

ALASKA LEGISLATURE

2147

HOUSE and SENATE FINANCE COMMITTEE FILES, 1999 - 2000

**To: Members of the State Board of
Education & Early Development**

March 15, 2000

From: Richard S. Cross, Commissioner

Agenda Item: 7

◆ **ISSUE**

The board is asked to adopt proposed changes to 4 AAC 09.115, School Administrators as Part of Instruction. The proposed changes would place building level administration in the instructional component of a district's budget.

◆ **BACKGROUND**

At its November 1998, meeting, the board adopted regulation 4 AAC 09.115, Minimum Expenditure for Instruction. The regulation defined the instructional categories of expenditure for compliance with the requirements of AS 14.17.520, Minimum Expenditure for Instruction.

AS 14.17.520 requires a school district to budget and spend a minimum of 70% of its school operating expenditures in each fiscal year on the instructional component of the district budget. The percentage requirement is phased in over a three-year period: FY99 60%, FY2000 65%, and FY2001 70%.

The department has completed two budgetary reviews of the requirement under AS 14.17.520. In each review, school districts, the Association of Alaska School Boards, and the Alaska Council of School Administrators have requested that school administration be included as an instructional expenditure. The current regulation does not allow the inclusion of principals under instructional expenditures. The ACSA & AASB have prepared a briefing paper on this topic, which accompanies this memorandum. Significant public comment is also included.

Karen Rehfeld, Director of Education Support Services, and Eddy Jeans, School Finance Manager, will be present to brief the board.

◆ **OPTIONS**

Adopt the proposed regulation.

Amend the proposed regulation.

Seek further public comment.

◆ **ADMINISTRATION'S RECOMMENDATION**

Adopt the proposed regulation.

◆ **SUGGESTED MOTION**

I move the State Board of Education & Early Development adopt 4 AAC 09.115, School Administrators as Part of Instruction.

CHAPTER 09. STATE SUPPORT OF SCHOOLS.

4 AAC 09.115 is amended to read:

4 AAC 09.115. MINIMUM EXPENDITURE FOR INSTRUCTION.

The department will calculate each district's required minimum expenditure for instruction under AS 14.17.520 based upon district operating fund expenditures reported under the uniform chart of accounts. The instructional component of a district budget shall consist of expenditures in the following functional categories:

- (1) 100 - Instruction;
- (2) 200 - Special Education Instruction;
- (3) 220 - Special Education Support Services - Students;
- (4) 300 - Support Services - Students; [AND]
- (5) 350 - Support Services - Instruction[.], and
- (6) 400 - School Administration.

(Eff. 7/22/99, Register 151; am / /2000, Register)

Authority AS 14.17.520 AS 14.17.920 AS 14.03.050
AS 14.07.020(1) Sec. 43, Chapt. 83, SLA 1998

Department of Education and Early Development
 FY2000 Budgeted
 Instructional Percentages

	100	200	220	300	350	SB36	400	510	550	600	700	780	
	INSTRUC-	SPECIAL	SPECIAL	STUDENT	INSTRUC-	INSTRUC-	SCHOOL	DISTRICT	DISTRICT	OPERATION	STUDENT	COMM.	TOTAL
	TION	EDUCA-	EDUCATION	SUPPORT	TION	TIONAL	ADMIN	ADMIN	ADMIN.	&	ACTIV.	SERVICES	
		TION	SUPPORT		SUPPORT	PERCENTAGE			SUPPORT	MAINT.			
ALASKA GATEWAY	49.83%	5.57%	3.30%	2.00%	4.47%	65.17%	5.29%	5.35%	2.89%	20.82%	0.43%	0.00%	100%
ALEUTIAN REGION	54.99%	5.56%	0.68%	0.00%	0.54%	61.77%	2.82%	21.20%	0.00%	13.40%	0.81%	0.00%	100%
ALEUTIANS EAST	48.17%	5.31%	3.22%	0.00%	7.22%	63.93%	6.07%	6.11%	3.63%	16.57%	3.58%	0.00%	100%
ANCHORAGE	51.60%	12.06%	2.76%	4.14%	3.34%	73.91%	6.33%	1.32%	3.31%	14.16%	0.85%	0.12%	100%
ANNETTE ISLAND	50.82%	7.19%	1.05%	6.24%	0.00%	65.29%	5.29%	4.79%	7.73%	13.36%	4.25%	0.00%	100%
BERING STRAIT	53.05%	5.82%	1.05%	3.29%	1.79%	65.00%	3.91%	4.00%	2.01%	21.19%	3.71%	0.00%	100%
BRISTOL BAY	54.06%	6.98%	0.00%	1.71%	2.24%	64.98%	4.46%	5.25%	3.29%	18.28%	3.43%	0.00%	100%
CHATHAM	55.66%	2.79%	3.33%	3.46%	2.19%	67.43%	5.81%	9.90%	3.56%	12.83%	0.39%	0.00%	100%
CHUGACH	47.86%	0.35%	1.61%	3.09%	17.36%	70.28%	0.53%	10.72%	1.89%	15.44%	0.77%	0.24%	100%
COPPER RIVER	51.41%	9.52%	0.11%	2.24%	1.98%	65.25%	7.90%	5.37%	2.57%	16.90%	1.85%	0.00%	100%
CORDOVA	55.40%	7.23%	1.48%	0.87%	0.91%	65.88%	6.64%	3.82%	4.07%	16.05%	3.49%	0.00%	100%
CRAIG	56.63%	8.63%	2.93%	0.69%	2.11%	70.99%	5.60%	3.64%	3.48%	10.68%	5.61%	0.00%	100%
DELTA GREELY	60.32%	7.69%	1.49%	1.05%	1.54%	72.10%	7.08%	3.94%	2.24%	12.72%	1.61%	0.28%	100%
DENALI	54.11%	4.36%	1.86%	1.84%	3.39%	65.57%	6.52%	3.51%	3.50%	17.93%	2.97%	0.00%	100%
DILLINGHAM	51.48%	14.10%	0.00%	3.32%	1.68%	70.58%	6.39%	3.50%	3.91%	11.36%	4.18%	0.00%	100%
FAIRBANKS	53.73%	9.91%	1.41%	3.89%	3.06%	72.00%	6.76%	1.38%	4.88%	13.32%	1.64%	0.00%	100%
GALENA	65.00%	2.71%	0.92%	2.20%	2.48%	73.30%	11.35%	2.82%	2.56%	8.68%	0.84%	0.24%	100%
HAINES	52.62%	10.23%	0.00%	4.57%	0.00%	67.43%	6.78%	6.41%	0.00%	16.06%	3.32%	0.00%	100%
HOONAH	43.75%	14.22%	0.61%	1.31%	2.29%	62.18%	2.57%	6.75%	2.01%	16.25%	2.89%	7.26%	100%
HYDABURG	49.86%	4.17%	1.35%	5.39%	4.23%	65.00%	4.40%	7.76%	2.46%	15.51%	4.88%	0.00%	100%
IDITAROD	51.43%	4.83%	1.45%	0.62%	6.69%	65.02%	6.15%	4.46%	3.15%	20.03%	1.04%	0.00%	100%
JUNEAU	51.50%	11.99%	3.98%	4.64%	1.54%	73.65%	7.08%	1.12%	5.30%	12.65%	0.15%	0.00%	100%
KAKE	49.76%	9.61%	1.09%	2.66%	0.00%	63.13%	2.04%	6.90%	5.61%	18.93%	3.24%	0.00%	100%
KASHUNAMIUT	48.38%	7.54%	0.00%	0.42%	4.90%	61.22%	4.07%	9.66%	4.93%	16.92%	2.25%	0.75%	100%
KENAI	50.29%	8.89%	3.44%	2.69%	3.06%	68.37%	7.80%	3.96%	0.00%	17.98%	1.88%	0.00%	100%
KETCHIKAN	52.09%	8.48%	2.53%	2.42%	4.93%	70.46%	7.02%	2.66%	2.19%	15.86%	1.65%	0.08%	100%
KLAWOCK	54.07%	10.23%	0.00%	3.54%	1.10%	68.95%	4.43%	7.44%	1.67%	12.51%	4.91%	0.00%	100%
KODIAK	51.06%	8.20%	4.40%	2.71%	3.18%	69.56%	7.12%	1.76%	3.95%	15.17%	2.44%	0.00%	100%
KUSPUK	50.41%	8.23%	1.86%	1.38%	3.53%	65.41%	6.88%	3.99%	4.52%	17.58%	1.49%	0.01%	100%
LAKE & PENINSULA	51.75%	7.03%	2.04%	3.42%	7.33%	71.57%	3.43%	3.56%	3.66%	17.06%	0.00%	0.00%	100%

Department of Education and Early Development
 FY2000 Budgeted
 Instructional Percentages

	100	200	220	300	350	SB36	400	510	550	600	700	780	TOTAL
	INSTRUC- TION	SPECIAL EDUCA- TION	SPECIAL EDUCATION SUPPORT	STUDENT SUPPORT	INSTRUC- TION SUPPORT	INSTRUC- TIONAL PERCENTAGE	SCHOOL ADMIN	DISTRICT ADMIN	DISTRICT ADMIN. SUPPORT	OPERATION & MAINT.	STUDENT ACTIV.	COMM. SERVICES	
LOWER KUSKOKWIM	53.28%	6.95%	1.58%	2.20%	2.59%	66.60%	9.24%	1.88%	4.91%	15.64%	1.70%	0.00%	100%
LOWER YUKON	47.57%	6.94%	1.85%	1.97%	5.09%	63.43%	7.85%	3.95%	3.95%	18.33%	2.35%	0.00%	100%
MAT-SU	49.30%	11.55%	5.14%	3.72%	2.15%	71.87%	8.04%	0.70%	3.74%	14.22%	1.43%	0.00%	100%
NENANA	65.93%	6.19%	0.60%	2.14%	0.07%	74.94%	3.53%	4.90%	5.88%	8.53%	2.19%	0.00%	100%
NOME	46.29%	5.02%	3.22%	5.65%	3.99%	64.17%	4.28%	3.63%	4.37%	21.62%	1.88%	0.00%	100%
NORTH SLOPE	44.99%	5.45%	0.00%	5.26%	8.46%	64.16%	1.86%	2.19%	6.47%	22.60%	2.51%	0.00%	100%
NORTHWEST ARCTIC	42.60%	7.25%	1.22%	1.19%	6.45%	58.70%	6.40%	2.37%	3.90%	25.71%	2.81%	0.00%	100%
PELICAN	51.40%	0.14%	4.69%	0.66%	12.08%	68.97%	0.00%	2.95%	8.38%	17.76%	1.93%	0.00%	100%
PETERSBURG	53.33%	10.32%	0.00%	1.61%	3.18%	68.44%	6.46%	3.87%	1.89%	16.28%	3.05%	0.00%	100%
PRIBILOF	45.53%	5.40%	3.32%	0.00%	4.20%	58.45%	4.19%	7.41%	11.25%	15.11%	3.57%	0.00%	100%
SITKA	56.05%	11.97%	1.61%	2.99%	3.16%	75.79%	7.69%	3.18%	2.55%	9.98%	0.80%	0.00%	100%
SKAGWAY	52.51%	6.23%	0.61%	0.11%	2.40%	61.85%	5.97%	9.60%	2.47%	15.64%	4.39%	0.00%	100%
SOUTHEAST ISLAND	55.52%	6.71%	0.55%	1.67%	0.66%	65.11%	3.12%	6.72%	6.26%	17.76%	0.88%	0.00%	100%
SOUTHWEST REGION	46.18%	8.91%	0.00%	3.46%	9.13%	67.69%	7.01%	1.95%	4.09%	16.95%	2.21%	0.00%	100%
ST. MARY'S	48.84%	11.09%	1.06%	1.62%	2.89%	65.50%	2.82%	4.40%	2.47%	22.16%	2.41%	0.13%	100%
TANANA	34.94%	6.98%	1.61%	0.40%	0.92%	44.85%	0.00%	12.15%	9.14%	32.25%	1.32%	0.00%	100%
UNALASKA	53.18%	5.48%	0.77%	2.67%	3.40%	65.51%	6.11%	5.44%	3.78%	15.77%	3.39%	0.00%	100%
VALDEZ	56.27%	5.70%	1.53%	1.64%	4.91%	70.05%	7.22%	2.34%	2.34%	15.20%	2.82%	0.00%	100%
WRANGELL	55.60%	8.87%	0.59%	2.59%	2.36%	70.02%	6.56%	2.62%	3.97%	12.38%	4.44%	0.00%	100%
YAKUTAT	47.45%	10.03%	1.65%	0.00%	2.92%	62.05%	6.88%	11.51%	3.92%	15.58%	0.00%	0.00%	100%
YUKON FLATS	40.10%	4.86%	2.90%	1.10%	1.47%	50.44%	5.20%	7.26%	7.96%	26.32%	2.48%	0.10%	100%
YUKON/KOYUKUK	45.61%	4.91%	2.95%	4.06%	5.96%	63.49%	7.09%	6.39%	4.68%	17.41%	0.83%	0.00%	100%
YUPIIT	42.36%	11.35%	2.32%	3.30%	2.88%	62.21%	5.52%	7.38%	4.30%	18.64%	1.88%	0.00%	100%

Department of Education & Early Development
Pupil Transportation Program
Anchorage Reimbursement History
February 15, 2000

Anchorage Per Bus Reimbursement--District-Operated & Contracted

Fiscal Year	Reimbursed District Costs	% Change from Prior FY	# of District Buses	Cost Per Bus Per Year	Cost Per Bus Per Day	Reimbursed Contract Costs	% Change from Prior FY	# of Contr. Buses	Cost Per Bus Per Year	Cost Per Bus Per Day
FY2000 (Estimated)	\$5,678,686	+3.9%	84	\$67,332	\$386.96	\$8,102,072	+13.3%	171	\$47,380	\$272.30
FY99	5,464,654	+45.7%	84	65,055	382.68	7,148,866	+17.8%	170	42,052	247.36
FY98	3,749,955	-4.8%	84	44,642	259.54	6,068,561	+4.1%	171	35,488	206.32
FY97*	3,931,116	-0.4%	81	48,532	280.53	5,827,380	+6.6%	163	35,750	206.65
FY96	3,945,916	+1.8%	81	48,715	284.88	5,466,777	+5.1%	162	33,745	197.34
FY95	3,876,971	+10.1%	81	47,863	279.90	5,202,673	+10.1%	158	32,928	178.95
FY94**	3,521,793	-6.4%	82	42,948	251.16	4,727,416	+6.97%	157	30,110	168.21
FY93	3,748,720		82	45,716	265.79	4,419,127		157	28,147	163.64

* Amounts shown are 98.9% of actual entitlement.

** Amounts shown are 97.7% of actual entitlement.

Reimbursement level for costs of contracted transportation is 100% for all years.
Reimbursement for district-operated costs from FY93-FY98 is 66.83% of actual costs.
Reimbursement for district-operated costs for FY99 is 90% of actual costs.
Reimbursement for district-operated costs for FY2000 will be 100% of actual costs.
District costs include crossing guards--\$85,269 in FY99.

