchikan High Phase II	10,876.3				Priority 1 School (#4)
26	25	Lower Kuskokwim, Nunapitchuk Elementary	3,820.5				Priority 1 School (#7)
27	19	Yukon Flats Schools	1,100.0				Priority 1 School (#8)
28	2	Southeast Island Schools	976.0				Priority 1 School (#9)
29	19-21	Fairbanks North Star Schools	431.1				Priority 1 School (#10)
30	25	Kasigluk-Akiuk School Replacement	7,405.0				Priority 1 School (#11)
31	24	Koyukuk Life/Safety Corrections	1,484.6				Priority 1 School (#12)
32	99	State Library Materials and Equipment	250.0				FY 91 level. No funds in operating budget

THE FOLLOWING DOCUMENT HAS NOT  
BEEN FILMED BUT IS AVAILABLE IN THE  
ORIGINAL FILE.

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1 \* SEC. 1 THE FOLLOWING APPROPRIATION ITEMS ARE FOR  
 2 CAPITAL PROJECTS AND GRANTS FROM THE GENERAL FUND OR  
 3 OTHER FUNDS AS SET OUT IN SECTION 2 OF THIS ACT BY  
 4 FUNDING SOURCE TO THE AGENCIES NAMED AND FOR THE  
 5 PURPOSES EXPRESSED.

	ALLOCATIONS	APPROPRIATION ITEMS	APPROPRIATION GENERAL FUND	FUND SOURCES OTHER FUNDS	
8	* * * * *	* * * * *			8
9	* * * * * DEPARTMENT OF ADMINISTRATION	* * * * *			9
10	* * * * *	* * * * *			10
11	SOCIAL SERVICES				11
12	PIONEER HOME REPAIRS AND RENOVATION (ED 99)	2,000,000	2,000,000		12
13	OLDER ALASKANS COMMISSION: SENIOR CENTER TRANSPORTATION IMPROVEMENTS (ED 99)	175,000	175,000		13
14	SENIOR CENTERS/ADULT DAY CARE MAINTENANCE AND REPAIRS (ED 99)	175,000	175,000		14
15	GENERAL GOVERNMENT				15
16	DIVISION OF RETIREMENT AND BENEFITS TELEPHONE SYSTEM (ED 4)	92,500	30,200	62,300	16
17	SADDLE MOUNTAIN COMMUNICATIONS EQUIPMENT (ED 4)	100,000	33,000	67,000	17
18	TELECOMMUNICATIONS COMPUTER REPLACEMENT (ED 99)	100,000		100,000	18
19	REPLACE ANTIQUATED CENTRAL DUPLICATING EQUIPMENT (ED 99)	295,000		295,000	19
20	DUPLICATING EQUIPMENT REPLACEMENT AND COST ACCOUNTING (ED 99)	155,000		155,000	20
21	MAINFRAME COMPUTER REPLACEMENT/PERIPHERAL COMPUTER EQUIPMENT (ED 99)	3,110,100	2,900,000	210,100	21
22	RELATIONAL DATABASE IMPLEMENTATION (ED 99)	256,000		256,000	22

SB 141

# SENATE FINANCE COMMITTEE REPORT

DATE: 4/24/91

FURTHER:

DATE TURNED INTO OFFICE: 5-19-91

The Finance Committee considered SENATE BILL NO. 141

"An Act establishing a capital project matching grant program for municipalities and unincorporated communities; authorizing the adoption of regulations; and providing for an effective date."

and recommended:

replace with \_\_\_\_\_ CS SB 141 (FIX)  same title  
 or adopt \_\_\_\_\_ CS \_\_\_\_\_  new title  
 attached amendment(s)  technical title change (HB only)  
 \_\_\_\_\_ letter of intent adopted

do pass

do not pass

no recommendation

individual recommendations

further referral to \_\_\_\_\_

ATTACHES NEW FISCAL NOTE(S):

fiscal note(s) Dept/Date: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

zero fiscal note(s) \_\_\_\_\_

SFC/DOA  
DEB/DC&RA - Block Grants  
SFC/DC&RA - Block Grants - CIP

appropriation-no fiscal note

APPROVES PREVIOUS:

fiscal note(s) Dept/Date: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

zero fiscal note(s) \_\_\_\_\_

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

SIGNING DO PASS:

[Signature]  
[Signature]  
[Signature] (DO PASS)  
[Signature]

OTHER RECOMMENDATIONS:

Al Adams - Do Not Pass  
Needs Amendment  
[Signature]

1. [Signature] 2. [Signature] Do pass  
 Co-Chairs: Signatures and recommendations

FISCAL NOTE

REQUEST:

Revision Date: \_\_\_\_\_ Affected Agency: Administration  
 Title: Capitol Project Matching Grant - Regulations BRU: Administrative Service  
 Sponsor: Rules Components: Administrative Service  
 Requestor: Governor

EXPENDITURES/REVENUES: (THOUSANDS OF DOLLARS)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants, Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

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

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

FUNDING: (THOUSANDS OF DOLLARS)


General Fund						
Federal Fund						
Other						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:

Full-Time						
Part-Time						
Temporary						

ANALYSIS: (ATTACH A SEPARATE PAGE IF NECESSARY)

Prepared By:

  
 Senator Pat Pourchot, Co-chairman  
 Senate Finance Committee

Date: 5-19-91  
 Phone: 465-3879

DISTRIBUTION (BY PREPARER)  
 LEGISLATIVE FINANCE  
 LEGISLATIVE SPONSOR

REQUESTOR  
 OFFICE OF MANAGEMENT AND BUDGET  
 AGENCY (IES)

FISCAL NOTE

REQUEST:

Revision Date: May 19, 1991 Affected Agency: Community & Regional Affairs  
 Title: Capital Project Matching Fund BRU: Employment/Training/Rural Development  
 Sponsor: Governor Components: Block Grant CIP  
 Requestor: \_\_\_\_\_

EXPENDITURES/REVENUES: (THOUSANDS OF DOLLARS)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants, Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

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

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

FUNDING: (THOUSANDS OF DOLLARS)

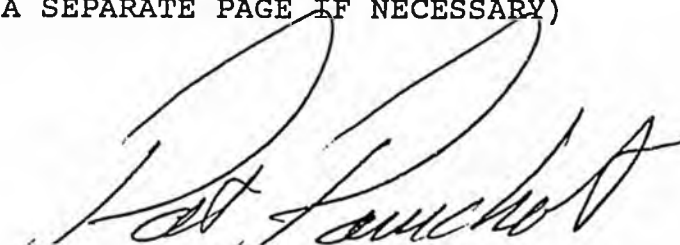
General Fund						
Federal Fund						
Other						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

POSITIONS:

Full-Time						
Part-Time						
Temporary						

ANALYSIS: (ATTACH A SEPARATE PAGE IF NECESSARY)

Prepared By:

  
 Senator Pat Pourchot, Co-chairman  
 Senate Finance Committee

Date: May 19, 1991  
 Phone: 465-3879

DISTRIBUTION (BY PREPARER)  
 LEGISLATIVE FINANCE  
 LEGISLATIVE SPONSOR

REQUESTOR  
 OFFICE OF MANAGEMENT AND BUDGET  
 AGENCY(IES)

FISCAL NOTE

REQUEST:

Revision Date: \_\_\_\_\_ Affected Agency: Community & Regional  
 Title: Capitol Project Matching BRU: Community Development  
           Fund Program  
 Sponsor: Governor's Office Components: Block Grants  
 Requestor: \_\_\_\_\_

EXPENDITURES/REVENUES: (THOUSANDS OF DOLLARS)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants, Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	0.0	0.0	0.0	0.0	0.0	0.0

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

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


FUNDING: (THOUSANDS OF DOLLARS)

General Fund						
Federal Fund						
Other						
<b>TOTAL</b>	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:

Full-Time						
Part-Time						
Temporary						

ANALYSIS: (ATTACH A SEPARATE PAGE IF NECESSARY)

Prepared By:   
 \_\_\_\_\_  
 (Senator Pat Pourchot, Co-chairman Date: 5-19-91  
 Senate Finance Committee Phone: 465-3879)

DISTRIBUTION (BY PREPARER)  
 LEGISLATIVE FINANCE  
 LEGISLATIVE SPONSOR

REQUESTOR  
 OFFICE OF MANAGEMENT AND BUDGET  
 AGENCY (IES)

WORK DRAFT

*changes in ES*

*p. 3, l. 13-17  
p. 4, l. 3-5  
p. 6, l. 17-19  
p. 7, l. 9-13*

*5-19-91  
Adopted*

**New Draft**

WORK DRAFT

7-GS0073S  
Cook  
5/19/91

→ Final page of packet is  
Sen. Adams' proposed amendment

**CS FOR SENATE BILL NO. 141 (FINANCE)**

**IN THE LEGISLATURE OF THE STATE OF ALASKA**

**SEVENTEENTH LEGISLATURE - FIRST SESSION**

**BY THE SENATE FINANCE COMMITTEE**

Offered:

Referred:

Sponsor(s): **SENATE RULES/GOVERNOR**

All are conforming changes to clarify that program becomes effective after June 30, 1992, and that match requirements increase (per the C-BA CS) on July 1, 1994.

**A BILL**

**FOR AN ACT ENTITLED**

1 "An Act establishing a capital project matching grant program for municipalities and a  
2 capital project matching grant program for unincorporated communities."

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

4 \* **Section 1. PURPOSE.** (a) The legislature recognizes the continued need for wholly state funded  
5 capital projects (1) that are of regional or statewide significance, (2) which meet basic needs, such as  
6 education projects constructed under AS 14.11 and village safe water projects, or (3) for which costs will  
7 exceed the amount available to a municipality or community under the capital project matching grant  
8 programs. The legislature also recognizes the continued need for legislatively directed funding of other  
9 capital projects.

10 (b) It is the purpose of this Act to provide a capital project funding system that is equitable to  
11 municipalities and communities throughout the state, particularly for small projects of a local nature, and  
12 to provide a mechanism for local government to initiate and prioritize the construction of capital projects  
13 and to participate in funding those projects.

14 \* **Sec. 2.** AS 29.60 is amended by adding a new section to read:

## 1 ARTICLE 7. CAPITAL PROJECT MATCHING GRANTS.

## 2 Sec. 29.60.500. MUNICIPAL CAPITAL PROJECT MATCHING GRANT PROGRAM.

3 (a) The municipal capital project matching grant fund is established in the Department of  
4 Administration consisting of appropriations to the fund. Appropriations do not lapse except as  
5 provided under (f) of this section. Interest earned on money in the fund shall be deposited by  
6 the department into the general fund. Appropriations shall be allocated by the department each  
7 fiscal year to individual grant accounts within the fund for each municipality. The amount  
8 allocated to a grant account is determined by multiplying the total amount appropriated to the  
9 fund during a fiscal year by a fraction,

10 (1) the numerator of which equals

11 (A) for a municipality with a population under 1,000, the amount equal  
12 to that population multiplied by 1.5;

13 (B) for a municipality with a population of at least 1,000 but less than  
14 5,000, the amount equal to that population multiplied by 1.4;

15 (C) for a municipality with population of at least 5,000 but not greater  
16 than 10,000, the amount equal to that population multiplied by 1.2; or

17 (D) for a municipality with a population of over 10,000, the amount equal  
18 to that population; and

19 (2) the denominator of which equals the sum of the numerators calculated for all  
20 municipalities under (1)(A) - (D) of this subsection.

21 (b) The minimum amount allocated to the grant account of a municipality each fiscal  
22 year under (a) of this section equals \$25,000. The department shall reduce allocations under (a)  
23 of this section on a pro rata basis based upon the population of the municipalities if necessary  
24 to fund the minimum amount for each municipality. If appropriations are not sufficient to fully  
25 fund minimum amounts, the amount available shall be equally allocated to each municipality.

26 (c) Subject to (d) and (e) of this section, each municipality may draw amounts from its  
27 grant account within the municipal project matching grant fund for planning, design, and  
28 construction of capital projects or capital improvements, as defined in AS 37.07.120. In  
29 accepting a draw, the municipality covenants with the state that it will operate and maintain the  
30 capital improvement for which the draw is used for the practical life of the capital improvement,  
31 and that the municipality will not rely on the state to operate or maintain the capital improvement

1 or pay for its operation or maintenance. This requirement does not apply to use of money from  
2 a draw for repair or improvement of an existing facility that is operated or maintained by the  
3 state at the time that the draw is made if the repair or improvement for which the draw is used  
4 will not substantially increase the operating or maintenance costs to the state. The municipality,  
5 its agents, contractors, and subcontractors shall comply with the hiring preferences under  
6 AS 36.10 in hiring employees to be paid wholly or in part with money from a draw.

7 (d) For each draw made under (c) of this section, the municipality shall contribute a local  
8 share of the cost of the capital projects or improvements for which the draw is made. The  
9 amount of the local share equals the local share factor multiplied by the amount of the draw.  
10 For purposes of this subsection, the

11 (1) local share factor equals the local share percentage divided by the state share  
12 percentage, except that

13 (A) if the product of the population factor and the local wealth factor is  
14 greater than or equal to 1.0, the local share factor equals 3/7th before July 1, 1994, and  
15 1.0 after June 30, 1994; or

16 (B) if the local wealth factor is 0, the local share factor equals 5/95th for  
17 draws made before July 1, 1994, and 1/9th for draws made after June 30, 1994;

18 (2) local share percentage equals the population factor multiplied by the local  
19 wealth factor;

20 (3) state share percentage equals one minus the local share percentage;

21 (4) population factor equals

22 (A) 0.1 if the population of the municipality is less than 1,000;

23 (B) 0.3 if the population of the municipality is at least 1,000 but less than  
24 5,000;

25 (C) 0.7 if the population of the municipality is at least 5,000 but not more  
26 than 10,000; or

27 (D) 1.0 if the population of the municipality is more than 10,000;

28 (5) local wealth factor equals the amount obtained by dividing the per capita  
29 taxable real and personal property valuation of the municipality by the statewide average per  
30 capita taxable real and personal property valuation of all municipalities in the state.

31 (e) The amount of the local share calculated under (d) of this section shall be adjusted

1 if necessary so that (1) it does not exceed 30 percent of the amount of the project for which the  
2 draw is used and is not less than five percent of the amount of the project if the draw is made  
3 before July 1, 1994; or (2) it does not exceed 50 percent of the amount of the project for which  
4 the draw is used and is not less than 10 percent of the amount of the project if the draw is made  
5 after June 30, 1994. The local share may be satisfied with federal or municipal funds, locally  
6 contributed labor, materials or equipment the value of which shall be determined by the  
7 department, or money from another nonstate source. The local share may not be satisfied with  
8 money from appropriations, allocations, entitlements, grants, or other payments from the state.

9 (f) A municipality shall repay to the department money drawn from a grant account if  
10 substantial, ongoing work on the project or improvement is not started within five years after the  
11 effective date of the appropriation from which the draw is funded. Money repaid shall be  
12 deposited into the general fund. Money from an allocation to a grant account that has not been  
13 drawn out by the municipality within five years after the effective date of the appropriation from  
14 which the allocation is funded lapses into the general fund.

15 (g) The department may adopt regulations under the Administrative Procedure Act  
16 (AS 44.62) that impose additional requirements or procedures to implement, interpret, make  
17 specific, or otherwise carry out the provisions of this section. The department shall adopt  
18 regulations providing for periodic audits of the use of grant money under this section. The audits  
19 must include a review of the department's determination of the value of locally contributed labor  
20 under (e) of this section and a review of the adequacy of the department's verification of the  
21 actual use of locally contributed labor on a project. Regulations adopted under this subsection  
22 shall comply with this section, AS 37.07 (Executive Budget Act), and requirements of the federal  
23 government for participation in federal programs.

24 (h) For purposes of this section, the population of a borough shall exclude the population  
25 of each city in the borough and the per capita taxable real and personal property valuation of a  
26 borough shall exclude the property valuation of each city in the borough. The determination of  
27 population and per capita taxable real and personal property valuation for a municipality shall  
28 be based upon data used by the Department of Community and Regional Affairs under  
29 AS 14.17.140, AS 29.45.110, and AS 29.60.140 - 29.60.150.

30 (i) In this section,

31 (1) "appropriation" has the meaning given in AS 37.07.120;

1 (2) "department" means the Department of Administration.

2 \* Sec. 3. AS 44.47 is amended by adding a new section to article 3 to read:

3 Sec. 44.47.195. UNINCORPORATED COMMUNITY CAPITAL PROJECT MATCHING

4 GRANT PROGRAM. (a) The unincorporated community capital project matching grant fund  
5 is established in the department consisting of appropriations to the fund. Appropriations do not  
6 lapse except as provided under (d) and (f) of this section. Interest earned on money in the fund  
7 shall be deposited by the department into the general fund. Appropriations shall be allocated by  
8 the department each fiscal year to individual grant accounts within the fund for each  
9 unincorporated community that is entitled to receive state aid under AS 29.60.140 during that  
10 fiscal year. The amount allocated to a grant account is determined by dividing the total amount  
11 appropriated to the fund during a fiscal year by the number of communities eligible for  
12 allocations during that fiscal year.

13 (b) By February 1, the department shall determine the amount of appropriations needed  
14 to provide an allocation of \$25,000 under (a) of this section for each unincorporated community  
15 for the next fiscal year. The department shall request the legislature for an appropriation to the  
16 unincorporated community capital project matching grant fund of at least that amount.

17 (c) Subject to (d) and (e) of this section, an incorporated nonprofit entity or a  
18 Native village council may on behalf of each unincorporated community draw amounts from that  
19 community's grant account within the unincorporated community capital project matching grant  
20 fund for planning, design, and construction of capital projects or capital improvements, as defined  
21 in AS 37.07.120. In accepting a draw, the incorporated entity or council covenants with the state  
22 that it will operate and maintain the capital improvement for which the draw is used for the  
23 practical life of the capital improvement, and that the incorporated entity or council will not rely  
24 on the state to operate or maintain the capital improvement or pay for its operation or  
25 maintenance. This requirement does not apply to use of money from a draw for repair or  
26 improvement of an existing facility that is operated or maintained by the state at the time that  
27 the draw is made if the repair or improvement for which the draw is used will not substantially  
28 increase the operating or maintenance costs to the state. The incorporated entity or council, its  
29 agents, contractors, and subcontractors shall comply with the hiring preferences under AS 36.10  
30 in hiring employees to be paid wholly or in part with money from a draw.