Operated in FY99 by	Number of Bus Routes	Total Route Miles--FY99	Avg. Miles per Route--Year	Avg. Cost per Route--Year	Avg. Cost Per Mile	Students Transported	Avg. Cost per Student--Year
District	84	1,017,054	12,108	\$65,055	\$5.37	6,040	\$904.74
Contractor	176	2,320,158	13,183	\$42,052	\$3.08	11,215	\$637.43

33.3% of District routes are Special Needs: 35.8% of contracted routes are Special Needs.

Alaska Department of Education & Early Development
 History of Contract Rate Increases
 February 17, 2000

PRE-MERGER RATE INCREASES -- Before January 1, 1996

DISTRICT	Type of Service	Contract Renewed	Term of Contract	Number Busses	Rate Changes in Percentage
Anchorage	3 Service Areas	1993	5 Years	90	12.7
	3 Service Areas	1994	5 Years	70	17.7
MatSu	Regular	1991	5 Years	107	-1.1
	Special Ed.	1993	5 Years	40	-14.1
Fairbanks	All	1995	5 Years	140	5.0
Kenai	All	1994	5 Years	75	5.87

POST-MERGER RATE INCREASES -- After January 1, 1996

DISTRICT	Type of Service	Contract Renewed	Term of Contract	Number Busses	Rate Increase in Percentage	Renewal Year	Number Busses
Anchorage	3 Service Areas	1998	3 Years	90	26.1	2001	167
Anchorage	3 Service Areas	1999	2 Years* or 7 Years	77	48.9 44.1	2001 2006	
MatSu	Regular	1996	5 Years	109	18.4	2001	142
MatSu	Special Ed.	1998	3 Years	33	35.3	2001	
Fairbanks	All	Extension in 1999	5 Yrs. w. 1-Yr Extension	140	22.8	2001	140
Kenai	All	1999	2 Years or 7 Years**	79	36.28	2001	79
					25.54	2006	

- * Anchorage opted for the 2 year contract to merge both of their contracts in 2001 rather than waiting till 2006.
- ** Kenai opted for the 7 year contract. They would then be on the same cycle as Anchorage, MatSu and Fairbanks.

Department of Education & Early Development
Pupil Transportation
Total Program Reimbursement History
February 9, 2000

Reimbursement Amounts

Fiscal Year	Statewide Reimbursements	%age Change from Prior FY
FY99	38,405,316	+13.2%
FY98	33,921,952	+3.7%
FY97*	32,705,650	0%
FY96	32,705,640	+3.6%
FY95	31,564,848	+7.3%
FY94**	29,410,153	+3.4%
FY93***	28,444,313	+4.3%
FY92	27,275,778	+11.4%
FY91****	24,482,400	0%
FY90	24,482,400	-6.1%
FY89	24,632,454	

FY00 - approx +10%
(includes supplemental)
\$ 2.1 million

- * Amount shown is 98.9% of actual entitlements.
- ** Amount shown is 97.7% of actual entitlements.
- *** Amount shown is 99.6% of actual entitlements.
- **** Amount shown is 96.9% of actual entitlements.

Department of Education & Early Development
 Costs of Route Changes FY99-00
 February 17, 2000

DISTRICT	NUMBER OF ROUTE BUSES FY98	CHANGE IN ROUTE BUSES FY99	COST OF ADDED OR DELETED ROUTES	CHANGE IN ROUTE BUSES FY2000	COST OF ADDED OR DELETED ROUTES
ALASKA GATEWAY	12				
ALEUTIANS EAST	3				
ANCHORAGE	255	Minus 1	(44,842)	Plus 3	164,826
ANNETTE ISLAND	1				
BERING STRAITS	1				
BRISTOL BAY	4			Plus 1	18,000
CHATHAM	0				
COPPER RIVER	13				
CORDOVA	1				
CRAIG	0			Plus 1	9,000
DELTA/GREELY	18				
DENALI	5				
DILLINGHAM	8				
FAIRBANKS	137	Plus 4	295,310	Minus 1	(49,216)
GALENA	1				
HAINES	3				
HOONAH	1				
HYDABURG	0				
IDITAROD	1				
JUNEAU	36			Plus 1	27,162
KAKE	1				
KASHUNAMIUT	0				
KENAI PENINSULA	86				
KETCHIKAN	19	Plus 1	58,864		
KLAWOCK	0				
KODIAK	16	Plus 2	110,563	Plus 1	24,917
KUSPUK	3				
LAKE & PENINSULA	6				
LOWER KUSKOKWIM	4	Plus 2	152,674		
LOWER YUKON	0				
MAT-SU	143				
NENANA	2				
NOME	3				
NORTH SLOPE	10	Plus 1	25,881		
NORTHWEST ARCTIC	1				
PELICAN	0				
PETERSBURG	2				
SITKA	10	Plus 1	53,363		
SKAGWAY	0				
SOUTHEAST ISLAND	4				
SOUTHWEST REGION	2	Plus 1	65,700		
TANANA	1				
UNALASKA	2				
VALDEZ	7	1 Extension	5,400		
WRANGELL	2				
YAKUTAT	1				
YUKON FLATS	5	Minus 1	(24,300)		
YUKON/KOYUKUK	3	Minus 1	(18,000)		
TOTAL	833	842	\$681,113	848	\$194,689

Department of Education & Early Development
 FY2000 Daily Bus Rates--Estimated
 February 29, 2000

DISTRICT	# OF BUSSES	FY00 DAILY RATES	CONTRACT EXPIRATION
ALASKA GATEWAY--EAGLE	1	\$165.09	FY02
MENTASTA LAKE	1	268.72	FY01
NORTHWAY	2	313.51	FY01
TOK	6	271.20	FY01
ANCHORAGE CONTRACTED	20	316.10	FY01
	29	323.46	FY01
	26	326.82	FY01
	31	264.26	FY01
	13	262.06	FY01
	2	308.22	FY01
	2	293.21	FY01
	1	289.83	FY01
	24	253.27	FY01
	24	249.12	FY01
ANCHORAGE DISTRICT-OPERATED	84	386.96 (ESTIMATED)	
BERING STRAITS	1	328.58	FY02
BRISTOL BAY--CONTRACTORS	3	329.23	FY03
SOUTH NAKNEK	1	100.00	FY03
KING AIR	1	337.00	FY00
COPPER RIVER	13	289.50	FY04
CORDOVA	1	279.41	FY00
DELTA/GREELY	4	255.23	FY01
	11	266.76	FY01
	2	327.58	FY01
	1	197.35	FY01
DENALI	1	268.16	FY06
	1	267.29	FY06
	3	454.28	FY06
DILLINGHAM	5	319.27	FY00
	1	233.22	FY00
	1	323.80	FY00
FAIRBANKS	91	273.42	FY01
	34	371.51	FY01
GALENA	1	273.39	FY03
HAINES	3	5,814 PER MILE	FY00
JUNEAU	30	202.97	FY01
	6	301.81	FY01
KAKE	1	148.62	FY03
KENAI PENINSULA	63	266.09	FY06
	13	298.57	FY06
	2	320.86	FY06
	1	288.02	FY06
KETCHIKAN	13	254.30	FY00
	6	330.62	FY00
KODIAK	15	276.86	FY01
	3	344.13	FY02
LAKE & PENINSULA	1	222.95	FY00
LOWER KUSKOKWIM	4	438.82	FY03
	2	420.39	FY03
MAT-SU	96	234.27	FY01
	13	268.33	FY01
	?	355.60	FY01
	28	293.31	FY01
NENANA	1	302.29	FY03
	1	333.63	FY03
NOME	3	413.50	FY01
PETERSBURG	2	389.00	FY04
SITKA	9	253.30	FY02
	2	299.72	FY02
SOUTHEAST ISLAND--HOLLIS	1	305.34	FY03
THORNE BAY--1 BUS, 1 BOAT	1/1	436.44	FY03
HYDER	1	237.76	FY03
SOUTHWEST REGION--TOGIK	1	369.75	FY01
MANOKOTAK	1	364.79	FY01
UNALASKA	2	550.53	FY04
VALDEZ	7	271.13	FY02
WRANGELL	1	542.26	FY03
	1	480.87	FY03
YAKUTAT	1	334.55	FY03

Department of Education & Early Development
Pupil Transportation Program
Reimbursed Costs
February 24, 2000

REIMBURSED COSTS

- A. Personnel
 - 1. Salaries
 - a. Managerial/Supervisory
 - b. Schedulers, Trainers, Dispatchers, Office Staff
 - c. Drivers
 - d. Mechanics & Shop Staff
 - 2. Benefits & Insurance

- B. Operation & Maintenance
 - 1. Gas/Diesel
 - 2. Tires & Tubes
 - 3. Oil & Lubricants
 - 4. Repair Parts
 - 5. Facilities Maintenance & Repair
 - 6. Rental of Facilities
 - 7. Utilities (gas, phone, electric, water, waste, hazardous material disposal)
 - 8. Office Equipment & Materials
 - 9. Training
 - 10. Travel

- C. Insurance, Taxes, Licenses & Related
 - 1. Liability Insurance
 - 2. Property & Casualty
 - 3. Workers Compensation
 - 4. Unemployment
 - 5. FICA
 - 6. Property Taxes
 - 7. Vehicle Licenses
 - 8. Business & Other Licenses
 - 9. Maintenance Agreements (copier, software, memberships, publications)
 - 10. Purchased/Subcontracted Services
 - a. Consultant
 - b. Legal
 - c. Accounting
 - d. Outside Vehicle Repairs

- D. Purchase/Depreciation
 - 1. Vehicles
 - 2. Property
 - 3. Equipment

Department of Education & Early Development
Pupil Transportation Program
Reimbursed Costs
February 24, 2000

4 AAC 27.060 REIMBURSEMENT TO DISTRICTS.

(a) Subject to the availability of appropriations from the legislature, the department will reimburse districts for the cost of all approved regular routes, special education routes, other conveyance routes, and in-lieu-of agreements. The reimbursement payment is equal to 100 percent of the cost of operating the pupil transportation system. The department will issue a transportation reimbursement agreement setting out the approved route mileage, the rate of reimbursement, and other terms and conditions of reimbursement to the district. The department will not reimburse costs submitted for reimbursement that exceed the maximum reimbursement provided for in the agreement unless the additional costs have been approved, in advance and in writing, by the department. Costs that are not reimbursable include:

- (1) driver and vehicle maintenance costs related to mid-day kindergarten routes;
- (2) the portion of actual costs arising from the operation of hazardous routes that is not reimbursable under AAC 27.035(e);
- (3) the costs of transporting pupils between their regular attendance center and other attendance centers, including vocational schools, magnet programs, and other optional programs, except if attendance at more than one attendance center is required by a pupil's IEP;
- (4) the costs of transportation for field, athletic, and extra-curricular activity trips;
- (5) the costs of transportation to and from pre-elementary programs under 4 AAC 60 unless required by a pupil's IEP and defined in AS 14.30.347; and
- (6) other costs not in the transportation reimbursement agreement and not approved by the department.

**Department of Education & Early Development
 FY2001 Projected Pupil Transportation Program
 December 15, 1999 Governor's Budget Request**

District	FY2000 Authorized	FY2001 Projection
Alaska Gateway	\$ 494,592	\$ 491,079
Aleutians East	63,394	40,089
Aleutian Region	— 0	0
Anchorage	12,805,867	14,208,561
Annette Islands	24,097	12,090
Bering Strait	41,254	63,495
Eristol Bay	240,581	271,068
Chatham	10,854	9,730
Chugach	0	0
Copper River	606,360	779,711
Cordova	54,330	52,413
Craig	18,891	23,072
Delta/Greely	948,187	1,011,482
Denali	296,642	375,603
Dillingham	361,713	387,391
Fairbanks	6,058,653	8,645,069
Galena	41,457	52,604
Haines	182,436	181,725
Hoonah	43,234	41,524
Hydaburg	1,627	1,885
Iditarod	47,529	40,894
Juneau	1,495,700	1,417,761
Kake	29,227	27,231
Kashunamiut	3,102	943
Kenai	3,595,362	4,452,043
Ketchikan	996,058	1,115,652
Klawock	11,305	10,646
Kodiak	790,466	904,709
Kuspuk	148,998	134,711
Lake and Peninsula	105,852	98,925
Lower Kuskokwim	295,997	484,605
Lower Yukon	0	842
Mat-Su	7,076,411	6,490,974
Nenana	96,495	112,485
Nome	232,567	220,715
North Slope	400,438	404,626
Northwest Arctic	0	10,507
Pelican	0	1,519
Petersburg	133,778	139,527
Pribilof	0	0
Sitka	419,197	560,032
Skagway	5,496	4,463
Southeast Island	193,975	209,529
Southwest Region	113,635	160,233
St. Mary's	0	0
Tanana	23,766	16,349
Unalaska	186,914	206,693
Valdez	342,988	353,762
Wrangell	178,093	184,642
Yakutat	61,905	61,224
Yukon Flats	108,640	95,395
Yukon/Koyukuk	97,596	85,867
Yupik	0	921
Contracts	189,500	200,000
Total	\$ 39,775,100	\$ 44,854,992