31 (d) The department, with advice from the Department of Law, shall determine whether

1 there is in each unincorporated community an incorporated nonprofit entity or a Native village  
2 council that will agree to receive and spend money allocated to the community under (a) of this  
3 section. If there is more than one qualified entity in the community, the department shall  
4 authorize the entity that the department finds most qualified to make draws from the allocation  
5 and spend the money. The department may not pay the money to a Native village council unless  
6 the council waives immunity from suit for claims arising out of activities of the council related  
7 to the draw. A waiver of immunity from suit under this subsection must be on a form provided  
8 by the Department of Law. If there is no qualified incorporated nonprofit entity or Native village  
9 council in an unincorporated community that is willing to receive money from an allocation  
10 under (a) of this section, draws may not be made from the allocation for that unincorporated  
11 community and the amount allocated lapses into the general fund. Neither this subsection nor  
12 any action taken under it enlarges or diminishes the governmental authority or jurisdiction of a  
13 Native village council.

14 (e) For each draw made under (c) of this section, the incorporated nonprofit entity or  
15 Native village council shall contribute a local share of the cost of the capital projects or  
16 improvements for which the draw is made. The local share equals (1) five percent of the amount  
17 of the project for which the draw is used if the draw is made before July 1, 1994; or (2) 10  
18 percent of the amount of the project for which the draw is used if the draw is made after June 30,  
19 1994. The local share may be satisfied from federal or local money, locally contributed labor,  
20 materials or equipment the value of which shall be determined by the department, or money from  
21 another nonstate source. The local share may not be satisfied with money from appropriations,  
22 allocations, entitlements, grants, or other payments from the state.

23 (f) An incorporated nonprofit entity or a Native village council shall repay to the  
24 department money drawn from a grant account if substantial, ongoing work on the project or  
25 improvement is not started within five years after the effective date of the appropriation from  
26 which the draw is funded. Money repaid shall be deposited into the general fund. Money from  
27 an allocation to a grant account that has not been drawn out by an incorporated nonprofit entity  
28 or Native village council within five years after the effective date of the appropriation from  
29 which the allocation is funded lapses into the general fund.

30 (g) The department may adopt regulations under the Administrative Procedure Act  
31 (AS 44.62) that impose additional requirements or procedures to implement, interpret, make

1 specific, or otherwise carry out the provisions of this section. The department shall adopt  
2 regulations providing for periodic audits of the use of grant money under this section. The audits  
3 must include a review of the department's determination of the value of locally contributed labor  
4 under (e) of this section and a review of the adequacy of the department's verification of the  
5 actual use of locally contributed labor on a project. Regulations adopted under this subsection  
6 shall comply with AS 37.05 (Fiscal Procedures Act), AS 37.07 (Executive Budget Act), and  
7 requirements of the federal government for participation in federal programs.

8 (h) The limitations of AS 44.47.140 do not apply to grants made under this section.

9 \* Sec. 4. Notwithstanding AS 29.60.500(c), enacted in sec. 2 of this Act, a municipality may not  
10 make a draw from its grant account within the municipal project matching grant fund until after June 30,  
11 1992. Notwithstanding AS 44.47.195(c), enacted in sec. 3 of this Act, an incorporated nonprofit entity  
12 or a Native village council may not make a draw from an unincorporated community's grant account  
13 within the unincorporated community capital project matching grant fund until after June 30, 1992.

Adopted 5-19-91  
with latitude AA-3-  
to make line  
changes  
Amend #1  
7-GS0073J.1  
Cook  
05/16/91

AMENDMENT

OFFERED IN THE SENATE

BY SENATOR ADAMS

TO: CSSB 141 (FINANCE)

Page 4, lines 5 and 6:

Delete "or"

Delete ". The"

Insert ", or money received by the municipality under AS 29.60.010 - 29.60.375. Except for money received under AS 29.60.010 - 29.60.375, the"

Page 5, lines 30 and 31:

Delete "or"

Delete ". The"

Insert ", or money received by the municipality under AS 29.60.010 - 29.60.375. Except for money received under AS 29.60.010 - 29.60.375, the"

Page 7, line 19:

Delete "or"

Delete ". The"

Insert ", or money received by the municipality under AS 29.60.010 - 29.60.375. Except for money received under AS 29.60.010 - 29.60.375, the"

Page 8, lines 13 and 14:

Delete "or"

Delete ". The"

Insert ", or money received by the municipality under AS 29.60.010 - 29.60.375. Except for money received under AS 29.60.010 - 29.60.375, the"

# STATE OF ALASKA

OFFICE OF THE GOVERNOR  
OFFICE OF MANAGEMENT AND BUDGET  
OFFICE OF THE DIRECTOR

WALTER J. HICKEL, GOVERNOR

P.O. BOX AM  
JUNEAU, ALASKA 99811-0199  
PHONE: (907)-465-3658  
FAX: (907)-465-2090

April 18, 1991

Senator Steve Frank  
Chairman, Community and Regional Affairs Committee  
Alaska State Legislature  
P.O. Box V (MS 3100)  
Juneau, Alaska 99811

Dear Senator Frank:

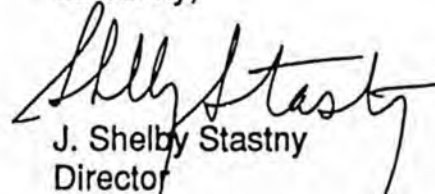
In response to your request for clarification, the purpose of this letter is to reiterate that the capital project matching grant program proposed by Governor Hickel in Senate Bill No. 141 (SB 141) is not intended to supplant any existing State grant program used for the funding of capital projects.

As explained informally as well as in our committee testimony to date, neither the intent nor the provisions of SB 141 call for the repeal or abandonment of any existing grant programs.

The intent of SB 141 is to provide a sensible program approach to supporting the kinds of community-based capital projects that traditionally have appeared on communities' annual "wish" lists; and to support them in a manner consistent with Governor Hickel's desires for local selection of such projects, community and State sharing in their costs, and effective leveraging of State capital project funds.

I trust that this makes clear Governor Hickel's intent regarding SB 141. Please let me know if you or other members of the Senate Community and Regional Affairs Committee have additional questions or would like any additional information.

Sincerely,



J. Shelby Stastny  
Director

WORK DRAFT

Finance CS

WORK DRAFT

5/16/91  
SFC

WORK DRAFT  
(Revised)

7-GS0073J ✓

Cook  
5/15/91

- 1) Move from Title 37 to Title 29
- 2) Delete old section 1 (regulation)
- 3) Add purpose section
- 4) Effective date 7/1/92
- 5) Minor technical / conforming amendments per OMB

**CS FOR SENATE BILL NO. 141 (FINANCE)**

**IN THE LEGISLATURE OF THE STATE OF ALASKA**

**SEVENTEENTH LEGISLATURE - FIRST SESSION**

**BY THE SENATE FINANCE COMMITTEE**

Offered:  
Referred:

Sponsor(s): **SENATE RULES/GOVERNOR**

**A BILL**

**FOR AN ACT ENTITLED**

1 "An Act establishing a capital project matching grant program for municipalities and a  
 2 capital project matching grant program for unincorporated communities; relating to the  
 3 adoption of regulations involving the administration of certain grants; and providing for  
 4 an effective date."

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

6 \*SECTION 1. PURPOSE. (a) The legislature recognizes the continued  
 7 need for wholly state funded capital projects that are (1) of regional  
 8 or statewide significance, (2) which address basic needs, such as  
 9 education projects constructed under AS 14.11 and village safe  
 10 water projects, or (3) for which costs will exceed the amount  
 11 available to a municipality or community under the capital project  
 12 matching grant programs. The legislature also recognizes the need  
 13 for continued legislatively directed funding of other projects in  
 14 municipalities and unincorporated communities in addition to that  
 available under the capital project matching grant programs.

(b) It is the purpose of this Act to provide a capital project funding system that is equitable to  
 municipalities and communities throughout the state, particularly for small projects of a local nature, and

# **CORRECTION**

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

WORK DRAFT

Finance CS

WORK DRAFT

5/16/91  
SFC

WORK DRAFT  
(Burchett)  
7-GS0073J ✓  
Cook  
5/15/91

- 1) Move from Title 37 to Title 29
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- 3) Add purpose section
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**CS FOR SENATE BILL NO. 141 (FINANCE)**

**IN THE LEGISLATURE OF THE STATE OF ALASKA**

**SEVENTEENTH LEGISLATURE - FIRST SESSION**

**BY THE SENATE FINANCE COMMITTEE**

Offered:  
Referred:

Sponsor(s): **SENATE RULES/GOVERNOR**

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 14 municipalities and communities throughout the state, particularly for small projects of a local nature, and

1 to provide a mechanism for local government to initiate and prioritize the construction of capital projects  
2 and to participate in funding those projects.