Department of Education and Early Development
Pupil Transportation

DISTRICT	FINAL FY00 TOTALS	FY2000 (BUDGET NOV. 98)	FY2000 ACTUAL (INC. COLA & CONTRACT RAISES)	DIFFERENCE BETWEEN FY2000 BUDGET AND ACTUAL	TOTAL PRO-RATED BASED ON BUDGETED 39,775,100	CONTRACT COSTS PLUS 3.5% COLA FOR FY2001 PROJECTED	DIFFERENCE BETWEEN FY2000 BUDGET AND FY2001 PROJECTED
ALASKA GATEWAY	\$464,852	\$484,592	476,293	(18,299)	451,869	491,079	(3,513)
ALEUTIANS EAST	37,948	63,394	38,882	(24,512)	36,888	40,089	(23,305)
ALEUTIANS REGION	0	0	0	0	0	0	0
ANCHORAGE	11,721,681	12,605,867	13,780,758	974,891	13,074,085	14,208,561	1,402,694
ANNETTE ISLAND	11,809	24,097	12,099	(11,998)	11,479	12,475	(11,622)
BERING STRAITS	60,104	41,254	61,583	20,329	58,425	63,495	22,241
BRISTOL BAY	236,980	240,581	262,907	22,326	249,425	271,068	30,427
CHATHAM	9,210	10,854	9,437	(1,417)	8,953	9,730	(1,124)
CHUGACH	0	0	0	0	0	0	0
COPPER RIVER	664,045	606,360	756,235	149,875	717,455	779,711	173,351
CORDOVA	49,613	54,330	50,835	(3,495)	48,228	52,413	(1,917)
CRAIG	21,840	18,891	22,377	3,486	21,230	23,072	4,181
DELTA/GREELY	957,462	948,187	981,027	32,840	930,721	1,011,482	63,295
DENALI	272,131	296,642	364,294	67,652	345,613	375,603	78,961
DILLINGHAM	366,701	361,713	375,727	14,014	356,460	387,391	25,678
FAIRBANKS	5,996,768	6,058,653	7,058,986	1,000,333	6,697,004	8,647,069	2,583,416
GALENA	49,794	41,457	51,020	9,563	48,403	52,604	11,147
HAINES	172,020	182,436	176,253	(6,183)	167,215	181,725	(711)
HOONAH	39,306	43,234	40,273	(2,961)	38,208	41,524	(1,710)
HYDABURG	1,765	1,627	1,808	181	1,715	1,865	238
IDITAROD	38,710	47,529	39,663	(7,866)	37,629	40,894	(6,635)
JUNEAU	1,342,043	1,495,700	1,375,074	(120,626)	1,304,590	1,417,761	(77,939)
KAKE	25,776	29,227	26,411	(2,816)	25,056	27,231	(1,996)
KASHUNAMIUT	893	3,102	915	(2,187)	868	943	(2,159)
KENAI PENINSULA	3,466,441	3,695,362	4,317,997	622,635	4,096,571	4,452,043	756,681
KETCHIKAN	801,122	996,058	820,840	(175,218)	778,747	1,115,652	119,594
KLAWOCK	10,077	11,305	10,325	(980)	9,796	10,646	(659)
KODIAK	856,391	790,466	877,469	87,003	832,473	904,709	114,243
KUSPUK	127,516	148,998	130,655	(18,343)	123,955	134,711	(14,287)
LAKE & PENINSULA	93,642	105,852	95,946	(9,906)	91,026	98,925	(6,927)
LOWER KUSKOKWIM	458,724	295,997	470,014	174,017	445,912	484,605	188,608
LOWER YUKON	797	0	816	816	774	842	842
MAT-SU	6,144,312	7,076,411	6,295,539	(780,872)	5,972,706	6,490,974	(585,437)
NENANA	106,478	96,405	109,099	12,694	103,504	112,485	16,080
NOME	208,927	232,567	214,069	(18,498)	203,092	220,715	(11,852)
NORTH SLOPE	383,016	400,438	392,443	(7,995)	372,319	404,626	4,188
NORTHWEST ARCTIC	9,946	0	10,191	10,191	9,668	10,507	10,507
PELICAN	1,438	0	1,473	1,473	1,398	1,519	1,519
PETERSBURG	126,336	133,779	135,326	1,547	128,387	139,527	5,748
PRIIBLOF	0	0	0	0	0	0	0
SITKA	530,122	419,197	543,170	123,973	515,316	560,032	140,835
SKAGWAY	4,225	5,456	4,329	(1,167)	4,107	4,463	(1,033)
SOUTHEAST ISLAND	171,699	193,975	203,220	9,245	192,799	209,529	15,554
SOUTHWEST REGION	151,675	113,635	155,409	41,774	147,439	160,233	46,598
ST. MARY'S	0	0	0	0	0	0	0
TANANA	15,475	23,766	15,856	(7,910)	15,043	16,349	(7,417)
UNALASKA	173,871	186,944	200,470	13,526	190,190	206,693	19,749
VALDEZ	334,869	342,988	343,111	123	325,516	353,762	10,774
WRANGELL	174,781	178,093	179,082	989	169,899	184,642	6,549
YAKUTAT	57,954	61,905	59,381	(2,524)	56,336	61,224	(681)
YUKON FLATS	90,300	108,640	92,523	(16,117)	87,778	95,395	(13,245)
YUKONKOYUKUK	81,282	97,566	83,282	(14,314)	79,011	85,867	(11,729)
YUPIIT	0	0	893	893	847	921	921
CONTRACTS	189,000	189,500	189,000	(500)	189,000	195,615	6,115
TOTALS	\$37,301,867	\$39,775,100	\$41,914,783	\$2,139,683	\$39,775,100	\$44,854,562	\$5,079,892

STATE OF ALASKA

TONY KNOWLES, GOVERNOR

Department of Education & Early Development

Education Support Services

*Goldbelt Place
801 West 10th Street, Suite 200
Juneau, Alaska 99801-1894
(907) 465-8679
(907) 463-5279 Fax
Eddy_Jeans@eed.state.ak.us*

March 17, 2000

The Honorable Sean Parnell, Co-Chair
The Honorable John Torgerson, Co-Chair
Senate Finance Committee
State Capitol, Room 518 and 516
Juneau, AK 99801-1182

Dear Senators Parnell and Torgerson:

The following information is in response to questions raised by the Senate Finance Committee regarding the FY2000 supplemental request dealing with pupil transportation costs, specifically in Anchorage, and children in state custody who are placed in out-of-state treatment facilities.

In response to the question regarding Anchorage pupil transportation costs, the enclosed schedule shows the actual reimbursement from FY93 through FY99 and the estimated FY2000 cost for both contracted and district operated transportation services. The schedule also shows the number of busses operated and the estimated cost per bus, per year and cost per bus, per day for district operated and contracted services.

In addition, the committee asked if the department could determine if any of the children that had been placed in out-of-state treatment facilities in the current year had been counted for foundation funding. Of the 56 students identified, as of 10/31/99, the department was able to identify 14 students claimed for foundation funding generating a total of \$95,156. The department is working with the Department of Health & Social Services to coordinate the billing of school districts for the education program for these students.

Senators Parnell and Torgerson
March 17, 2000
Page 2 of 2

Please do not hesitate to contact me if you have further questions or concerns.

Sincerely,



Eddy Jeans
School Finance Manager

Enclosure

cc: Members of the Senate Finance Committee

Richard S. Cross, Commissioner
Education & Early Development

Karen Perdue, Commissioner
Health & Social Services

Annalee McConnell, Director
Office of Management & Budget

Janet Clarke, Director
Administrative Services, Health & Social Services

Department of Education & Early Development
Pupil Transportation Program
Anchorage Reimbursement History
February 15, 2000

Anchorage Per Bus Reimbursement--District-Operated & Contracted

Fiscal Year	Reimbursed District Costs	% Change from Prior FY	# of District Buses	Cost Per Bus Per Year	Cost Per Bus Per Day	Reimbursed Contract Costs	% Change from Prior FY	# of Contr. Buses	Cost Per Bus Per Year	Cost Per Bus Per Day
FY2000 (Estimated)	\$5,678,686	+3.9%	84	\$67,332	\$386.96	\$8,102,072	+13.3%	171	\$47,380	\$272.30
FY99	5,464,654	+45.7%	84	65,055	382.68	7,148,866	+17.8%	170	42,052	247.36
FY98	3,749,955	-4.8%	84	44,642	259.54	6,068,561	+4.1%	171	35,488	206.32
FY97*	3,931,116	-0.4%	81	48,532	280.53	5,827,380	+6.6%	163	35,750	206.65
FY96	3,945,916	+1.8%	81	48,715	284.88	5,466,777	+5.1%	162	33,745	197.34
FY95	3,876,971	+10.1%	81	47,863	279.90	5,202,673	+10.1%	158	32,928	178.95
FY94**	3,521,793	-6.4%	82	42,948	251.16	4,727,416	+6.97%	157	30,110	168.21
FY93	3,748,720		82	45,716	265.79	4,419,127		157	28,147	163.64

* Amounts shown are 98.9% of actual entitlement.

** Amounts shown are 97.7% of actual entitlement.

Reimbursement level for costs of contracted transportation is 100% for all years.
Reimbursement for district-operated costs from FY93-FY98 is 66.83% of actual costs.
Reimbursement for district-operated costs for FY99 is 90% of actual costs.
Reimbursement for district-operated costs for FY2000 will be 100% of actual costs.
District costs include crossing guards--\$85,269 in FY99.

Operated in FY99 by	Number of Bus Routes	Total Route Miles--FY99	Avg. Miles per Route--Year	Avg. Cost per Route--Year	Avg. Cost Per Mile	Students Transported	Avg. Cost per Student--Year
District	84	1,017,054	12,108	\$65,055	\$5.37	6,040	\$904.74
Contractor	170	2,320,158	13,647	\$42,052	\$3.08	11,215	\$637.43

33.3% of District routes are Special Needs: 35.8% of contracted routes are Special Needs.

Subject: sb 290

Date: Fri, 17 Mar 2000 16:00:37 -0900

From: Darwin Peterson <Darwin_Peterson@legis.state.ak.us>

To: Shari Kochman <Shari_Kochman@gov.state.ak.us>

Shari,

I need a fiscal note from Education and Early Development for SB 290, "Pupil Transportaion Cost Reimbursement." This bill has not yet been scheduled for a hearing, but will be soon. Thanks,
Darwin



Anchorage School District

4600 DeBarr Road
P. O. Box 196614
Anchorage, Alaska 99519-6614
(907) 333-9561

SCHOOL BOARD

Peggy Robinson
President

Dave Werdal
Vice President

Rita J. Holthouse
Clerk

Bettye Davis
Treasurer

Harriet A. Drummond

athi Gillespie

Debbie Ossiander

SUPERINTENDENT

Bob Christal

March 21, 2000

Senator Parnell and Senator Torgerson
Co-chairs, Senate Finance Committee
Alaska State Legislature

Dear Senator Parnell and Senator Torgerson:

Attached please find a copy of the memorandum prepared by Steve Kalmes, Director, Pupil Transportation Services, regarding pupil transportation within the Anchorage School District.

The Anchorage School District is requesting an opportunity to meet with Senate Finance to review your concerns regarding pupil transportation and to explain what measures the Anchorage School District has taken to control costs, as well as those factors that influence an increase in pupil transportation spending.

Steve Kalmes is available to come to Juneau next week to meet with your committee to discuss these issues.

Sincerely,

Lawrence A. Wiget, Ed.D.
Executive Director, Public Affairs
(w) 907 742-4322 (f) 907 269-2340
(e-mail) Wiget_Larry@msmail.asd.k12.ak.us

ANCHORAGE SCHOOL DISTRICT
TRANSPORTATION SERVICES
ANCHORAGE, ALASKA

MEMORANDUM

MARCH 16, 2000

TO: LARRY WIGET, DIRECTOR GOVERNMENT RELATIONS
FROM: STEVEN KALMES, DIRECTOR, TRANSPORTATION SERVICES
SUBJECT: COST OF STUDENT TRANSPORTATION

During the past several years many factors have influenced the cost of student transportation to increase. I have listed below some of these factors that have directly related to the increase in costs.

EQUIPMENT REQUIREMENTS

The following items have been added to buses during the past decade. Statute or regulation requires all of these items on new school buses.

- ***Strobe lights on stop arms** – added in an attempt to reduce the number of vehicles that pass stopped school buses.
- **Roof mounted strobe lights** – White lights on the roof of the bus that are operated when students are on board the bus.
- **Reflective material on buses** – makes school buses more visible to other motorists.
- **Additional emergency exits** – Roof hatches, emergency window exits and side emergency doors have been added during the past few years. Additional exits were added to improve safety in the event of fire or other emergency.
- **Automatic transmissions** – Allows drivers to concentrate on students while driving and making stops to board and discharge students. Reduces maintenance costs.

EMPLOYEE REQUIREMENTS

- ***Minimum wage for school bus drivers** – The entry-level wage for school bus drivers in Alaska is two times the Alaska minimum wage.
- ***Criminal background checks** – Background checks are performed on all school bus drivers.

* Legislative Mandate

- **Driver Training** – A minimum of 40 hours of training is required before a school bus permit can be issued by DMV.
- **Drug and alcohol testing** – The federal government requires pre-employment, random, post accident and reasonable cause testing for school bus drivers.
- **Training for special education drivers and attendants** – More students with intensive needs have been entering the system in the past several years. Transportation department staff must receive specialized training to provide safe transportation for medically fragile and students with intensive needs.

COST SAVING MEASURES

- **Route reduction** – During the early 1980's 291 school buses were operated on a daily basis. During that time ASD routed buses operated by the district and the contractor routes buses in their service area. All bus routing was brought in house, service areas were realigned and routes were consolidated. These changes resulted in a savings of over \$1,000,000. We currently operate 255 buses on a daily basis. More students are transported on fewer buses than were operated in 1984.
- **Air operated doors** – Reduced worker compensation claims for shoulder injuries.
- **Air-ride suspensions** – Provides improved ride and reduced maintenance costs.
- **Air Brakes** - Improved braking systems on new buses, reduced maintenance costs.
- **Automatic tire chains** – Improved and reduced workers compensation claims for shoulder injuries.
- **Auxiliary Heaters** – Reduced energy cost for school bus engine heaters. Reduced air pollution when buses are started in cold weather.
- **Diesel powered buses** – Buses purchased in the past ten years are diesel powered, significantly reducing fuel costs.
- **Large capacity buses** – Sixty-five passenger buses have been replaced with seventy-two and eighty-four passenger buses.
- **Type "D" buses** – Flat front transit style buses improve visibility for the driver and are more maneuverable than conventional school buses.
- **Synthetic motor oil** – Oil is changed only one time per year reducing maintenance costs.
- **Longer useful life of school buses** – Specifications have been developed for heavy duty buses that will extend the useful life of vehicles from ten to fifteen years.

IMPROVED SAFETY

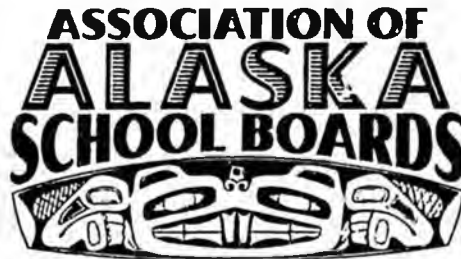
- **Type "D" school buses** – Improved driver visibility, these buses allow the driver to see students when they are required to cross the road in front of the school bus.

- **Heated remote controlled mirrors** – Drivers can now adjust mirrors without the assistance of a mechanic. Heated mirrors improve visibility during the winter months.
- **Thermal pane windows** – The first several windows on the service door side of the bus are now fitted with thermal pane windows. These windows do not fog thus improving driver visibility.
- **PA Systems** – Interior and exterior PA Systems have been added to buses to improve communication with students both on and off the bus.
- **Video monitors** – Video monitors are a tool to assist drivers with discipline and safety issues on the buses.

The table below is a comparison of employee wages between ASD and Laidlaw Transit Incorporated. I have also included the salary schedule for MOA Transit Drivers and Refuse Equipment operators.