3 \* Sec. 2. AS 29.60 is amended by adding a new section to read:

4 ARTICLE 7. CAPITAL PROJECT MATCHING GRANTS.

5 Sec. 29.60.500. MUNICIPAL CAPITAL PROJECT MATCHING GRANT PROGRAM.

6 (a) The municipal capital project matching grant fund is established in the Department of  
7 Administration consisting of appropriations to the fund. Appropriations do not lapse except as  
8 provided under (f) of this section. Interest earned on money in the fund shall be deposited by  
9 the department into the general fund. Appropriations shall be allocated by the department each  
10 fiscal year to individual grant accounts within the fund for each municipality. The amount  
11 allocated to a grant account is determined by multiplying the total amount appropriated to the  
12 fund during a fiscal year by a fraction,

13 (1) the numerator of which equals

14 (A) for a municipality with a population under 1,000, the amount equal  
15 to that population multiplied by 1.5;

16 (B) for a municipality with a population of at least 1,000 but less than  
17 5,000, the amount equal to that population multiplied by 1.4;

18 (C) for a municipality with population of at least 5,000 but not greater  
19 than 10,000, the amount equal to that population multiplied by 1.2; or

20 (D) for a municipality with a population of over 10,000, the amount equal  
21 to that population; and

22 (2) the denominator of which equals the sum of the numerators calculated for all  
23 municipalities under (1)(A) - (D) of this subsection.

24 (b) The minimum amount allocated to the grant account of a municipality each fiscal  
25 year under (a) of this section equals \$25,000. The department shall reduce allocations under (a)  
26 of this section on a pro rata basis based upon the population of the municipalities if necessary  
27 to fund the minimum amount for each municipality. If appropriations are not sufficient to fully  
28 fund minimum amounts, the amount available shall be equally allocated to each municipality.

29 (c) Subject to (d) and (e) of this section, each municipality may draw amounts from its  
30 grant account within the municipal project matching grant fund for planning, design, and  
31 construction of capital projects or capital improvements, as defined in AS 37.07.120. In

1 accepting a draw, the municipality covenants with the state that it will operate and maintain the  
2 capital improvement for which the draw is used for the practical life of the capital improvement,  
3 and that the municipality will not rely on the state to operate or maintain the capital improvement  
4 or pay for its operation or maintenance. This requirement does not apply to use of money from  
5 a draw for repair or improvement of an existing facility that is operated or maintained by the  
6 state at the time that the draw is made if the repair or improvement for which the draw is used  
7 will not substantially increase the operating or maintenance costs to the state. The municipality,  
8 its agents, contractors, and subcontractors shall comply with the hiring preferences under  
9 AS 36.10 in hiring employees to be paid wholly or in part with money from a draw.

10 (d) For each draw made under (c) of this section, the municipality shall contribute a local  
11 share of the cost of the capital projects or improvements for which the draw is made. The  
12 amount of the local share equals the local share factor multiplied by the amount of the draw.  
13 For purposes of this subsection, the

14 (1) local share factor equals the local share percentage divided by the state share  
15 percentage, except that

16 (A) if the product of the population factor and the local wealth factor is  
17 greater than or equal to 1.0, the local share factor equals 3/7th; or

18 (B) if the local wealth factor is 0, the local share factor equals 5/95th;

19 (2) local share percentage equals the population factor multiplied by the local  
20 wealth factor;

21 (3) state share percentage equals one minus the local share percentage;

22 (4) population factor equals

23 (A) 0.1 if the population of the municipality is less than 1,000;

24 (B) 0.3 if the population of the municipality is at least 1,000 but less than  
25 5,000;

26 (C) 0.7 if the population of the municipality is at least 5,000 but not more  
27 than 10,000; or

28 (D) 1.0 if the population of the municipality is more than 10,000;

29 (5) local wealth factor equals the amount obtained by dividing the per capita  
30 taxable real and personal property valuation of the municipality by the statewide average per  
31 capita taxable real and personal property valuation of all municipalities in the state.

1 (e) The amount of the local share calculated under (d) of this section shall be adjusted  
 2 if necessary so that it does not exceed 30 percent of the amount of the project for which the draw  
 3 is used and is not less than five percent of the amount of the project. The local share may be  
 4 satisfied with federal or municipal funds, locally contributed labor, materials or equipment the  
 5 value of which shall be determined by the department, or money from another nonstate source.  
 6 The local share may not be satisfied with money from appropriations, allocations, entitlements,  
 7 grants, or other payments from the state.

AR: Conson

8 (f) A municipality shall repay to the department money drawn from a grant account if  
 9 substantial, ongoing work on the project or improvement is not started within five years after the  
 10 effective date of the appropriation from which the draw is funded. Money repaid shall be  
 11 deposited into the general fund. Money from an allocation to a grant account that has not been  
 12 drawn out by the municipality within five years after the effective date of the appropriation from  
 13 which the allocation is funded lapses into the general fund.

14 (g) The department may adopt regulations under the Administrative Procedure Act  
 15 (AS 44.62) that impose additional requirements or procedures to implement, interpret, make  
 16 specific, or otherwise carry out the provisions of this section. The department shall adopt  
 17 regulations providing for periodic audits of the use of grant money under this section. The audits  
 18 must include a review of the department's determination of the value of locally contributed labor  
 19 under (e) of this section and a review of the adequacy of the department's verification of the  
 20 actual use of locally contributed labor on a project. Regulations adopted under this subsection  
 21 shall comply with this section, AS 37.07 (Executive Budget Act), and requirements of the federal  
 22 government for participation in federal programs.

23 (h) For purposes of this section, the population of a borough shall exclude the population  
 24 of each city in the borough and the per capita taxable real and personal property valuation of a  
 25 borough shall exclude the property valuation of each city in the borough. The determination of  
 26 population and per capita taxable real and personal property valuation for a municipality shall  
 27 be based upon data used by the Department of Community and Regional Affairs under  
 28 AS 14.17.140, AS 29.45.110, and AS 29.60.140 - 29.60.150.

AR: Conson

29 (i) In this section,  
 30 (1) "appropriation" has the meaning given in AS 37.07.120;  
 31 (2) "department" means the Department of Administration.

1 \* Sec. 3. AS 29.60.500(d) is amended to read:

2 (d) For each draw made under (c) of this section, the municipality shall contribute a local  
3 share of the cost of the capital projects or improvements for which the draw is made. The  
4 amount of the local share equals the local share factor multiplied by the amount of the draw.  
5 For purposes of this subsection, the

6 (1) local share factor equals the local share percentage divided by the state share  
7 percentage, except that

8 (A) if the product of the population factor and the local wealth factor is  
9 greater than or equal to 1.0, the local share factor equals 1.0 [3/7TH]; or

10 (B) if the local wealth factor is 0, the local share factor equals 1/9th  
11 [5/95TH];

12 (2) local share percentage equals the population factor multiplied by the local  
13 wealth factor;

14 (3) state share percentage equals one minus the local share percentage;

15 (4) population factor equals

16 (A) 0.1 if the population of the municipality is less than 1,000;

17 (B) 0.3 if the population of the municipality is at least 1,000 but less than  
18 5,000;

19 (C) 0.7 if the population of the municipality is at least 5,000 but not more  
20 than 10,000; or

21 (D) 1.0 if the population of the municipality is more than 10,000;

22 (5) local wealth factor equals the amount obtained by dividing the per capita  
23 taxable real and personal property valuation of the municipality by the statewide average per  
24 capita taxable real and personal property valuation of all municipalities in the state.

25 \* Sec. 4. AS 29.60.500(e) is repealed and reenacted to read:

26 (e) The amount of the local share calculated under (d) of this section shall be adjusted  
27 if necessary so that it does not exceed 50 percent of the amount of the project for which the draw  
28 is used and is not less than 10 percent of the amount of the project. The local share may be  
29 satisfied with federal or municipal funds, locally contributed labor, materials or equipment the  
30 value of which shall be determined by the department, or money from another nonstate source.  
31 The local share may not be satisfied with money from appropriations, allocations, entitlements,

1 grants, or other payments from the state.

2 \* Sec. 5. AS 44.47 is amended by adding a new section to article 3 to read:

3 Sec. 44.47.195. UNINCORPORATED COMMUNITY CAPITAL PROJECT MATCHING  
4 GRANT PROGRAM. (a) The unincorporated community capital project matching grant fund  
5 is established in the department consisting of appropriations to the fund. Appropriations do not  
6 lapse except as provided under (f) of this section. Interest earned on money in the fund shall be  
7 deposited by the department into the general fund. Appropriations shall be allocated by the  
8 department each fiscal year to individual grant accounts within the fund for each unincorporated  
9 community that is entitled to receive state aid under AS 29.60.140 during that fiscal year. The  
10 amount allocated to a grant account is determined by dividing the total amount appropriated to  
11 the fund during a fiscal year by the number of communities eligible for allocations during that  
12 fiscal year.

13 (b) By February 1, the department shall determine the amount of appropriations needed  
14 to provide an allocation of \$25,000 under (a) of this section for each unincorporated community  
15 for the next fiscal year. The department shall request the legislature for an appropriation to the  
16 unincorporated community capital project matching grant fund of at least that amount.

17 (c) Subject to (d) and (e) of this section, an incorporated nonprofit entity or a  
18 Native village council may on behalf of each unincorporated community draw amounts from that  
19 community's grant account within the unincorporated community capital project matching grant  
20 fund for planning, design, and construction of capital projects or capital improvements, as defined  
21 in AS 37.07.120. In accepting a draw, the incorporated entity or council covenants with the state  
22 that it will operate and maintain the capital improvement for which the draw is used for the  
23 practical life of the capital improvement, and that the incorporated entity or council will not rely  
24 on the state to operate or maintain the capital improvement or pay for its operation or  
25 maintenance. This requirement does not apply to use of money from a draw for repair or  
26 improvement of an existing facility that is operated or maintained by the state at the time that  
27 the draw is made if the repair or improvement for which the draw is used will not substantially  
28 increase the operating or maintenance costs to the state. The incorporated entity or council, its  
29 agents, contractors, and subcontractors shall comply with the hiring preferences under AS 36.10  
30 in hiring employees to be paid wholly or in part with money from a draw.