	School Bus Drivers		Transit Drivers		Refuse Equipment Operator	
	ASD	Laidlaw	MOA Transit	MOA		
	Effective 1/1/00	Effective 7/1/99	Effective 1/4/99	Effective 1/4/99		
0-1 Year	11.55	0-1 Year 11.30	Entry 15.02	Entry 19.93		
1-2 Years	12.00	1-2 Years 11.65	6 months 15.78	6 months 20.93		
2-4 Years	12.50	2-3 Years 11.85	1.5 Years 16.57	1.5 Years 21.97		
4-6 Years	13.00	3-4 Years 12.05	1.5 years 17.40	1.5 years 23.07		
6-8 Years	13.50	4-5 Years 12.25				
8-10 Years	14.00	5-6 Years 12.45				
10-12 Years	14.50	6-7 Years 12.65				
12-14 Years	15.15	7-8 Years 12.85				
14 & beyond	15.75	8-9 Years 13.05				
		Therafter 13.25				

Special Education Bus Attendants			
	Effective 1/1/00		Effective 1/1/00
0-1 Year	8.60	0-1 Year	8.60
1-2 Years	9.75	1-2 Years	8.80
2-4 Years	10.10	2-3 Years	9.05
4-6 Years	10.45	3-4 Years	9.30
6-8 Years	10.95	4-5 Years	10.30
8-10 Years	11.45	5-6 Years	10.45
10-12 Years	11.95	6-7 Years	10.60
12-14 Years	12.55	7-8 Years	10.75
14 & beyond	13.50	8-9 Years	10.90
		Therafter	11.05



Advocates for Alaska's Youth

MARCH 24, 2000

The Honorable John Torgerson
Alaska State Senate
Juneau, Alaska 99801

Dear Sen. Torgerson:

Attached are preliminary results from a "quick survey" recently conducted by the Association of Alaska School Boards on the topic of pupil transportation. We are awaiting a response from the Mat-Su Borough School District.

With the exception of Fairbanks, districts appear to be locked into signed bus contracts and are unable to reopen negotiations. Districts provided explanations for increased rates and have some enlightening comments on the issue of cost containment in this area.

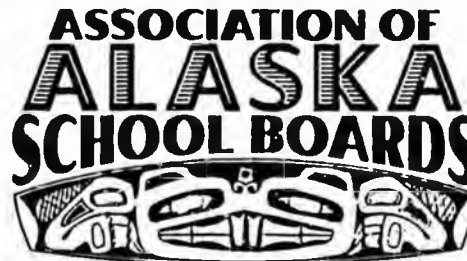
It may not satisfy all of your concerns, but I think it is a good place from which to start a new dialog about the cost of bus contracts in Alaska.

I am available to assist you with any concerns you may have on this issue.

Sincerely,

Carl Rose,
Executive Director

Attachment



Advocates for Alaska's Youth

Pupil Transportation Survey: Selected Districts

Compiled: March 2000

District	Q#1 Current bus contract duration	Q#2 If you were not to receive the FY00 supplemental (\$2.1 million statewide in state aid) would it be possible to renegotiate your current contract? If no, why not.	Q#3 Please explain the increase in cost over your last contract. How does the carrier or the district account for the higher rates/costs?	Comments
Anchorage	<p>Service areas I, II & VI 7-1-98 to 6-30-01</p> <p>Service areas III, IV & V 7-1-99 to 6-30-01</p>	<p>No. The district has the ability to alter the scope of service or cancel contracts for failure to perform. We were able to negotiate a lower daily rate than the rate proposed by the contractor for the two-year contract that was awarded last year. However, in order to do so we waived the maximum wage requirements for 13 buses.</p>	<p>Contracted transportation has increased significantly in our last two contracts. Increases ranged from 23% to 37% to 45% in the contract awarded in '99. Many factors have contributed to the increase in the cost of transportation the last several years. Including increased costs for driver's salaries due to an increase in the minimum wage increases in the cost of parts and equipment and additional training requirements for special education drivers and attendants. We also believe that the lack of competition has contributed to the rapid rise in costs.</p>	<p>New equipment requirements in the past decade: strobe lights on stop arms, roof mounted strobe lights, reflective material on buses, additional emergency exists, automatic transmissions</p> <p>New employee requirements: criminal background checks, driver training, drug and alcohol testing, training for special education drivers and attendants, minimum wage for school bus drivers.</p> <p>Improved safety on buses: Type D buses improve driver visibility, remote controlled mirrors to improve visibility, thermal pane windows that do not fog, PA systems to improve communication with students both on and off the bus, video monitors to assist drivers with discipline and safety issues.</p>
Fairbanks	<p>11-4-94 to 8-10-01 per amendment #3 dated 11-25-98</p>	<p>No. Since FY00 is rapidly drawing to a close, it will be next to impossible to do anything about expenditures already incurred. Not funding the FY00 supplemental will create a shortfall in a year already impacted by declining enrollment, reduced foundation funding due to increased assessed</p>	<p>The last amendment to our contract was executed in a effort to extend the termination date of our contract to coincide with other termination dates of other pupil transportation contracts across the state, thereby encouraging entry of competition into the bidding and proposal process, and potentially</p>	<p>I have heard it said that school districts have no incentive to bargain tough contracts because the State picks up the tab. School districts more than anyone realize that the State does not necessarily fund mandates and it is in the best interest of everyone to be as prudent as possible. The whole</p>

		<p>values, and rising health care costs that will be difficult to absorb in the current year.</p> <p>We are currently cutting 4 million out of our proposed FY01 status quo budget that cuts deep into the heart of many of our education programs. We are considering eliminating instrumental music teachers, nurses, administrators, and counselors. Not funding transportation in FY01 will create an additional \$830K shortfall and a tremendous burden on our budget.</p> <p>I'm sure our contractor would like the chance to renegotiate the remaining one year on our current contract. I do not believe that our contractor anticipated the dramatic increase in fuel prices, a continuing problem with an available work force, or proposed increases to minimum wage laws. I am not privy to how this all impacts their bottom line, but the cost of doing business has steadily increased since our last amendment was signed. I'm sure they would like for the State to once again encourage our District to open up our contract so they can try to recoup these costs.</p>	<p>generating cost savings for years to come. The last amendment to our contract was expensive and addressed many concerns, including a stable work force and safety concerns.</p> <p>The amendment aligned bus driver wages to current State of Alaska mandated bus driver minimum wages with contractually allowed COLA increases. Our previous contract was grandfathered at lower driver rates. The State was well aware that opening our contract to align expiration dates would require that we comply with State mandated driver rates. The change improved the ability of the contractor to hire and retain qualified, experienced school bus drivers. The amendment required additional resources to monitor on-board student behavior, including 5 surveillance cameras and 3 additional adult safety monitors.</p>	<p>reason behind budgeted cost increases in FY01 is due to the desire of school districts to align contracts, attract competition, and realize future cost savings. The cost increases should not have come to a surprise to anyone. Our contract has a clause that stipulates that " This Amendment No. 3 shall not be effective and shall create no obligation in the District unless and until it has been approved by the State of Alaska Department of Education". Our approval letter was dated November 20, 1998.</p>
Juneau	7-1-96 to 6-30-01	It would not be possible to renegotiate the contract because in accordance with the contract cancellation is for unsatisfactory performance. This is not the case.	Increase in costs was due to COLA and adding a special education bus.	It is a hardship for districts to absorb these unexpected costs out of their operating fund. In light of the fact that the state is realizing a savings in foundation funding due to decreased enrollment, it seems inappropriate to further penalize districts.
Kenai Peninsula	1999-01		Our district asked for bids responding to both two-year and seven-year contracts. Although several proposal packets were distributed, only one bid was returned to the district. The bid was received from Laidlaw Transit, Inc. We opted for the contract that increased our cost by \$695,569.86 per year (24.54%) over seven years. We felt this was a more fiscally responsibly approach than a contract to increase rates by \$1,028,382 per year over two years (36.28%) and have to renegotiate from those rates, again, two years later.	
Kodiak	1996-97 to 2000-	We have a clause that allows us to reduce services	Our contract includes an adjustment clause that is	Part of the increased costs are directly attributable

	01	<p>for unnecessary routes but we still pay at 40% for the remainder of the year. We have a "Grounds for suspension of service and/or cancellation of contract " clause that only allows cancellation for performance reasons.</p> <p>Our "Force Majeure" clause states that "The District shall also be excused from future performance hereunder during the time and to the extent that funds for transportation are not available pursuant to 4 AAC 27.060 or other statutes or regulations". So if they don't fund the supplemental this year and the \$5 million next year, we might be able to suspend the contract for next year. But I don't know if that necessarily would give us the clear right to renegotiate. Seems to me that there might be some legal ramifications relating to avoidance of contract simply because the legislature thinks we are paying Laidlaw too much.</p> <p>We do not have an express clause that allows us to renegotiate because of costs.</p>	<p>ties to the Anchorage CPI-U calculated as of January to January. The adjustment is for the second through fifth years of the contract.</p>	<p>to the Legislature. They have passed legislation requiring that school bus drivers are paid twice the minimum wage. So when districts re-bid their contracts they are forced to raise the wages of the contract.</p> <p>The main contributing factor to the raise this and next year is related to the DEED's effort to bring an additional bidder/vendor into the state. Eddy Jeans and Joe Precourt worked with Anchorage, Mat-Su, Fairbanks, Kenai and some smaller districts (Kodiak) to align contract dates so there would be a big enough part of the market available at one time to make it feasible for a second vendor to enter the market. This necessitated short term bids to align different districts.</p> <p>Laidlaw saw what was happening and hiked up their bids for the short term periods. The attachment labeled contract rate chart shows the bid information related to the short term bids. This resulted in higher costs for FY 00 and FY 01.</p> <p>Kodiak lines up with Anchorage, Fairbanks and Mat-Su for the bid that will be done next fall to start in July 01. All the districts have agreed to work together on bid specs and timing so a new bidder can be attracted.</p> <p>The legislature needs to let the process work and hopefully the bidding process will bring the costs down.</p>
Mat-Su				

**Gordon Warren Epperly
P.O. Box 34358
Juneau, Alaska 99803**

Tel: (907) 789-5659

April 2, 2000

**Senate Finance Committee
Alaska State Legislature
Capitol Building
Juneau, Alaska 99801**

Subject: Senate Bill No. 290

Honorable Members of the Senate Finance Committee

On March 27, 2000 the Senate Finance Committee took testimony on Senate Bill No. 290 "*An Act relating to state funding for transportation of public school students; and providing for an effective date.*" Although I signed the testimony sheet, I was not allowed to appear before the Committee.

I would like to give some insight as a School Bus driver of 31 years. When I began driving School Buses in Juneau, I received \$14/hr which had the purchasing power to support my family. That is not true today.

As the Legislature imposed new laws over the years, the cost of Student transportation began to rise. Because our Legislators enacted laws for the purpose of obtaining Federal money (*which no longer exist*), the cost to Contractors began to rise with the Driver's suffering the expenses with inadequate wages. My wage has dropped from \$14/hr to \$12/hr while inflation has more than tripled in those 31 years.

Just what is the State of Alaska receiving for my \$12/hr? As a matter of qualifications, I am required to:

- Pass a federal background check. (\$10)
- Pass a State approved School Bus Driver training course.
- Pass a Drug and Alcohol Test (random test throughout the year).
- Obtain a Commercial Driver License (4 year license @ \$100).
- Have a Federal DOT Physical (every two years @ \$130).
- Have a State approved School Bus Driver Physical (every year @ \$100).
- Obtain First Aid and CPR Cards (every two years @ \$25/card).
- Obtain a School Bus "S" Card (every year @ \$5).

When a School Bus Driver goes to work, that Driver places everything he/she owns in jeopardy as well as his/her reputation. Unlike the Members of this Legislature or any Employee of a School District, a School Bus Driver is involved with life and death situations every moment of his employment. If a mistake is made, someone will suffer injury or lose their life. School Bus Drivers should be getting "*Hazardous Pay*" as many Drivers have been assaulted by Students welding knives or guns (*not to mention having to drive under hazardous road conditions*). In my 31 years of driving, my driving has been accident free.

You have heard testimony that many School Bus Drivers receive less than \$7/hr - WHAT AN INSULT especially when Students receive more for washing dishes at fast food restaurants. How do you explain the passage of the "*Little Bacon Davis Act*" mandating that a Flagman shall receive \$22/hr or a Driver of a Bus taking Workman to a job site shall be paid \$23/hr while the Legislature excludes School Bus Drivers from that Act? In general, Truck Drivers receive an average wage of \$22/hr with Benefits while School Bus Drivers receive no Benefits what so ever.

You say that the State has been financing 100% of the cost of operating the Student Transportation system - but that is not true. All expenses incurred

by School Bus Drivers (*as stated above*) are not paid by the State. These expenses constitute a reduction in wages and it is absurdity that the Alaska Legislature should continue to expect School Bus Drivers to pay for the privilege of providing services to the State.

The cutting of expenses in Student Transportation will rest upon the shoulders of School Bus Drivers. Most of the expenses of School Bus Contractors are "*fixed*" and it is the "*Wages*" of Employees that are negotiated when they bid a Contract. As you know, the Cities and Boroughs will not guarantee the payment of fair wages for School Bus Drivers (*while they pay their Municipal Bus Drivers as much as \$23/hr with Benefits*).

We already see School Districts cutting corners in Student Transportation that puts Students at risk. They are employing Passenger Bus Contractors to transport Students to and from Classroom Activities with Buses that are 30 years old and older. Their buses don't have the safety features of a modern School Bus and their Drivers never had "*Criminal Background Checks*" or other requirements of a School Bus Driver. It is obvious that "*Safety*" is not the concern of the Legislature. These cost saving activities will increase with the passage of Senate Bill No. 290 which will result in the endangerment of Students and further reduction of hours of employment for School Bus Drivers.

School Bus Drivers need your help, please don't let them down.

Sincerely Yours


Gordon Warren Epperly



Public Affairs Memo

*Educating students
for success in life.*

*"It is not good enough that we do our best, sometimes we have to do
what's required." - Winston Churchill*

TO: SENATE FINANCE COMMITTEE
FROM: *Larry Wiget* LARRY WIGET, EXECUTIVE DIRECTOR, PUBLIC AFFAIRS
SUBJECT: SENATE BILL 290: A SOLUTION
DATE: APRIL 5, 2000

Steve Kalmes, ASD Pupil Transportation Director, provided the following information regarding the Anchorage School District's position on SB 290. Steve is one of the leading pupil transportation experts in the United States.

The Anchorage School District is concerned about the impact of Senate Bill 290. The bill as written will allow for reimbursement of 50% of additional contracted transportation costs after 2001. We do not believe this bill treats all school districts equitably. There is not a provision for growth in student population or additional requirements placed on us by the State or Federal Government.

We are also concerned about rising costs, but there are legitimate reasons for the increased cost. The minimum wage for drivers has increased, new policies to insure the safety of students have also been implemented including background checks and drug and alcohol testing for drivers. But one of the major reasons for increased cost is the lack of competition. We had only one bidder last year.

The other major concern is the fact that school districts currently provide differing levels of service, for instance some districts provide dedicated routes for private schools, monitors on regular route buses and establish bus routes so that students do not have to cross two lane roads. All of these items have an effect on the cost of providing service. Anchorage does not provide any of these services.

Solution: We believe that DEED should establish a base line for allowable costs and require school districts to pay for optional service. This method is used by other states and could be implemented in Alaska. The allowable cost method is a more equitable system that will help control costs and not penalize districts that grow or are currently operating efficient transportation systems.

SENATE FINANCE COMMITTEE

SIGN-IN

SB 290-PUPIL TRANSPORTATION COST REIMBURSEMENT

NAME: Darroll Hargraves Subject/Bill No: SB-290
Co./Dept./Title: Executive Director ACSA Phone: 586-9702
Address: 326 Fourth St. Junction Zip: 99801
Do you wish to testify? Yes No Respond To Questions

NAME: _____ Subject/Bill No: _____
Co./Dept./Title: _____ Phone: _____
Address: _____ Zip: _____
Do you wish to testify? Yes No Respond To Questions

NAME: _____ Subject/Bill No: _____
Co./Dept./Title: _____ Phone: _____
Address: _____ Zip: _____
Do you wish to testify? Yes No Respond To Questions

NAME: _____ Subject/Bill No: _____
Co./Dept./Title: _____ Phone: _____
Address: _____ Zip: _____
Do you wish to testify? Yes No Respond To Questions



Teleconference Participants

TCN: 10686

Participant Lists

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ALL Testifiers Go >>>

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Participants

Unidentified Testifiers: 0

Unidentified Observers: 0

DELTA JCT. (DJT)

1

Name: Mr. Dan Beck, Super.
Address: Delta/Greely Schools
City /St /Zip:

Phone:
Affiliation:
Type: Testifier

Bill: SB 290: PUPIL TRANSPORTATION COST REIMBURSEMENT

*FAIRBANKS offnet
MIKE FISHER
SB 290*

SENATE FINANCE COMMITTEE

SIGN-IN

SB 290-PUPIL TRANSPORTATION COST REIMBURSEMENT

NAME: GARY BADER Subject/Bill No: SB 290
Co./Dept./Title: JUNEAU School DISTRICT Phone: 463-1700
Address: 10014 CRAZY HORSE DRIVE Zip: 99801
Do you wish to testify? Yes No Respond To Questions

NAME: CARL ROSE Subject/Bill No: SB 290
Co./Dept./Title: AASB Exec. Director Phone: 6-1083
Address: 316 W 17th ST JUNEAU Zip: 99801
Do you wish to testify? Yes No Respond To Questions

NAME: _____ Subject/Bill No: _____
Co./Dept./Title: _____ Phone: _____
Address: _____ Zip: _____
Do you wish to testify? Yes No Respond To Questions

NAME: _____ Subject/Bill No: _____
Co./Dept./Title: _____ Phone: _____
Address: _____ Zip: _____
Do you wish to testify? Yes No Respond To Questions

SENATE FINANCE COMMITTEE

SIGN-IN

SB 290-PUPIL TRANSPORTATION COST REIMBURSEMENT

NAME: LARRY WIGET Subject/Bill No: SB 290

Co./Dept./Title: EX. DIR, PUBLIC AFFAIRS BDD Phone: 742-4322

Address: 4600 DEBARR N, ANCHORAGE Zip: 99507

Do you wish to testify? Yes No Respond To Questions

NAME: STEVE KALMEJ Subject/Bill No: SB 290

Co./Dept./Title: ANCHORAGE SCHOOL DIST
DIR. TRANSPORTATION Phone: 907-742-1200

Address: 3580 E TROUR RD ANC. Zip: 99507

Do you wish to testify? Yes No Respond To Questions

NAME: Gordon Eganly Subject/Bill No: SB 290

Co./Dept./Title: _____ Phone: 907-789-5659

Address: P.O. Box 34258 JUNEAU AK 99803 Zip: 99807

Do you wish to testify? Yes No Respond To Questions

NAME: Carl Rose Subject/Bill No: SB 290

Co./Dept./Title: AASB Phone: 6-1083

Address: 316 W 11th St JUNEAU Zip: 99801

Do you wish to testify? Yes No Respond To Questions

SB

298

SFIN

FILE

SENATE FINANCE COMMITTEE REPORT

DATE: 3/28/00

FURTHER:

REPORTED OUT OF
SFC 4/27/00

Date of 5-Day Notice: _____
(in accordance with Uniform Rule 23)

DATE TURNED
IN TO OFFICE: 27 April 00

Finance Committee considered

SENATE BILL NO. 298

"An Act relating to the compensation of certain public employees and officials not covered by collective bargaining agreements; and providing for an effective date."

and recommends:

- be replaced with _____ CS SB 298 (FIN)
- adopt previous _____ CS forth coming _____
- attached amendment(s)
- adopt Letter of Intent by _____
- further referral to the _____

- Senate Bill:
 same title
 new title
 House Bill:
 same title
 technical title
 new: SCR# _____

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	NR	DNP	AM
<i>Loren A. Leman</i>	<input checked="" type="checkbox"/>	<i>Peter Kelly</i>	<input checked="" type="checkbox"/>		
		<i>Lil Cohen</i>			<input checked="" type="checkbox"/>
		<i>Gary Wells</i>	<input checked="" type="checkbox"/>		
Co-Chair: <i>[Signature]</i>	<input checked="" type="checkbox"/>	Co-Chair:			
Co-Chair: <i>[Signature]</i>	<input checked="" type="checkbox"/>	Co-Chair:			

place to be an

NEW FISCAL NOTE(S):

Department Date Zero Fiscal

OMB			
forth coming			

PREVIOUS FISCAL NOTE(S):*

Department Date Zero Fiscal

OMB	<u>3/24/00</u>		3,216.55
(new analysis)			

APPROPRIATION -- no fiscal note

*include fiscal notes accompanying Governor's bill

FISCAL NOTE

STATE OF ALASKA
2000 LEGISLATIVE SESSION

REPORTED OUT OF
 SFC 4/27/00

BILL NO. CS SB 298(FIN)

Revision Date/Time (Note if correction) April 28,2000 Dept. Affected All State Agencies
 Title Pay Raise for Non-Union State Employees BRU _____
 Component _____
 Sponsor Rules Committee
 Requester Governor Component No. _____

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Personal Services	3,350.9	5,093.7	9,267.8	9,267.8	9,267.8	9,267.8
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	3,350.9	5,093.7	9,267.8	9,267.8	9,267.8	9,267.8

CAPITAL EXPENDITURES						
-----------------------------	--	--	--	--	--	--

CHANGE IN REVENUES ()						
-------------------------------	--	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)

1002, 1016 & 1133 Federal Receipts	339.4	516.1	922.8	922.8	922.8	922.8
1003 GF Match	33.6	51.6	94.7	94.7	94.7	94.7
1004 GF	1,623.9	3,140.7	5,765.3	5,765.3	5,765.3	5,765.3
1005 GF/Program Receipts	89.4	137.5	252.4	252.4	252.4	252.4
1037 GF/Mental Health	28.7	27.9	51.2	51.2	51.2	51.2
1053 Investment Loss Trust Fund	433.7					
1118 Pioneers Homes Receipts	0.6	0.9	1.7	1.7	1.7	1.7
Other (Specify Type)	801.6	1,218.9	2,179.7	2,179.7	2,179.7	2,179.7
TOTAL	3,350.9	5,093.7	9,267.8	9,267.8	9,267.8	9,267.8

Estimate of any current year (FY2000) cost: 0.0

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

The costs shown above for FY2001 include the \$800 signing bonus for Executive Branch (does not include UA), Court System, and Legislature (no bonus for legislators) plus health insurance costs.

	FY2001
Court System	877.8
Legislature	490.6
Executive Branch	1,982.5
TOTAL	3,350.9

Prepared by: Joan Brown Phone 465-4681
 Division Office of Management and Budget Date/Time 4/28/00 9:55 AM
 Approved by Director: Annalee McConnell Date 04/28/2000
 Agency Office of Management and Budget

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FY2001 Other Funds and Federal Funds

FUND CODE	Fund Source Name	Health by Fund Source Rounded	FY2001 \$800 Signing Bonus by Fund Source	Total
1007	Inter-Agency Receipts	5,800	10100	15,900
1007	Inter-Agency Receipts	15,600	27000	42,600
1007	Inter-Agency Receipts	4,200	7300	11,500
1007	Inter-Agency Receipts	400	700	1,100
1007	Inter-Agency Receipts	1,100	2000	3,100
1007	Inter-Agency Receipts	3,600	6300	9,900
007 Total		88,600	53,400	142,000
1017	Benefits Systems Receipts	100	300	400
017 Total		100	300	400
1018	Exxon Valdez Oil Spill Settlement	500	900	1,400
1018	Exxon Valdez Oil Spill Settlement	6,200	10700	16,900
1018	Exxon Valdez Oil Spill Settlement	1,300	2300	3,600
018 Total		8,000	13,900	21,900
1021	Agricultural Loan Fund	600	1000	1,600
021 Total		600	1000	1,600
1024	Fish and Game Fund	2,600	4500	7,100
1024	Fish and Game Fund	500	700	1,200
024 Total		3,100	5,200	8,300
1025	Science & Technology Endowment Income	5,100	8900	14,000
025 Total		5,100	8,900	14,000
1026	Highway Working Capital Fund	600	1300	1,900
026 Total		600	1,300	1,900
1027	International Airport Revenue Fund	0	100	100
1027	International Airport Revenue Fund	3,800	6500	10,300
027 Total		3,800	6,600	10,400
1034	Teachers Retirement System Fund	200	400	600
034 Total		200	400	600
1036	Commercial Fishing Loan Fund	400	600	1,000
036 Total		400	600	1,000
061-10	CIP-U/A Indirect Cost Recovery	1,300	2300	3,600
061 Total		1,300	2,300	3,600
1040	Real Estate Surety Fund	500	700	1,200
040 Total		500	700	1,200
1049	Training and Building Fund	500	700	1,200
049 Total		500	700	1,200
1050	Permanent Fund Dividend Fund	500	700	1,200
050 Total		500	700	1,200

FY2001 Other Funds and Federal Funds

FUND CODE	Fund Source Name	Health by Fund Source Rounded	FY2001 \$800 Signing Bonus by Fund Source	Total
1051	Rural Development Initiative Fund	100	100	200
051 Total		100	100	200
1052	Oil/Hazardous Response Fund	700	1300	2,000
052 Total		700	1,300	2,000
1055	Inter-agency/Oil & Hazardous Waste	1,400	2500	3,900
055 Total		1,400	2,500	3,900
1061	Capital Improvement Project Receipts	400	700	1,100
1061	Capital Improvement Project Receipts	1,900	3300	5,200
1061	Capital Improvement Project Receipts	300	500	800
1061	Capital Improvement Project Receipts	300	500	800
1061	Capital Improvement Project Receipts	100	100	200
1061	Capital Improvement Project Receipts	300	500	800
1061	Capital Improvement Project Receipts	9,200	16000	25,200
1061	Capital Improvement Project Receipts	1,900	3300	5,200
061 Total		14,400	24,900	39,300
1066	Public School Fund	100	100	200
066 Total		100	100	200
1070	Fisheries Enhancement Revolving Loan Fund	0	100	100
070 Total		0	100	100
1075	Alaska Clean Water Loan Fund	100	100	200
075 Total		100	100	200
1076	Marine Highway System Fund	1,600	2700	4,300
076 Total		1,600	2,700	4,300
1081	Information Service Fund	1,400	2400	3,800
081 Total		1,400	2,400	3,800
1092	Mental Health Trust Authority Authorized Receipts	0	0	0
1092	Mental Health Trust Authority Authorized Receipts	900	1700	2,600
1092	Mental Health Trust Authority Authorized Receipts	4,600	8100	12,700
092 Total		5,500	9,800	15,300

FY2001 Other Funds and Federal Funds

FUND CODE	Fund Source Name	Health by Fund Source Rounded	FY2001 \$800 Signing Bonus by Fund Source	Total
1094	Mental Health Trust Administration	1,400	2500	3,900
094 Total		1,400	2,500	3,900
1098	Children's Trust Fund Earnings	100	100	200
098 Total		100	100	200
1100	Alaska Drinking Water Fund	100	100	200
100 Total		100	100	200
1102	Alaska Industrial Development & Export Authority Receipts	14,500	25100	39,600
102 Total		14,500	25,100	39,600
1103	Alaska Housing Finance Corporation Receipts	61,600	106900	168,500
103 Total		61,600	106,900	168,500
1105	Alaska Permanent Fund Corporation Receipts	900	1500	2,400
1105	Alaska Permanent Fund Corporation Receipts	14,800	25700	40,500
105 Total		15,700	27,200	42,900
1106	Alaska Post-Secondary Education Commission Receipts	44,100	76500	120,600
106 Total		44,100	76,500	120,600
1108	Statutory Designated Program Receipts	7,900	13900	21,800
1108	Statutory Designated Program Receipts	700	1300	2,000
1108	Statutory Designated Program Receipts	800	1400	2,200
1108	Statutory Designated Program Receipts	700	1100	1,800
1108	Statutory Designated Program Receipts	600	1000	1,600
1108	Statutory Designated Program Receipts	1,200	2000	3,200
1108	Statutory Designated Program Receipts	700	1300	2,000
108 Total		12,600	22,000	34,600
1115	International Trade and Business Endowment Income	800	1500	2,300
115 Total		800	1,500	2,300
1141	RCA Receipts	3,600	6,100	9,700
141 Total		3,600	6,100	9,700
and Total		293,100	508,500	801,600
1002	Federal Receipts	122,600	212600	335,200
1016	Federal Incentive Payments	100	300	400

FY2001 Other Funds and Federal Funds

FUND CODE	Fund Source Name	Health by Fund Source Rounded	FY2001 \$800 Signing Bonus by Fund Source	Total
1133	Indirect Cost Reimbursement	1,400	2400	3,800
		124,100	215,300	339,400

1-GS2081VH
Lauterbach
4/25/00

- Adopted -

CS FOR SENATE BILL NO. 298()

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIRST LEGISLATURE - SECOND SESSION

BY

Offered:

Referred:

Sponsor(s): SENATE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to the compensation and benefits of certain public employees
2 not covered by collective bargaining agreements and certain officials not covered
3 by collective bargaining agreements; and providing for an effective date."

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

5 * Section 1. AS 39.20.080(a) is amended to read:

6 (a) The monthly salary of the head of each principal executive department of
7 the state is not less than [EQUAL TO] Step E, Range 28 nor more than Step F,
8 Range 30 of the salary schedule in AS 39.27.011(a) for Juneau, Alaska.