31 (d) The department, with advice from the Department of Law, shall determine whether

1 there is in each unincorporated community an incorporated nonprofit entity or a Native village  
 2 council that will agree to receive and spend money allocated to the community under (a) of this  
 3 section. If there is more than one qualified entity in the community, the department shall  
 4 authorize the entity that the department finds most qualified to make draws from the allocation  
 5 and spend the money. The department may not pay the money to a Native village council unless  
 6 the council waives immunity from suit for claims arising out of activities of the council related  
 7 to the draw. A waiver of immunity from suit under this subsection must be on a form provided  
 8 by the Department of Law. If there is no qualified incorporated nonprofit entity or Native village  
 9 council in an unincorporated community that is willing to receive money from an allocation  
 10 under (a) of this section, draws may not be made from the allocation for that unincorporated  
 11 community and the amount allocated lapses into the general fund. Neither this subsection nor  
 12 any action taken under it enlarges or diminishes the governmental authority or jurisdiction of a  
 13 Native village council.

AA:  
 Concern

14 (e) For each draw made under (c) of this section, the incorporated nonprofit entity or  
 15 Native village council shall contribute a local share of the cost of the capital projects or  
 16 improvements for which the draw is made. The local share equals five percent of the amount  
 17 of the project for which the draw is used. The local share may be satisfied from federal or local  
 18 money, locally contributed labor, materials or equipment the value of which shall be determined  
 19 by the department, or money from another nonstate source. The local share may not be satisfied  
 20 with money from appropriations, allocations, entitlements, grants, or other payments from the  
 21 state.

22 (f) An incorporated nonprofit entity or a Native village council shall repay to the  
 23 department money drawn from a grant account if substantial, ongoing work on the project or  
 24 improvement is not started within five years after the effective date of the appropriation from  
 25 which the draw is funded. Money repaid shall be deposited into the general fund. Money from  
 26 an allocation to a grant account that has not been drawn out by an incorporated nonprofit entity  
 27 or Native village council within five years after the effective date of the appropriation from  
 28 which the allocation is funded lapses into the general fund.

29 (g) The department may adopt regulations under the Administrative Procedure Act  
 30 (AS 44.62) that impose additional requirements or procedures to implement, interpret, make  
 31 specific, or otherwise carry out the provisions of this section. The department shall adopt

1 regulations providing for periodic audits of the use of grant money under this section. The audits  
 2 must include a review of the department's determination of the value of locally contributed labor  
 3 under (c) of this section and a review of the adequacy of the department's verification of the  
 4 actual use of locally contributed labor on a project. Regulations adopted under this subsection  
 5 shall comply with AS 37.05 (Fiscal Procedures Act), AS 37.07 (Executive Budget Act), and  
 6 requirements of the federal government for participation in federal programs.

7 (h) The limitations of AS 44.47.140 do not apply to grants made under this section.

8 \* Sec. 6. AS 44.47.195(e) is repealed and reenacted to read:

9 (e) <sup>For each draw made pursuant to (c) of this section, the</sup> ~~The~~ incorporated nonprofit entity or Native village council shall contribute a local  
 10 share <sup>of the cost of the</sup> ~~to be used on~~ such capital projects or improvements <sup>the</sup> for which a draw is made. The local  
 11 share equals 10 percent of the amount of the project for which the draw is used. The local share  
 12 may be satisfied from federal or local money, locally contributed labor, materials or equipment  
 13 the value of which shall be determined by the department, or money from another nonstate  
 14 source. The local share may not be satisfied with money from appropriations, allocations,  
 15 entitlements, grants, or other payments from the state.

16 \* Sec. 7. Sections 1, 2, and 5 of this Act take effect July 1, 1992.

17 \* Sec. 8. Sections 3, 4, and 6 of this Act take effect July 1, 1994.

confirming amendment drafting

5-19-91  
Amend #2  
Failed  
7-GS0073J.2  
Cook  
05/17/91

AMENDMENT

OFFERED IN THE SENATE  
TO: CSSB 141(FINANCE)

BY SENATOR ADAMS

Page 2, line 25, after "\$25,000":

Insert "plus an area cost-of-living differential calculated under AS 29.60.290(b)"

Page 6, line 14, after "\$25,000":

Insert "plus an area cost-of-living differential calculated using the method under AS 29.60.290(b) for determining the area cost-of-living differential for municipalities"

Office of the Governor  
State of Alaska

CAPITAL PROJECTS MATCHING GRANTS PROGRAM

(CSSB 141 - Finance)

RESPONSES TO CONCERNS

General

- ***The current system for funding discretionary capital project grants works fine, and in many cases already includes local financial participation.***

While some capital projects proposed by communities do include local financial participation, State funding dollars would go much farther if all such projects included local matching funds. Also, it is not true to say that the current system for funding discretionary projects works fine. The process is frequently haphazard, with projects selected as often for political reasons as for their merit or real need, and makes it difficult for communities to conduct effective planning.

- ***The proposed program takes discretion away from legislators and gives it to the Administration (through its ability to promulgate regulations).***

The proposed program limits legislative discretion only in the narrowest sense; i.e., on relatively small and routine projects, the planning, prioritization and timing of which are most efficiently and effectively undertaken at the local level. As specified explicitly by the Legislature itself (in the opening intent section of CSSB 141-Finance), appropriations for major capital projects for communities and regions would continue to be identified and prioritized by the Legislature.

- ***What commitment is there from the Governor that this matching grant proposal will work, when other programs predicated on local participation are not being adequately funded or are being cut back (e.g., education foundation formula, municipal assistance, revenue sharing, etc.)?***

smaller communities to enjoy the economies of scale enjoyed by larger communities in undertaking capital projects and improvements.

Very small, unincorporated communities do receive a fixed grant allocation amount under the proposed program. It is important to note, however, that the proposed program is not designed or intended to address the larger set of unmet major community and regional capital development needs in the state, either in incorporated or unincorporated areas. The need for using other mechanisms to address these larger needs is, at the Legislature's request, specifically noted in the intent section of the enabling legislation for this program (CSSB 141-Finance, Section 1).

- ***The proposed program will be unfair to those communities which already have bonded to meet their capital needs.***

To some degree this may be true. How much of a real problem it may be, however, is debatable. For the most part, the proposed program would fund relatively small community capital projects, of the type for which a community would not likely undertake bonding anyway.

- ***The proposed minimum local matching share requirement for unincorporated communities is too low, and thus is unfair to larger communities.***

The administration does not agree with this criticism of the proposed program. As a class, unincorporated communities fail to enjoy many of the advantages of larger communities, especially those deriving from the benefits of economies of scale and access to capital (both human as well as financial). Those in rural areas of the state also face notably higher unit costs for construction and development projects.

### Fiscal Capacity

- ***The proposed program is another case (like the Governor's veto of the municipal pooling proposal) where the fiscal capacity of local communities is being ignored by the Administration; we are pushing more responsibilities down to local governments, but not doing anything to enhance their fiscal capacities.***

Community differences regarding fiscal capacity are explicitly addressed in the proposed program, both in the program's grant allocation formula as well as in its matching grant requirement formula. It is difficult to see how such explicit consideration, within the overall context of a block grant program which not only provides capital project funding to communities but also allows them to direct those funds to areas and projects where they

# **CORRECTION**

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

Office of the Governor  
State of Alaska

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(CSSB 141 - Finance)

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General

- ***The current system for funding discretionary capital project grants works fine, and in many cases already includes local financial participation.***

While some capital projects proposed by communities do include local financial participation, State funding dollars would go much farther if all such projects included local matching funds. Also, it is not true to say that the current system for funding discretionary projects works fine. The process is frequently haphazard, with projects selected as often for political reasons as for their merit or real need, and makes it difficult for communities to conduct effective planning.

- ***The proposed program takes discretion away from legislators and gives it to the Administration (through its ability to promulgate regulations).***

The proposed program limits legislative discretion only in the narrowest sense; i.e., on relatively small and routine projects, the planning, prioritization and timing of which are most efficiently and effectively undertaken at the local level. As specified explicitly by the Legislature itself (in the opening intent section of CSSB 141-Finance), appropriations for major capital projects for communities and regions would continue to be identified and prioritized by the Legislature.

- ***What commitment is there from the Governor that this matching grant proposal will work, when other programs predicated on local participation are not being adequately funded or are being cut back (e.g., education foundation formula, municipal assistance, revenue sharing, etc.)?***

The proposed matching grant program is one of the highest priorities of this administration. While funding for all programs is subject to the availability of revenue for appropriation, funding for this program will be strongly supported by the Governor because of the program's evident effectiveness in optimizing local capital development decisions and leveraging of State development funding.

### Formula Programs

- ***The proposed program would create yet another formula program, at a time when formula-driven costs are increasing and needs for existing formula programs are not being met.***

The proposed matching grant program is different from other "formula" programs because its funding level would be completely discretionary, subject to the desires of the Legislature and the Governor. It therefore would not establish a cost center which would grow in uncontrolled fashion, like other, less tractable formula programs. To the contrary, the proposed block grant program would maximize both the efficiency of State funding as well as the efficiency of capital project planning, and in this sense actually help to reduce, rather than compound, the State's growing formula programs "problem".