9 * Sec. 2. AS 39.27.011(a) is repealed and reenacted to read:

10 (a) The following monthly basic salary schedule is approved as the pay plan
11 for classified and partially exempt employees in the executive branch of the state
12 government who are not members of a collective bargaining unit established under the
13 authority of AS 23.40.070 - 23.40.260 (Public Employment Relations Act), and for
14 employees of the legislature under AS 24.10 and AS 24.20:

WORK DRAFT

WORK DRAFT

1-GS2081\H

	Range	Step	Step	Step	Step	Step	Step
	No.	A	B	C	D	E	F
1							
2							
3	05	1557	1602	1647	1693	1743	1789
4	06	1647	1693	1743	1789	1841	1895
5	07	1743	1789	1841	1895	1954	2014
6	08	1841	1895	1954	2014	2071	2137
7	09	1954	2014	2071	2137	2206	2269
8	10	2071	2137	2206	2269	2338	2409
9	11	2206	2269	2338	2409	2491	2568
10	12	2338	2409	2491	2568	2656	2745
11	13	2491	2568	2656	2745	2842	2946
12	14	2656	2745	2842	2946	3049	3165
13	15	2842	2946	3049	3165	3267	3392
14	16	3049	3165	3267	3392	3515	3640
15	17	3267	3392	3515	3640	3765	3895
16	18	3515	3640	3765	3895	4022	4174
17	19	3765	3895	4022	4174	4302	4463
18	20	4022	4174	4302	4463	4599	4767
19	21	4302	4463	4599	4767	4918	5095
20	22	4599	4767	4918	5095	5263	5457
21	23	4918	5095	5263	5457	5639	5850
22	24	5263	5457	5639	5850	6048	6253
23	25	5639	5850	6048	6253	6484	6727
24	26	5850	6048	6253	6484	6727	6969
25	27	6048	6253	6484	6727	6969	7234
26	28	6253	6484	6727	6969	7234	7486
27	29	6484	6727	6969	7234	7486	7750
28	30	6727	6969	7234	7486	7750	8023

* Sec. 3. AS 39.27.011(e) is repealed and reenacted to read:

(e) Effective July 1, 2001, the amounts set out in the salary schedule contained in (a) of this section are increased by two percent.

1 * Sec. 4. AS 39.27.011(f) is repealed and reenacted to read:

2 (f) Effective July 1, 2002, the amounts set out in the salary schedule contained
3 in (a) of this section, as increased under (e) of this section, are increased by two
4 percent.

5 * Sec. 5. AS 39.30.095(b) is amended to read:

6 (b) After obtaining the advice of an actuary, the commissioner of
7 administration shall determine the amount necessary to provide benefits under
8 AS 39.30.090, 39.30.091, and 39.30.160 and, subject to (f) of this section, shall set
9 the rate of employer contribution and employee contribution, if any. With money in
10 the fund, the commissioner of administration shall pay premiums, claims, and
11 administrative costs required under the insurance policies in effect under AS 39.30.090
12 and 39.30.160, or required under self-insurance arrangements in effect under
13 AS 39.30.091.

14 * Sec. 6. AS 39.30.095 is amended by adding a new subsection to read:

15 (f) Notwithstanding (b) of this section, the rate of employer contribution to
16 provide hospital, surgical, dental, audiovisual, and other medical care benefits under
17 AS 39.30.091 is \$515 monthly beginning July 1, 2000; \$575 monthly beginning July 1,
18 2001; and \$600 monthly beginning July 1, 2002, for the following employees and
19 officials:

20 (1) employees in the executive branch of the state government,
21 including the governor and lieutenant governor, who are not members of a collective
22 bargaining unit established under the authority of AS 23.40.070 - 23.40.260 (Public
23 Employment Relations Act);

24 (2) employees of the legislature under AS 24.10 and AS 24.20,
25 including legislators;

26 (3) employees in the judicial branch of state government, including
27 magistrates and other judicial officers, who are not members of a collective bargaining
28 unit established under AS 23.40.070 - 23.40.260 (Public Employment Relations Act).

29 * Sec. 7. The uncodified law of the State of Alaska is amended by adding a new section
30 to read:

31 LUMP SUM PAYMENT FOR EMPLOYEES OF THE LEGISLATIVE BRANCH

1 AND CERTAIN EMPLOYEES OF THE EXECUTIVE BRANCH. (a) Subject to an
2 appropriation for fiscal year 2001 for that purpose, and except as provided in (b) of this
3 section, classified and partially exempt employees in the executive branch of the state
4 government who are not members of a collective bargaining unit established under the
5 authority of AS 23.40.070 - 23.40.260 (Public Employment Relations Act), and employees of
6 the legislature under AS 24.10 and AS 24.20, other than legislators, employed and in pay
7 status on July 1, 2000, are entitled to receive a lump sum payment of up to \$800, prorated at
8 \$33.33 for each pay period that the employee was in pay status in fiscal year 2000.

9 (b) Notwithstanding the requirements of (a) of this section, employees of the
10 legislature who would otherwise be entitled to payment under (a) of this section but who were
11 not employed or in pay status on July 1, 2000, because their employment was limited to the
12 legislative session, are entitled to receive the prorated lump sum payment provided in (a) of
13 this section.

14 * **Sec. 8.** The uncodified law of the State of Alaska is amended by adding a new section
15 to read:

16 SALARY ADJUSTMENTS AND LUMP SUM PAYMENT FOR CERTAIN EXEMPT
17 EMPLOYEES OF THE EXECUTIVE BRANCH. Permanent and temporary employees in the
18 executive branch of the state government, other than the governor and lieutenant governor,
19 who are in the exempt service under AS 39.25, are not members of a collective bargaining
20 unit established under AS 23.40.070 - 23.40.260 (Public Employment Relations Act), and are
21 not otherwise covered by AS 39.27.011(a), are entitled to receive

22 (1) salary adjustments comparable to those received by classified and partially
23 exempt employees of the executive branch under AS 39.27.011(e) and (f), as repealed and
24 reenacted by secs. 3 and 4 of this Act; and

25 (2) the lump sum payment provided for in sec. 7 of this Act, subject to the
26 conditions set out in that section.

27 * **Sec. 9.** The uncodified law of the State of Alaska is amended by adding a new section
28 to read:

29 SALARY ADJUSTMENTS AND LUMP SUM PAYMENT FOR CERTAIN
30 EMPLOYEES OF THE JUDICIAL BRANCH. Permanent and temporary employees in the
31 judicial branch of the state government who are not members of a collective bargaining unit

1 established under AS 23.40.070 - 23.40.260 (Public Employment Relations Act) are entitled
2 to receive

3 (1) salary adjustments comparable to those received by classified and partially
4 exempt employees of the executive branch under AS 39.27.011(e) and (f), as repealed and
5 reenacted by secs. 3 and 4 of this Act; and

6 (2) the lump sum payment provided for in sec. 7 of this Act, subject to the
7 conditions set out in that section.

8 * **Sec. 10.** AS 39.27.011(g) is repealed.

9 * **Sec. 11.** Except as provided in sec. 12 of this Act, this Act takes effect on the later of

10 (1) July 1, 2000; or

11 (2) the effective date of an appropriation that becomes law that was passed by
12 the Second Regular Session or a Special Session of the Twenty-First Alaska State Legislature
13 for all of the monetary terms of collective bargaining contracts between the state and a
14 majority of the following organizations:

15 (A) Alaska Public Employees Association, for the Supervisory Unit;

16 (B) Alaska State Employees Association, for the General Government
17 Unit;

18 (C) Alaska Vocational Technical Center Teachers Association,
19 representing teachers at the Alaska Vocational Technical Center;

20 (D) Alyeska Correspondence School Education Association,
21 representing teachers at the Alyeska Central School;

22 (E) Confidential Employees Association;

23 (F) Inlandboatmen's Union of the Pacific, representing the unlicensed
24 marine unit;

25 (G) International Organization of Masters, Mates, and Pilots, Pacific
26 Maritime Region, for the Masters, Mates, and Pilots Unit;

27 (H) Marine Engineers Beneficial Association, representing licensed
28 engineers employed by the Alaska marine highway system;

29 (I) Public Employees Local 71, for the Labor, Trades and Crafts Unit;

30 (J) Public Safety Employees Association, for the Correctional Officers

31 Unit;

1 (K) Public Safety Employees Association, representing state troopers
2 and other commissioned law enforcement personnel; and

3 (I.) Teachers' Education Association of Mt. Edgecumbe, representing
4 teachers of the Mt. Edgecumbe High School.

5 * Sec. 12. Section 1 of this Act takes effect January 1, 2003.

Donley COMMITTEE
2000 COMMITTEE ACTION

Bill Number	JB 298 version "H"		
Amendment			
Motion			
<u>Motion by</u>	CCP		
<u>Objection by</u>	JH		
Removed			
Second Objection by			
<u>Committee Member</u>	Y	<u>Vote</u>	N
Senator Dave Donley	✓		
Senator Loren Leman	✓		
Senator Al Adams			✓
Senator Gary Wilken	✓		
Senator Pete Kelly	✓		
Senator Lyda Green	✓		
Senator Randy Phillips	✓		
Co-Chair Sean Parnell	✓		
Co-Chair John Torgerson	✓		
<u>Tally</u>			
Yea	8		
Nay	1		
Absent			
<u>MOTION</u>	Adopted		

SB 298 Compensation of Certain Public Employees not Covered by Collective Bargaining Agreements

Year One					
Bonus of	\$				
		General Funds	Federal Funds	Other Funds	Total
XE and EE	800,700	323,000		763,100	1,886,800
Courts	829,000	-	-	-	829,000
Legislature	430,000	-	-	-	430,000
Total	2,059,700	323,000		763,100	3,145,800
Bonus of	\$ 800.00				
XE and EE	533,800	215,333		508,733	1,257,867
Courts	552,667	-	-	-	552,667
Legislature	286,667	-	-	-	286,667
Total	1,373,133	215,333		508,733	2,097,200
Change in Cost					
XE and EE	(266,900)	(107,667)		(254,367)	(628,933)
Courts	(276,333)	-	-	-	(276,333)
Legislature	(143,333)	-	-	-	(143,333)
Total	(686,567)	(107,667)		(254,367)	(1,048,600)
Year Two					
No Changes Proposed					
Year Three					
Salary Increase	3%				
		General Funds	Federal Funds	Other Funds	Total
XE and EE	1,522,053	451,237		1,325,173	3,298,463
Courts	1,009,118	-	-	-	1,009,118
Legislature	589,595	-	-	-	589,595
Total	3,120,767	451,237		1,325,173	4,897,177
Salary Increase	2%				
XE and EE	1,014,702	300,825		883,449	2,198,975
Courts	672,745	-	-	-	672,745
Legislature	393,064	-	-	-	393,064
Total	2,080,511	300,825		883,449	3,264,785
Change in Cost					
XE and EE	(507,351)	(150,412)		(441,724)	(1,099,488)
Courts	(336,373)	-	-	-	(336,373)
Legislature	(196,532)	-	-	-	(196,532)
Total	(1,040,256)	(150,412)		(441,724)	(1,632,392)
Health Insurance	\$ 630.00				
		General Funds	Federal Funds	Other Funds	Total
XE and EE	422,869	170,641		402,900	996,410
Courts	446,219	-	-	-	446,219
Legislature	691,117	-	-	-	691,117
Total	1,560,205	170,641		402,900	2,133,746
Health Insurance	\$ 600.00				
XE and EE	402,732	162,515		383,714	948,962
Courts	424,970	-	-	-	424,970
Legislature	658,207	-	-	-	658,207
Total	1,485,910	162,515		383,714	2,032,139
Change in Cost					
XE and EE	(20,137)	(8,126)		(19,186)	(47,448)
Courts	(21,249)	-	-	-	(21,249)
Legislature	(32,910)	-	-	-	(32,910)
Total	(74,295)	(8,126)		(19,186)	(101,607)
Grand Total	(1,891,419)	(266,205)		(715,277)	(2,782,599)

Wilken COMMITTEE
2000 COMMITTEE ACTION

Bill Number	SB 298		
Amendment			
Motion	Report from Cmte. CS "H"		
<u>Motion by</u>	Parnell		
<u>Objection by</u>	Adams		
Removed			
Second Objection by			
<u>Committee Member</u>	Y	Vote	N
Senator Gary Wilken	✓		
Senator Pete Kelly	✓		
Senator Lyda Green		—	
Senator Randy Phillips		—	
Senator Dave Donley	✓		
Senator Loren Leman	✓		
Senator Al Adams			✓
Co-Chair Sean Parnell	✓		
Co-Chair John Torgerson	✓		
<u>Tally</u>			
Yea	6		
Nay	1		
Absent	2		
<u>MOTION</u>	Pass		

HB 439 / SB 298

Sectional Analysis

Section 1:

This section increases the current monthly salary of each member of the legislature for FY 2002 and FY 2003. For FY 2002, this Act will increase the current salary by two percent. For FY 2003, this Act will increase the FY 2002 salary by three percent.

Section 2:

This section increases the governor's annual salary for FY 2002 from its current amount by two percent. This section increases the governor's annual salary for FY 2003 from its FY 2002 amount by three percent.

Section 3:

This section increases the lieutenant governor's annual salary for FY 2002 from its current amount by two percent. This section increases the lieutenant governor's annual salary for FY 2003 from its FY 2002 amount by three percent.

Section 4:

This section repeals and reenacts the pay plan schedule to reflect the current pay plan for "classified and partially exempt employees in the executive branch of the state government who are not members of a collective bargaining unit established under the authority of the Public Employment Relations Act (AS 23.40), and for employees of the legislature under AS 24.10 and AS 24.20." This section, along with sections 5 and 6, also has the effect of raising salaries tied to the salary plan by statutory reference, including, for example, judicial officers. See, e.g. AS 22.07.090(c) (court of appeals judges). There are several other such references in the statutes.

Section 5:

This section repeals the existing statutory increase for the pay plan mentioned in sec. 4 of this Act and implements a new one for FY 2002. For FY 2002, the pay plan will increase by two percent.

Section 6:

This section also repeals the existing statutory increase for the pay plan mentioned in sec. 4 of this Act and implements a new one for FY 2003. For FY 2003, the new pay plan will increase, as amended by sec. 5, by three percent.

Section 7:

This section adds a new section to the uncodified law of the State of Alaska regarding lump sum payments for employees mentioned in sec. 4 of this Act for FY 2000. This section also allows for a prorated lump sum payment to be paid to employees of the legislature whose employment was limited to the legislative session and therefore would not be employed on July 1, 2000. All of the employees mentioned in this section are entitled to receive, under this Act, a lump sum payment of up to \$1,200, prorated at \$50 for each pay period that the employee was in pay status in fiscal year 2000.

Section 8:

This section extends the lump sum payments mentioned in sec. 7 of this Act to "[j]ustices of the supreme court, judges of the court of appeals and the superior and district courts, magistrates, legislators, the governor, and the lieutenant governor."

Section 9:

This section refers to permanent and temporary exempt employees in the executive branch of government other than the governor and the lieutenant governor. This section allows for salary adjustments for exempt employees as described in sec. 5 and sec. 6 of this Act. This section also allows for the lump sum payments provided in sec.7 of this Act for exempt employees.

Section 10:

This section refers to permanent and temporary employees in the judicial branch of government (other than judicial officers and magistrates) who are not members of a collective bargaining unit. This section allows for salary adjustments for these employees as described in sec. 5 and sec. 6 of this Act. This section also allows for the lump sum payments provided in sec.7 of this Act for employees in the judicial branch.

Section 11:

This section repeals an existing statute relating to salary increases which is made unnecessary by the foregoing amendments.

Section 12:

This section provides that the Act will become effective July 1, 2000.



Teleconference Participants

TCN: 10843

Participant Lists

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Testifiers



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Participants

Unidentified Testifiers: 0

Unidentified Observers: 0

ANCHORAGE (ANC)

1

Name: Mr. Kevin Dougherty

Phone:

Address:

Affiliation:

City /St /Zip:

Type: Testifier

Bill: HB 419: WORKERS' COMPENSATION

FAIRBANKS (FBX)

1

Name: Mr. Paul Lyle

Phone:

Address:

Affiliation:

City /St /Zip:

Type: Testifier

Bill: SB 298: PAY RAISE FOR NON-UNION STATE EMPLOYEES

2

Name: Mr. John Athens

Phone:

Address:

Affiliation:

City /St /Zip:

Type: Testifier

Bill: SB 298: PAY RAISE FOR NON-UNION STATE EMPLOYEES

SENATE FINANCE COMMITTEE

SIGN-IN

SB 298-PAY RAISE FOR NON-UNION STATE EMPLOYEES

NAME: Alison Elger Subject/Bill No: SB 298
Co./Dept./Title: DoA - Dep. Comm. Phone: 465-2200
Address: _____ Zip: _____

Do you wish to testify? Yes No Respond To Questions

NAME: Don Etheridge Subject/Bill No: SB 298
Co./Dept./Title: AFL-CIO Phone: 586 3707
Address: 710 W 9TH ST Zip: 99801

Do you wish to testify? Yes No Respond To Questions

NAME: _____ Subject/Bill No: _____
Co./Dept./Title: _____ Phone: _____
Address: _____ Zip: _____

Do you wish to testify? Yes No Respond To Questions

NAME: _____ Subject/Bill No: _____
Co./Dept./Title: _____ Phone: _____
Address: _____ Zip: _____

Do you wish to testify? Yes No Respond To Questions

SB

301

HFIN

FILE

(11)

HOUSE COMMITTEE REPORT

Date Referred to Committee: April 13, 2000

FURTHER REFERRALS:

Date of Committee Action: 7/19/00

The FINANCE Committee considered:

CSSB 301(FIN)

CS FOR SENATE BILL NO. 301(FIN)

CHITINA DIPNET FISHING PERMIT

"An Act relating to the Chitina dip net fishing permit; and providing for an effective date."

recommends it be replaced
with the following committee substitute

HCS SB 301 (Fin)

the same title
 a new title

additional referral to _____ Committee

attached amendment(s)

ADOPTS: _____ Letter of Intent

ATTACHES NEW FISCAL NOTE(s): (Dept)

APPROVES PREVIOUS: (Dept/Date)

fiscal note(s) F-G

fiscal note(s) _____

zero fiscal note(s) _____

zero fiscal note(s) _____

SIGNING WITH RECOMMENDATIONS	DP	DNP	NR	AM
<u>Gene Therriault</u> Therriault			X	
<u>Elden Mulder</u> Mulder	X			
<u>Carl Bunde</u> Bunde	✓			
<u>Alvin Gusterman</u> Gusterman	X			
<u>Jim Davies</u> Davies	Y			
<u>Ben Grussendorf</u> Grussendorf			X	
<u>John L. Davis</u> Davis			X	
<u>W.K. Williams</u> Williams	X			
<u>Garit Phillips</u> Phillips	✓			
<u>[Signature]</u>	X			

CHAIR'S SIGNATURE

Gene Therriault Elden Mulder

FISCAL NOTE

STATE OF ALASKA
2000 LEGISLATIVE SESSION

BILL NO. CSSB 301(FIN)

Revision Date/Time (Note if correction) 04/06/00 Dept. Affected Fish and Game
 Title CHITINA DIPNET FISHING PERMIT BRU Sport Fisheries
 Component Sport Fisheries
 Sponsor Senate Finance
 Requester Senate Finance Component No. 464

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Personal Services						
Travel						
Contractual	150.0	150.0	150.0	150.0	150.0	150.0
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	150.0	150.0	150.0	150.0	150.0	150.0

CAPITAL EXPENDITURES						
-----------------------------	--	--	--	--	--	--

CHANGE IN REVENUES ()	150.0	150.0	150.0	150.0	150.0	150.0
-------------------------------	--------------	--------------	--------------	--------------	--------------	--------------

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	20.0	20.0	20.0	20.0	20.0	20.0
1005 GF/Program Receipts						
1037 GF/Mental Health						
1024 Fish and Game Fund	130.0	130.0	130.0	130.0	130.0	130.0
TOTAL	150.0	150.0	150.0	150.0	150.0	150.0

Estimate of any current year (FY2000) cost: 57.9

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

See attached.

Prepared by: Kevin Delaney
 Division: Sport fisheries
 Approved by: Commissioner Frank Rue
 Agency: Department of Fish and Game

Phone: 465-4180
 Date/Time: 4/6/00 11:34 AM
 Date: 04/06/2000

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Alaska Department of Fish and Game
Fiscal Note on CSSB 301(FIN)
Attached analysis

During a December 1999 Board of Fisheries meeting, the board reclassified the Chitna dipnet fishery from a personal use fishery to a subsistence fishery. The existing permit is specific to a personal use fishery. SB 301 amends the existing permit so it applies to the Chitna dipnet fishery whether it is classified as personal use or subsistence.

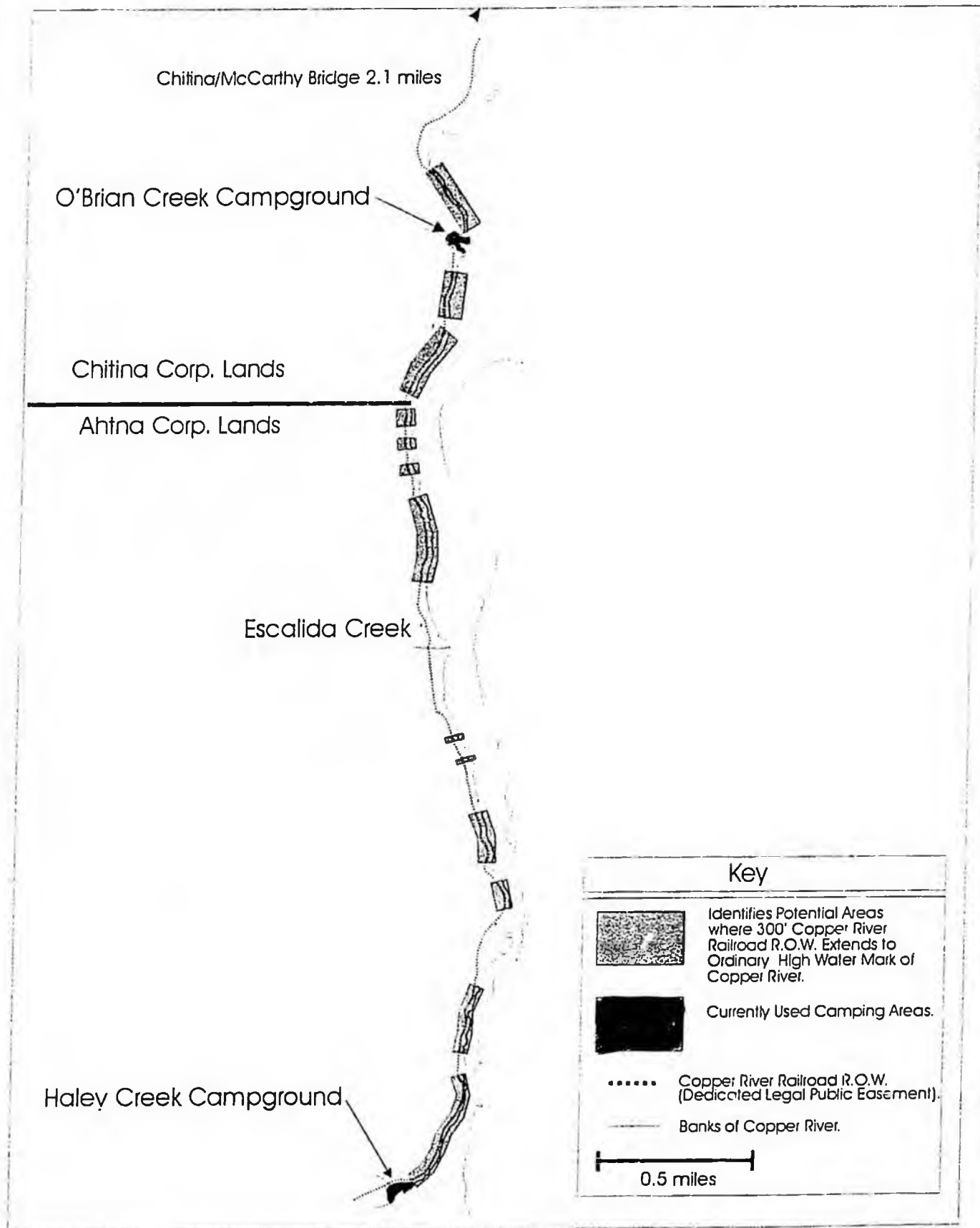
The change in revenues reflects the increase in the Chitna dipnet permit fee from \$10 to \$25, minus the amount exempted for senior citizens. Based on 1998 and 1999 sales of approximately 10,000 licenses, it is estimated that 8 percent of the permit holders participating in the Chitna fishery will qualify for the exemption, reducing revenues by \$20,000.

The sources of revenue to cover the listed expenditures will be sales of Chitna permits (\$130,000) and general fund (\$20,000.) The general fund will replace those permits fees waived to qualifying senior citizens.

Permit fees and general funds will be used to pay the Chitna and Ahtna Corporations for use of their lands to access the Copper River where the fishery is conducted, to pay for disposal of human and solid wastes generated by the thousands of participants in the fishery, and to pay a portion of the costs of administering the issuance of permits.

This fiscal note requests appropriation of an additional \$150,000, which together with the revenue of \$100,000 from the existing personal use permit generates \$250,000, the estimated annual cost for providing access and disposal services for the Chitna dipnet fishery.

Copper River Railroad Right-of-Way and Approximate Land Ownership (Chitina and Ahtna Native Corporations)



insert after page 2 line 11

"
Department of Natural Resources, and the Department of
Transportation and Public Facilities to identify the portion
of the Copper River Railroad right-of-way, associated with
the Chitina dip net fishery, utilizing the most cost
efficient methodology available, to carry out this intent "

Insert on page 2, line 11 after "Department of Natural Resources"

and the Department of Transportation and Public Facilities to identify the portion of the Copper River Railroad right-of-way, associated with the Chitina dip net fishery, utilizing the most cost efficient methodology available, to carry out this intent

FISCAL NOTE

STATE OF ALASKA
2000 LEGISLATIVE SESSION

No. 1
Bill Version: SB 301
(S) Publish Date: 4-4-00

Revision Date/Time (Note if correction) _____ Dept. Affected Fish and Game
Title CHITINA DIPNET FISHING PERMIT BRU Sport Fisheries
Component Sport Fisheries
Sponsor Senate Finance
Requester Senate Resources Component No. 464

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Personal Services	44.8	44.8	44.8	44.8	44.8	44.8
Travel	1.2	1.2	1.2	1.2	1.2	1.2
Contractual	196.0	196.0	196.0	196.0	196.0	196.0
Supplies	8.0	8.0	8.0	8.0	8.0	8.0
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	250.0	250.0	250.0	250.0	250.0	250.0

CAPITAL EXPENDITURES						
CHANGE IN REVENUES ()						

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Fish and Game Fund	250.0	250.0	250.0	250.0	250.0	250.0
TOTAL	250.0	250.0	250.0	250.0	250.0	250.0

Estimate of any current year (FY2000) cost: 57.9

POSITIONS

Full-time					
Part-time					
Temporary					

ANALYSIS: *(Attach a separate page if necessary)*

These expenses cover the printing of the permits and other administrative costs associated with the issuance of Chitna dipnet permits out of the Anchorage, Fairbanks, Glenallen, Palmer, and Chitna offices. Also included are payments to the Chitna and Ahtna Corporations for use of their land in the conduct of the dipnet fishery. These payments are pursuant to the terms of contracts between the Department of Fish and Game and the corporations.

Prepared by: Kevin Delaney
Division: Sport Fisheries
Approved by: Commissioner Frank Rue
Agency: Department of Fish and Game

Phone: 465-4180
Date/Time: 4/3/00 9:07 AM
Date: 04/30/2000

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SPONSOR STATEMENT

SB 301

An Act relating to the Chitina dip net fishing permit; and providing for an effective date.

Over the past decade, the Chitina fishery has grown to be one of the largest fisheries in our state and is used by over 30,000 Alaskans. This legislation will: 1) raise the price of the Chitina dip net fishing permit from \$10 to \$25, eliminating the need for a \$15 sport fish license, 2) will slightly change the name of the permit, and 3) exempt permanent identification card holders from paying the fee.

The \$25 amount was recently negotiated between the Department of Fish and Game and the Chitina and Ahtna Native Corporations. The Department uses a portion of the fees (\$10 to Chitina Corporation & \$8 to Ahtna Corporation) to pay for access for fishermen across private land owned by the Corporations, but since the permit is in AS 16.05.340(a)(22), it requires legislation to change this fee.

The bill will also change the name of the permit from "Chitina personal use salmon dip net fishing permit" to "Chitina dip net fishing permit". This is a result of the Fish Board changing the designation of this fishery from a sport fish to a subsistence fishery and so the term, personal use, must be removed from the name of the permit.

Last summer, any Alaskan who wanted to fish at Chitina needed a \$15 sport fish license and a \$10 Chitina permit. Because the fishery is now a subsistence fishery, people will not be required to have a sport fish license and a Chitina dip net permit, and will only need to have a Chitina permit. If the price of the permit is \$25, the total amount required of individuals will remain the same.

The bill also exempts permanent identification card holders, i.e. senior citizens, from paying the fee for the Chitina permit. Family members who reside in the same household as the cardholder will also be exempt from paying the fee, as long as the cardholder is present.

The Chitina permit is a household permit, so a family of two last summer had to pay \$30 for their sport fish licenses and a \$10 Chitina permit, for a total of \$40. This year, a family of two will only be required to pay \$25 for the Chitina permit, thus being a savings for families.

With the increase in permit fees, the Department of Fish and Game will be able to provide increased and improved services for those who use the fishery. It will also allow for maximum public access to the fishery with minimal conflict with private landowners.

This legislation is supported by the Alaska Outdoor Council, the Chitina Dipnetters Association, and local Fish & Game Advisory Councils around the state.