- ***Other formulas will be affected by the projects built with matching grant funds.***

Projects built with matching grant funds will not affect other formula programs any more or less than projects undertaken through the current discretionary approach. If anything, the improved planning made possible through the proposed matching grant program will help to reduce the extent and magnitude of unintended and unforeseen impacts of capital projects on other formula programs.

### Fairness

- ***Basing grant amounts on population overlooks disparities among communities' needs, especially between urban and rural communities.***

Grant amounts in the proposed program are not based solely on population. Rather, community populations are adjusted through the use of a set of numerical factors in the grant allocation formula, specifically to account for: (1) the generally higher unit costs of capital projects in smaller and more rural communities; (2) the relatively smaller debt capacity of smaller communities, compared to larger communities; and, (3) the relatively limited ability of

smaller communities to enjoy the economies of scale enjoyed by larger communities in undertaking capital projects and improvements.

Very small, unincorporated communities do receive a fixed grant allocation amount under the proposed program. It is important to note, however, that the proposed program is not designed or intended to address the larger set of unmet major community and regional capital development needs in the state, either in incorporated or unincorporated areas. The need for using other mechanisms to address these larger needs is, at the Legislature's request, specifically noted in the intent section of the enabling legislation for this program (CSSB 141-Finance, Section 1).

- ***The proposed program will be unfair to those communities which already have bonded to meet their capital needs.***

To some degree this may be true. How much of a real problem it may be, however, is debatable. For the most part, the proposed program would fund relatively small community capital projects, of the type for which a community would not likely undertake bonding anyway.

- ***The proposed minimum local matching share requirement for unincorporated communities is too low, and thus is unfair to larger communities.***

The administration does not agree with this criticism of the proposed program. As a class, unincorporated communities fail to enjoy many of the advantages of larger communities, especially those deriving from the benefits of economies of scale and access to capital (both human as well as financial). Those in rural areas of the state also face notably higher unit costs for construction and development projects.

### **Fiscal Capacity**

- ***The proposed program is another case (like the Governor's veto of the municipal pooling proposal) where the fiscal capacity of local communities is being ignored by the Administration; we are pushing more responsibilities down to local governments, but not doing anything to enhance their fiscal capacities.***

Community differences regarding fiscal capacity are explicitly addressed in the proposed program, both in the program's grant allocation formula as well as in its matching grant requirement formula. It is difficult to see how such explicit consideration, within the overall context of a block grant program which not only provides capital project funding to communities but also allows them to direct those funds to areas and projects where they

themselves feel their needs are greatest, constitutes "not doing anything" to enhance community fiscal capacities.

- ***The proposed bill's provisions precluding the use of any State-provided funds as local match funds (except for municipal assistance and revenue sharing appropriations) ignores the fact that many local governments receive money from the State that should not be thusly restricted (e.g., reimbursements for cash payments for school construction, reimbursements for school construction debt, shared taxes such as the fisheries and aviation fuel taxes, national forest receipts, et al.).***

Identification of these sources of funds, which arguably may be viewed as communities' "own" money, is neither difficult nor necessarily an impediment to establishing the proposed program. As in the case of allowing land to be used as an in-kind item for meeting the local match requirement, the administration will propose an amendment to CSSB 141 - Finance to allow the use of such shared taxes and reimbursements of funds as matching funds sources.

- ***Using assessed valuation as a measure of local ability to pay often overestimates the ability of a community to provide matching funds, especially in smaller rural communities.***

To some degree this is true. That is why the proposed program allows the use of in-kind items (e.g., labor, materials, equipment, and also, as will be proposed, land, shared taxes and reimbursements) as allowable sources or types of matching funds.

- ***Grant-recipient communities will not be allowed to retain interest earnings on their grant money.***

This is true under current provisions of the proposed program; however, the administration will propose an amendment to CSSB 141 - Finance to allow communities to retain the interest.

### Eligibility

- ***Small communities and villages that do not participate in revenue sharing will not be eligible for matching grants.***

Revenue sharing is extended to all communities in the state comprising more than 25 individuals. All of these communities would receive block grant funding under the proposed program. Communities who elect not to

participate in revenue sharing (and thus, in the proposed grant program), would enjoy the same access to the Governor and the Legislature for soliciting funding or assistance which they enjoy at present.

- ***The level of funding proposed for the program determines whether a given project is eligible for the program.***

Under any block grant program, unless other specific eligibility provisions apply, a project is neither "eligible" or "ineligible" for funding; it is simply either affordable or not - - if not, supplementary funding must be found. The proposed program proposes no such eligibility criteria for projects; rather it allows funding to be used for any type of capital project, as currently defined in law.

### **Matching Requirements**

- ***Small rural communities, in particular, will have difficulties in meeting their match requirements, even with the use of in-kind contributions.***

This should not be the case, at least not often. The proposed program is intended for relatively small capital projects (not for larger area-wide or regional projects), so meeting the matching requirements should not be overly difficult, even for small rural communities. This is especially true if the program's in-kind match provisions are taken into consideration, and all the more true if land or other forms of shared state revenues (shared taxes, school debt reimbursement, etc.) were to be allowed as an in-kind match.

- ***The proposed bill does not allow the use of land to satisfy local matching requirements; even if it did, however, many small communities and villages do not have land which they can use to meet their match requirements.***

This is true at present (4/27/92); however, the administration will propose an amendment to allow land to be used as an in-kind matching contribution.

- ***It's not realistic to assume that small communities and villages will be able to count on contributed labor as a means of meeting their match requirements.***

The program does not assume that small communities and villages will be able to depend on a steady supply of manpower. It does assume, however, that, no matter how small, communities will be able to provide a mix of cash, contributed materials, equipment and supplies, and contributed manpower, sufficient to meet their matching funds requirements. Considering that (1) smaller projects are the focus of the proposed program, (2) matching funds,

like the State grant funds themselves, can be accumulated over time, (3) a variety of forms of in-kind contributions can be used, and (4) the match requirements for the smallest communities is initially only 5 percent, the proposed program's match requirements should not be viewed as especially burdensome.

- ***The State (DOA, DCRA) will encounter major difficulties in attempting to place a value on manpower, materials, etc., which may be contributed by communities to meet their match requirements.***

The departments of Administration and Community and Regional Affairs anticipate no major difficulties in assigning such values, as valuations of in-kind contributions for grant projects are routinely conducted by state government. There should be no difficulty in adopting or adapting statewide or regional prevailing wage standards through (e.g.) the Department of Labor, or materials cost standards through (e.g.) the Department of Transportation and Public Facilities for such purposes, or other such benchmarks.

#### **Borough/Municipal Powers**

- ***The differing powers and limitations of boroughs and municipalities will make it difficult to decide whether one or the other, or both, should be the proper grant recipient.***

There is some truth to this, as boroughs and municipalities of different classes do possess different powers and limitations. It should be remembered, however, that one of the most important aspects of the proposed program is to permit local selection of capital projects - - primarily, on the basis that communities know best their own needs and development requirements, and are in the best position to choose the timing of their projects as well as the best manner of utilizing their financial and human resources to develop those projects. Part of this increased freedom of choice is, of course, the responsibility of having to make those choices.

If communities want this freedom of choice (they say they do), then they will need to work out for themselves the best approaches to cooperatively developing their projects. Certainly, nothing in the proposed program limits communities or boroughs in their freedom to make these choices, or in their flexibility regarding methods of working together for such purposes. (The Alaska Constitution is actually quite permissive in this regard - - see Article X, Section Thirteen: Agreements, Transfer Of Powers.) Additionally, the State will be available to assist communities and boroughs in formulating such cooperative agreements and approaches, if requested.

- ***Some boroughs and municipalities may be restricted in the manner of projects or procurements which they are able to undertake.***

It is not clear whether any such restrictions may exist or not. In the event that they may, however, the administration will propose an amendment to CSSB 141 - Finance stipulating that (as proposed by the Alaska Municipal League) monies received by a borough under this program may be spent on any capital project or capital improvement related to functions that a borough is legally empowered to exercise.

- ***The proposed program may put too much power into the hands of the State's municipalities.***

This is unlikely, as the proposed program deals primarily with relatively smaller capital projects. Given that major capital projects would be funded through other mechanisms, and that boroughs and municipalities would be encouraged under the program to work together in the selection, planning and implementation of projects, it seems more likely that the proposed program would tend to engender or reinforce an equitable sharing of local roles and responsibilities.

### Funding

- ***The possibility exists that, in any given year, inadequate funding levels for the program may result in no projects at all getting built; i.e., communities may have to "bank" their grant awards until sufficiently large amounts of funding can be accumulated.***

The possibility of inadequate funding levels for capital projects, such as it is, is neither increased nor diminished by the proposed program.

- ***The amount of funding proposed for unincorporated communities is too little to be useful (i.e., minimum grant of \$25 thousand a piece).***

The administration will propose an amendment to CSSB 141 - Finance changing the proposed minimum grant amount from \$25 thousand to \$50 thousand.

### Costs

- ***The administrative costs of the proposed program will be excessive.***

There is nothing in the background discussions surrounding this program, or in the preparation of the program's fiscal notes, to indicate that administrative

costs will be "excessive". Current estimates by the departments of Administration and Community and Regional Affairs indicate an annual administrative cost level of less than \$300 thousand. (See fiscal notes to CSSB 141-Finance.)

- ***Funding grant projects in all municipalities and unincorporated communities will create a large deferred maintenance problem, statewide, because communities will not have enough money to provide maintenance.***

It is not expected that the proposed program will either diminish or exacerbate existing problems of deferred facilities maintenance. Since communities will be contributing their own money to projects under this program, however, and since the program will enhance communities' abilities to adequately plan for projects, it is expected that the maintenance costs of new facilities will tend to receive their proper attention before construction is undertaken.

**Governor Hickel's Proposed  
Capital Project Matching Grants Program  
(Senate Bill 141)**

**HIGHLIGHTS**

**PURPOSE:**

- Establishes a statewide community-based block grant program for local capital projects, whereby communities provide matching funds.
- Allows local selection of capital projects, based on local understanding of needs and preferences regarding the commitment and utilization of resources.
- Encourages the selection of high-quality capital projects by establishing a local stake in their success.
- Leverages the effectiveness of State funds by making limited capital budget dollars go farther.

**KEY ELEMENTS:**

- Grant funds are allocated annually to communities according to population, with weighting for cost of living differences and for differentials in economies of scale (based on community size).
- Community local financial share requirements are based on population and per capita local wealth (assessed valuation), with weighting for differentials in fiscal capacity and access to financial resources (based on community size).
- The maximum local financial share required is 30 percent of total project cost, rising to 50 percent after two years.
- The minimum local financial share required is 5 percent of total project cost, rising to 10 percent after two years.
- The minimum grant allocation for a community is \$25,000.
- Communities may carry their annual grant amounts forward for five years, to accumulate funds for larger projects.
- The program applies to all municipalities in Alaska and to all unincorporated communities participating in the State's revenue sharing program.

CS SB 141 (Fin)  
Capital Project Matching Grant Program

3/19/92

TABLE 1 - MUNICIPALITIES

PROGRAM FUNDING LEVEL: \$62,092,173

MINIMUM GRANT: \$50,000

Municipal Appropriation (\$000): 58,192.173  
Minimum State Share (\$000): 50,000  
Maximum Local Share (%): 30%  
Minimum Local Share (%): 5%

Population Under 1,000 1,000- 5,000- Over  
Factors: 1,000 4,999 10,000 10,000  
For Grant Allocation: 1.5 1.4 1.2 1.0  
For Local Share %: 0.1 0.3 0.7 1.0

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)
Municipality	Population	Allocation Population Factor	Local Share % Population Factor	DCRA Assessed Full Value (\$)	Per Capita Value (\$)	Local Wealth Factor	Locality Generated Revenue (\$)	LOCAL SHARE %	LOCAL SHARE \$000	STATE SHARE %	STATE SHARE \$000	Leverage Ratio
Akiak	285	1.5	.1	10,289,398	36,105	0.507		5.1%	2,668	94.9%	50,000	1.05
Alekanuk	544	1.5	.1	19,641,069	36,105	0.507		5.1%	4,079	94.9%	76,434	1.05
Aleknagik	185	1.5	.1	6,679,408	36,105	0.507		5.1%	2,668	94.9%	50,000	1.05
<i>Alutians East Borough:</i>	-30	1.5	.1	5,387,400	-179,580	-2.520	2,923,085	5.0%	2,632	95.0%	50,000	1.05
Alutan	589	1.5	.1	8,416,200	14,289	0.201	374,225	5.0%	4,356	95.0%	82,757	1.05
Cold bay	148	1.5	.1	4,209,500	28,443	0.399	29,094	5.0%	2,632	95.0%	50,000	1.05
False Pass	68	1.5	.1	1,689,800	24,850	0.349	4,275	5.0%	2,632	95.0%	50,000	1.05
King Cove	811	1.5	.1	26,556,600	32,745	0.460	1,015,452	5.0%	5,997	95.0%	113,949	1.05
Sand Point	878	1.5	.1	37,939,600	43,211	0.606	1,454,111	6.1%	7,963	93.9%	123,362	1.06
Alakakot	170	1.5	.1	6,137,834	36,105	0.507		5.1%	2,668	94.9%	50,000	1.05
Anchorage, Municipality of	237,907	1.0	1.0	10,266,917,469	43,155	0.606		30.0%	9,440,504	70.0%	22,027,842	1.43
Angoon	690	1.5	.1	24,912,385	36,105	0.507		5.1%	5,174	94.9%	96,948	1.05
Aniak	540	1.5	.1	19,496,649	36,105	0.507		5.1%	2,668	94.9%	75,872	1.05
Anvik	82	1.5	.1	2,960,602	36,105	0.507		5.1%	2,668	94.9%	50,000	1.05
Atka	87	1.5	.1	3,141,127	36,105	0.507		5.1%	2,668	94.9%	50,000	1.05
Bethel	4,674	1.4	.3	180,576,300	38,634	0.542		16.3%	116,858	83.7%	611,925	1.19
Bettles	36	1.5	.1	1,299,777	36,105	0.507		5.1%	2,668	94.9%	50,000	1.05
Brevig Mission	198	1.5	.1	7,148,771	36,105	0.507		5.1%	2,668	94.9%	50,000	1.05
<i>Bristol Bay Borough:</i>	1,410	1.4	.3	160,700,800	113,972	1.599		30.0%	79,114	70.0%	184,599	1.43
Chelomak	320	1.5	.1	11,553,570	36,105	0.507		5.1%	2,668	94.9%	50,000	1.05
Chevak	598	1.5	.1	21,590,733	36,105	0.507		5.1%	4,484	94.9%	84,021	1.05
Chuathbaluk	97	1.5	.1	3,502,176	36,105	0.507		5.1%	2,668	94.9%	50,000	1.05
Clark's point	60	1.5	.1	2,166,294	36,105	0.507		5.1%	2,668	94.9%	50,000	1.05
Collman cove	186	1.5	.1	6,715,512	36,105	0.507		5.1%	2,668	94.9%	50,000	1.05
Cordova	2,504	1.4	.3	148,800,860	59,425	0.834		25.0%	109,375	75.0%	327,826	1.33
Craig	1,637	1.4	.3	50,794,100	31,029	0.435		13.1%	32,202	86.9%	214,318	1.15
Delta Junction	736	1.5	.1	31,081,000	42,230	0.593		5.9%	6,514	94.1%	103,411	1.06
<i>Donali Borough:</i>	1,155	1.4	.3	59,601,400	51,672	0.725	36,885	21.8%	42,039	78.2%	151,214	1.28
Anderson	628	1.5	.1	9,852,400	15,689	0.220	120,840	5.0%	4,644	95.0%	88,236	1.05
Dillingham	2,017	1.4	.3	123,842,000	61,399	0.862		25.8%	92,050	74.2%	264,068	1.35
Diomede	178	1.5	.1	6,426,673	36,105	0.507		5.1%	2,668	94.9%	50,000	1.05
Eagle	168	1.5	.1	7,972,800	47,457	0.666		6.7%	3,567	93.3%	50,000	1.07
Eek	284	1.5	.1	10,253,793	36,105	0.507		5.1%	2,668	94.9%	50,000	1.05

CS SB 141 (Fin)  
Capital Project Matching Grant Program

3/18/92

**TABLE 1 - MUNICIPALITIES**

PROGRAM FUNDING LEVEL: \$62,092,173

MINIMUM GRANT: \$50,000

Municipal Appropriation (\$000): 58,192.173  
Minimum State Share (\$000): 50,000  
Maximum Local Share (%): 30%  
Minimum Local Share (%): 5%

Population Factors:	Under 1,000	1,000-4,999	5,000-10,000	Over 10,000
For Grant Allocation:	1.5	1.4	1.2	1.0
For Local Share %:	0.1	0.3	0.7	1.0