COPPER RIVER PERSONAL USE FISHERY



*Dept. Handout
re reqs @
Chitina*

**COPPER RIVER
(CHITINA)
PERSONAL USE
SALMON DIPNET
FISHERY**



**Information regarding:
When the fishery is open
and**

Chitina permit station operating hours

can be obtained by calling one of the following recorded messages:

- Glennallen - 822-5224**
- Fairbanks - 459-7382**
- Anchorage - 267-2511**

*Alaska Department of Fish and Game
Division of Sport Fish*

*1300 College Road
Fairbanks, Alaska 99701
(907) 459-7207*

*PO Box 47
Glennallen, Alaska 99588
(907) 822-3309*

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NOTICE: This summary of regulations is not complete, nor quoted verbatim from State law. It is an informative abstract of 5 AAC 77, simplified for your convenience. For further details, or to inspect a copy of the official codified personal use fishing regulations, consult your local Department of Fish and Game representative or Department of Public Safety, Fish and Wildlife Protection Division office.

A 40-Year History of the Copper River Dipnet Fishery and Access to O'Brien Creek

Year	Event
1960	<ul style="list-style-type: none"> *Permit system for fish wheels and dipnets begins. *Edgerton Highway is upgraded, resulting in an increase in dipnetters from outside of Copper River basin.
1963	<ul style="list-style-type: none"> *State destroys old trestles because they are unsafe.
1964	<ul style="list-style-type: none"> *U.S. Geological Survey creates switchbacks on Copper River Highway outside of 200-foot right-of-way (ROW).
1972	<ul style="list-style-type: none"> *Improvements to Copper River Highway permit vehicular traffic 20 miles south of Chitina.
1973	<ul style="list-style-type: none"> *Sierra Club and Alaska Conservation Society obtain court injunction halting road construction.
1974	<ul style="list-style-type: none"> *Chitina Native Corporation (CNC) files selection applications for land near Chitina.
1975	<ul style="list-style-type: none"> *An agreement between state and federal agencies and the two conservation groups results in closure of the Copper River Highway at O'Brien Creek
1978	<ul style="list-style-type: none"> *Road at O'Brien Creek opened again in December.
1980	<ul style="list-style-type: none"> *Area where fish wheels permitted is moved above McCarthy Road Bridge. *Flood washes out approaches to O'Brien Creek Bridge.
1982	<ul style="list-style-type: none"> *BLM approves interim conveyance of CNC selections with easements and a 300-foot highway ROW. *CNC files notice of appeal for 13 reservations of easements including two at O'Brien Creek. *Appeal referred to the BLM hearings division. *Hearing at Copper River results in settlement of all but the two easements at O'Brien Creek. *Road improvements to O'Brien Creek stopped after CNC disputes ownership of the road.
1983	<ul style="list-style-type: none"> *State replaces O'Brien Creek Bridge.
1984	<ul style="list-style-type: none"> *Two contested easements at O'Brien Creek (for parking, camping, and road access) rescinded. *BIA funds used to construct several houses in Chitina on road ROW.
1985	<ul style="list-style-type: none"> *Final conveyance of land to CNC. *CNC blocks road at Fox Creek and charges fee for entrance.
1986	<ul style="list-style-type: none"> *CNC continues entrance fee. Use of boats for access from Chitina-McCarthy Road bridge increases. *Protest by dipnetters over access fee results in announcement by Governor Sheffield that talks with CNC are underway.
1987	<ul style="list-style-type: none"> *CNC lawyer proposes a long-term lease of access at O'Brien Creek. *State completes a maintenance contract with CNC to remove litter, clean toilets and construct 7 new toilets for \$15,000 (money provided from Department of Transportation and Public facilities [DOTPF]).

A 40-Year History of the Copper River Dipnet Fishery and Access to O'Brien Creek

Year	Event
1988	<ul style="list-style-type: none"> *Office of the Governor negotiates access and campground maintenance contract with CNC for \$22,000. *Legislature appropriates \$15,000 for access to O'Brien Creek and \$7,500 for a long-term access study. *DOTPF completes road work to O'Brien Creek placing road within ROW at Fox Creek Bridge at O'Brien Creek widened and road graded halfway to Haley Creek.
1989	<ul style="list-style-type: none"> *CNC objects to road work and states that archeological and grave sites may have been disturbed. *State decides not to pay for O'Brien Creek access in 1990. *CNC closes camp area at O'Brien Creek and posts no trespassing signs. *Attorney General opinion issued concerning road ROW.
1990	<ul style="list-style-type: none"> *Legislature approves \$10 permit fee for Chitina dipnetters, effective January 1991. *Legislature appropriates \$22,000 for O'Brien Creek access and campground maintenance. *CNC road ROW survey reveals O'Brien Creek bridge and part of road outside of 200-foot ROW. (1960 - 1990 information prepared by the Legislative Research Agency, August 1990 (90.355b).
1992	<ul style="list-style-type: none"> *Alaska Superior Court (3rd Judicial District) gave partial summary judgement in favor of State of Alaska, thereby recognizing a 300 feet ROW and dismissed all prior trespass claims. *Contract with O'Brien Creek and Haley Creek land descriptions and fee disbursement of \$30,000 to Ahtna and CNC Corporations.
1993	<ul style="list-style-type: none"> *Contract changed with corporations receiving \$30,000 (\$20,000 for access, \$2,000 for trash, and \$8,000 for campground maintenance.)
1994	<ul style="list-style-type: none"> *Contract changed so that CNC received 50% of actual fees collected, Ahtna Corporation received 40%, and the state received 10% for administration.
1998	<ul style="list-style-type: none"> *1994 Contract expires. Negotiations begin with Corporations expressing interest in fee increase as fishery gains popularity as number of permits increase.
1999	<ul style="list-style-type: none"> *One year agreement signed. Terms and conditions similar to 1994 contract - fee remained the same. a short time line before the fishing season began. *Fish Board changes designation to a subsistence fishery.
2000	<ul style="list-style-type: none"> *March - Agreement between Fish & Game and Corporations is signed. Terms include a fee increase to \$25, with dispersment of the fees the same and additional services provided. This agreement is contingent upon passage of SB 301 or HB 442 to amend AS 16.05.340 (a) (22). The legislation would change the name of the permit to "Chitina dip net fishing permit" and would change the fee to \$25 (the fee agreed upon by the DF&G and the Corporations.) (Information from 1992 - 2000 prepared by Department of Fish and Game - March 31, 2000.

Alaska Outdoor Council

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Fairbanks, AK 99707-3902
Tel./FAX: (907) 455-4AOC (4262)
outdoor@polarnet.com

April 3, 2000

The Honorable Rick Halford, Chair
Senate Resources Committee
Alaska Legislature
Juneau, AK 99801

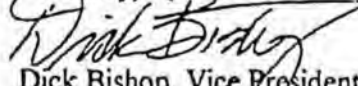
Dear Senator Halford:

The Alaska Outdoor Council strongly supports SB 301. We respectfully request that your committee pass the bill as soon as possible. We recommend one amendment below.

The Council recommends that SB 301 be amended to waive the permit fee for Alaskans who qualify for the Permanent Identification Card and thereby are not required to buy fishing hunting, or trapping licenses. We have heard this recommendation from several people who observed that otherwise the Card holders will actually have to pay more under the new rules than previously, while regular license holders would not, because a sport fishing license is no longer required for the dipnet fishery.

The Council very much appreciates the efforts of the Dept. of Fish and Game, Ahtna and Chitina corporations, Chitina Dipnetters Association, Senate Finance Committee, and Senator Wilken's office in working out an agreement on the Chitina dipnet permit fee and getting the bill underway. We trust that the Legislature will pass SB301 so that the public will be able to participate in the dipnet fishery this season under a solid agreement.

Sincerely,


Dick Bishop, Vice President

Still getting a good deal

For what it's worth, here are my two cents on the increased fee for the Chitina dipnet fishery on the Copper River.

Assuming the Alaska Legislature approves it, which it is expected to do this week, the fee will be raised from \$10 to \$25 this year as a result of a new contract negotiated by the Alaska Department of Fish and Game with the Ahlana and Chitina Native corporations.

Tim Mowry



Most of the fee—\$18—goes to the two Native corporations in the form of a "trespass fee," which basically means dipnetters won't get arrested if they dipnet on Native land, something a good number of them do.

The other \$7 goes to Fish and Game to issue the permits and contract out collection of garbage and sanitation.

There's no doubt the Native corporations are going to collect a good chunk of change through the deal. Fish and Game has issued more than 10,000 permits each of the last two years. That translates to almost \$200,000 for the Native corporations.

What do dipnetters get out of the deal?

Not much, to be honest. There will be a few more garbage cans and portable toilets at places like O'Brien and Huley creeks, and they will probably be serviced a little better than they have been in the past. You'll probably see a few more signs, too, telling you not to cut wood and where you can and can't go.

You won't get any more fish. The road will probably be just as rough as it always has. The wind will still blow like crazy and fill everything with glacier dust.

But if you ask me, \$25 is still a pretty good price for 30 of the world's finest tasting salmon.

If you come home with 100 pounds of salmon, that's \$.25 a pound. Last time I checked the seafood department in the supermarket, fresh sockeye salmon was going for \$.79 a pound.

1993, but the number of dipnetters at Chitina has more than tripled since then. That translates into three times the amount of traffic, garbage and human waste. More people means more erosion on the trails they have carved out leading down to the river.

Let's face it, times are changing and this is a sign of the times. Native corporations have realized there is money to be made by charging trespass fees to hunters and fishermen under the guise of "protecting our rights as landowners," as Native corporations like to put it.

Go king salmon fishing on the Klutina River and chances are you will have to pay a trespass fee. The same is true on parts of the Gulkana River.

Like it or not, that's the way things go these days. It's no different than going to a professional baseball or football game in the Lower 48 and seeing people rent out parking spots on their front lawn for \$5 or \$10. They're just trying to make a quick buck like everyone else in the world today.

Also, let's not kid ourselves into thinking this is a subsistence fishery, even if the Alaska Board of Fisheries did designate it as such in its December meeting in Valdez, a decision, by the way, which is currently being reviewed by the Fish Board.

I would wager to say that 98 percent of the people I see at Chitina are not living a subsistence lifestyle. If they are, I would like to find out how they can afford to drive new, four-wheel-drive pickup trucks to Chitina and pull 24-foot riverboats behind them while maintaining a subsistence lifestyle?

I'll bet most of those dipnetters go home and store their fish in a freezer, too, rather than splitting it and hanging it to dry on wooden racks. If they smoke it, they probably do so with a smoker and wood chips they bought at a local department or hardware store.

That's subsistence?

Also, why the heck are there guides shutting dipnetters back

See MOWRY, Page C-2

and forth for \$50 a whack if it's a subsistence fishery? Since when is employing a guide part of subsistence?

It should also be noted that because it has been designated a subsistence fishery, a sport fishing license won't be required to get a dipnet permit. A sport fishing license costs \$15, which means dipnetters have really been paying \$25 for permits for the last seven years, though the majority of dipnetters who go to Chitina buy a fishing license regardless of whether they go dip-

netting or not.

Those opposed to the \$15 increase should be more concerned about the skyrocketing price of gas than the increasing cost of a dipnet permit. After all, the current price of about \$1.60 a gallon, it will cost about \$15 more to drive to Chitina this year than it did last year, when gas was at around \$1.20 a gallon.

That's something to gripe about.

News-Miner outdoor editor Tim Mowry plans to be on the banks of the Copper River again this year to scoop up his 30 red salmon.



Compliments of...

Gary Wilken

Senator, West Fairbanks

SB 301 Summary

Background on Chitina fishery:

- The Chitina fishery is one of the largest in the state. Over 10,000 household permits are issued each year, with approximately 20,000 - 30,000 Alaskan residents participating. Approximately 118,000 salmon are harvested.
- In Dec. 1999, the Alaska Board of Fisheries reclassified the Chitina Personal Use fishery to a Subsistence fishery. The designation of the dip net fishery as subsistence will have little impact on the way the fishery is managed and has little to do with the need to secure public access and provide services.
- Regulations governing the Chitina Fishery require people to have a permit issued by the Department in their possession. This permit serves as the harvest record.
- AS 10.05.340 (a) (22) sets a fee for a "Chitina Personal Use Dip net Permit" at \$10. This fee has been in place since 1990. (There is a chronological history of the fishery in bill packets.) Proceeds from this fee go the fish and game fund and have been used to pay Chitina & Ahtna Native Corporations for access across their lands and for outhouse and garbage services. An agreement between the Department of Fish and Game and the Corporations determines the percentage distribution and services.

What does SB 301 Do?

- SB 301 amends the existing statute by renaming the "Chitina Personal Use Salmon Dip net fishing Permit" to "Chitina Dip net fishing Permit", and increase the permit fee from \$10 to \$25.
- It changes the name of the permit to remove the words "personal use", as it is no longer a "personal use" fishery.
- It changes the fee to coincide with the new agreement reached between the Corporations and the Department of Fish and Game.
- This new agreement is intended to provide for maximum legal public access to the dip net fishery while minimizing conflicts between the private landowners and the fishermen at Chitina.
- It was amended to ^{exempt} allow senior citizens from paying the fee.

What are the effects to dip netters?

- In 2000, dip netters will pay \$25 for their permit. Since the fishery is now designated a subsistence fishery there is no requirement for a sport-fishing license to fish there. In 1999, people were required to have a \$15 sport fishing license and the \$10 Chitina permit, for a total expense of \$25. Under this plan, only the proposed \$25 Chitina permit will be required.

- Since the Chitina permit is a household permit, families could save under this plan. For example a family of two adults paid a total of \$40 last year, this year it will only be \$25.
- Services will be significantly increased and improved over past years.
- Access to the Native lands is more identified than in previous agreements.
- The process of obtaining the permit will be available from Department offices in Anchorage, Palmer, Fairbanks, Glennallen and Chitina. This will allow better service to the public, making it easier and faster to obtain the permit, and decreasing the management costs to the Department of Fish & Game.

What happens with no SB 301?

- Without a change in the name of the permit, the Department is unable to collect a fee for the permit, because it is not a personal use fishery.
- Without the permit fee or other provisions, funding for services and access would be unavailable.
- It is uncertain what the Corporations would do with regard to affecting access to the river, but families going to Chitina this summer could be faced with the potential for conflict.

What are the terms of the agreement?

- An agreement of exactly this kind has been in place since 1998 and was renewed for one year for the 2000 season.
- Dip netters will have access to all Native lands along the Copper River from O'Brien Creek to the expansion of lands since previous agreements at Haley Creek and O'Brien Creek.
- Services under the 2000 agreement will contribute to the growth of the fishery.
- The \$25 fee will be distributed according to the following:
 - \$5 to Fish and Game for sanitation and access
 - Remaining \$20 is split between Ahtna (10%) and the Department (10%) for administration

In your bill packets you have a letter of support from the Alaska Outdoor Council.

The AK Dipnetter's Association + the Fairbanks Fish & Game Advisory Committee also supports SB 301.

Who owns the land at Chitina?

- In 1992, the Alaska Superior Court gave a partial summary judgement in favor to the State of Alaska.
- This judgement recognized the 300' right of way and dismissed all prior claims against the state for trespass.