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)
Municipality	Allocation Population	Population Factor	Local Share % Population Factor	DCRA Assessed Full Value (\$)	Per Capita Value (\$)	Local Wealth Factor	Locality Generated Revenue (\$)	LOCAL SHARE %	STATE SHARE %	LOCAL SHARE \$000	STATE SHARE \$000	Leverage Ratio
Ekvok	77	1.5	.1	2,780,078	36,105	0.507		5.1%	2.668	94.9%	50,000	1.05
Elm	284	1.5	.1	9,531,685	36,105	0.507		5.1%	2.668	94.9%	50,000	1.05
Emmonak	842	1.5	.1	23,179,349	36,105	0.507		5.1%	4.814	94.9%	90,203	1.05
<i>Fairbanks North Star Borough:</i>	45,421	1.0	1.0	1,975,019,110	43,483	0.610	39,212,148	30.0%	1,802.373	70.0%	4,205.537	1.43
Fairbanks	30,843	1.0	1.0	1,029,283,200	33,372	0.468	8,213,332	30.0%	1,223.896	70.0%	2,855.758	1.43
North Pole	1,456	1.4	.3	170,861,800	117,350	1.647	1,444,538	30.0%	81.695	70.0%	190.621	1.43
Fort Yukon	718	1.5	.1	25,923,322	36,105	0.507		5.1%	5.384	94.9%	100.882	1.05
Galena	833	1.5	.1	19,965,100	23,968	0.336		5.0%	6.160	95.0%	117.040	1.05
Gambell	525	1.5	.1	18,965,075	36,105	0.507		5.1%	3.937	94.9%	73.764	1.05
Golovin	142	1.5	.1	5,126,897	36,105	0.507		5.1%	2.668	94.9%	50,000	1.05
Goodnews Bay	241	1.5	.1	8,701,282	36,105	0.507		5.1%	2.668	94.9%	50,000	1.05
Grayling	208	1.5	.1	7,509,820	36,105	0.507		5.1%	2.668	94.9%	50,000	1.05
<i>Haines Borough:</i>	947	1.5	.1	61,219,700	64,646	0.907	774,984	9.1%	13.275	90.9%	133.057	1.10
Haines	1,265	1.4	.3	58,207,400	46,014	0.646	1,471,595	19.4%	39.789	80.6%	165.615	1.24
Holy Cross	277	1.5	.1	10,001,059	36,105	0.507		5.1%	2.668	94.9%	50,000	1.05
Hoonah	795	1.5	.1	22,813,100	28,686	0.403		5.0%	5.879	95.0%	111.701	1.05
Hooper Bay	845	1.5	.1	5,618,100	6,649	0.093		5.0%	6.249	95.0%	118.726	1.05
Hughes	66	1.5	.1	2,382,924	36,105	0.507		5.1%	2.668	94.9%	50,000	1.05
Huslia	224	1.5	.1	8,087,499	36,105	0.507		5.1%	2.668	94.9%	50,000	1.05
Hydaburg	384	1.5	.1	5,736,300	14,938	0.210		5.0%	2.840	95.0%	53.953	1.05
<i>Juneau, City and Borough of</i>	28,965	1.0	1.0	1,479,741,100	51,087	0.717		30.0%	1,149.374	70.0%	2,681.873	1.43
Kake	700	1.5	.1	16,951,200	24,216	0.340		5.0%	5.176	95.0%	98.353	1.05
Kaitag	240	1.5	.1	8,665,177	36,105	0.507		5.1%	2.668	94.9%	50,000	1.05
Kasaan	54	1.5	.1	1,949,665	36,105	0.507		5.1%	2.668	94.9%	50,000	1.05
<i>Kenai Peninsula Borough:</i>	23,676	1.0	1.0	2,579,297,890	108,941	1.529	55,852,460	30.0%	939.499	70.0%	2,192.164	1.43
Homer	3,937	1.4	.3	238,375,000	60,547	0.850	5,944,659	25.5%	176.327	74.5%	515.436	1.34
Kachemak	365	1.5	.1	19,117,400	52,376	0.735	0	7.3%	4.068	92.7%	51.284	1.08
Kenai	6,327	1.2	.7	291,192,200	46,024	0.646	4,339,958	30.0%	303.033	70.0%	707.078	1.43
Seldovia	316	1.5	.1	19,007,900	60,152	0.844	342,428	8.4%	4.610	91.6%	50,000	1.09
Seward	2,699	1.4	.3	169,597,100	62,837	0.882	6,381,609	26.5%	127.096	73.5%	353.356	1.36
Soldotna	3,482	1.4	.3	208,294,200	59,820	0.839	4,283,571	25.2%	153.446	74.8%	455.867	1.34
<i>Ketchikan Gateway Borough:</i>	5,196	1.2	.7	415,626,500	79,990	1.122	9,816,669	30.0%	248.864	70.0%	580.682	1.43
Ketchikan	8,263	1.2	.7	486,242,200	58,846	0.826	11,632,985	30.0%	395.759	70.0%	923.437	1.43

CS SB 141 (Fin)  
Capital Project Matching Grant Program

3/19/92

**TABLE 1 - MUNICIPALITIES**

PROGRAM FUNDING LEVEL: \$62,092,173

MINIMUM GRANT: \$50,000

Municipal Appropriation (\$000): 58,192,173  
Minimum State Share (\$000): 50,000  
Maximum Local Share (%): 30%  
Minimum Local Share (%): 5%

Population Factors:	Under 1,000	1,000-4,999	5,000-10,000	Over 10,000
For Grant Allocation:	1.5	1.4	1.2	1.0
For Local Share %:	0.1	0.3	0.7	1.0

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)
Municipality	Population	Allocation Population Factor	Local Share % Population Factor	DCRA Assessed Full Value (\$)	Per Capita Value (\$)	Local Wealth Factor	Locally Generated Revenue (\$)	LOCAL SHARE %	LOCAL SHARE \$000	STATE SHARE %	STATE SHARE \$000	Leverage Ratio
Saxman	369	1.5	.1	13,946,300	37,795	0.530	475,069	5.3%	2,904	94.7%	51,846	1.06
Klawock	768	1.5	.1	11,993,800	15,823	0.222		5.0%	5,605	95.0%	106,502	1.05
<b>Kodiak Island Borough:</b>	<b>7,367</b>	<b>1.2</b>	<b>.7</b>	<b>251,560,700</b>	<b>34,147</b>	<b>0.479</b>	<b>11,181,091</b>	<b>30.0%</b>	<b>352,844</b>	<b>70.0%</b>	<b>823,303</b>	<b>1.43</b>
Akhlok	77	1.5	.1	662,700	8,606	0.121	4,691	5.0%	2,632	95.0%	50,000	1.05
Kodiak	7,229	1.2	.7	465,395,500	64,379	0.903	9,156,664	30.0%	346,235	70.0%	807,881	1.43
Larsen Bay	147	1.5	.1	4,466,500	30,384	0.426	24,706	5.0%	2,632	95.0%	50,000	1.05
Old Harbor	284	1.5	.1	4,624,800	16,285	0.226	28,805	5.0%	2,632	95.0%	50,000	1.05
Ouzinkie	209	1.5	.1	2,609,200	12,484	0.175	28,412	5.0%	2,632	95.0%	50,000	1.05
Port Lions	222	1.5	.1	8,149,100	36,708	0.515	58,582	5.2%	2,715	94.8%	50,000	1.05
Kotlik	499	1.5	.1	18,016,348	36,105	0.507		5.1%	3,742	94.9%	70,111	1.05
Koyuk	253	1.5	.1	9,134,541	36,105	0.507		5.1%	2,668	94.9%	50,000	1.05
Koyukuk	126	1.5	.1	4,549,218	36,105	0.507		5.1%	2,668	94.9%	50,000	1.05
Kupreanof	23	1.5	.1	830,413	36,105	0.507		5.1%	2,668	94.9%	50,000	1.05
Kwethluk	558	1.5	.1	20,146,537	36,105	0.507		5.1%	4,184	94.9%	78,401	1.05
<b>Lake and Peninsula Borough:</b>	<b>1,023</b>	<b>1.4</b>	<b>.3</b>	<b>44,049,500</b>	<b>43,059</b>	<b>0.604</b>	<b>170,608</b>	<b>18.1%</b>	<b>29,654</b>	<b>81.9%</b>	<b>133,932</b>	<b>1.22</b>
Chignik	188	1.5	.1	12,649,800	67,286	0.944	45,062	9.4%	5,213	90.6%	50,000	1.10
Newhalen	160	1.5	.1	3,343,300	20,896	0.293	14,648	5.0%	2,632	95.0%	50,000	1.05
Nonalton	178	1.5	.1	3,538,900	19,881	0.279	28,470	5.0%	2,632	95.0%	50,000	1.05
Port Heiden	119	1.5	.1	2,770,500	23,282	0.327	2,250	5.0%	2,632	95.0%	50,000	1.05
Lower Kalskag	300	1.5	.1	10,831,472	36,105	0.507		5.1%	2,668	94.9%	50,000	1.05
Manokotak	404	1.5	.1	14,586,382	36,105	0.507		5.1%	3,029	94.9%	56,764	1.05
Marshall	273	1.5	.1	9,856,639	36,105	0.507		5.1%	2,668	94.9%	50,000	1.05
<b>Matanuska-Susitna Borough:</b>	<b>33,946</b>	<b>1.0</b>	<b>1.0</b>	<b>1,454,712,620</b>	<b>42,854</b>	<b>0.601</b>	<b>22,124,058</b>	<b>30.0%</b>	<b>1,347,028</b>	<b>70.0%</b>	<b>3,143,065</b>	<b>1.43</b>
Houston	815	1.5	.1	32,912,700	40,384	0.567	36,748	5.7%	6,879	94.3%	114,511	1.06
Palmer	3,008	1.4	.3	108,007,400	35,907	0.504	3,019,489	15.1%	70,130	84.9%	393,811	1.18
Wasilla	4,028	1.4	.3	229,966,200	57,092	0.801	1,043,694	24.0%	166,850	76.0%	527,350	1.32
McGrath	528	1.5	.1	19,063,390	36,105	0.507		5.1%	3,959	94.9%	74,186	1.05
Mekoryuk	177	1.5	.1	6,390,568	36,105	0.507		5.1%	2,668	94.9%	50,000	1.05
Mellakata	1,469	1.4	.3	0	0	0.000		5.0%	10,122	95.0%	192,323	1.05
Mountain Village	674	1.5	.1	24,334,706	36,105	0.507		5.1%	5,054	94.9%	94,700	1.05
Napaklak	323	1.5	.1	11,661,884	36,105	0.507		5.1%	2,668	94.9%	50,000	1.05
Napaskiak	328	1.5	.1	11,842,409	36,105	0.507		5.1%	2,668	94.9%	50,000	1.05
Nenana	504	1.5	.1	15,150,700	30,061	0.422		5.0%	3,727	95.0%	70,814	1.05