

ALASKA LEGISLATURE

2254

HOUSE and SENATE FINANCE COMMITTEE FILES, 2001 - 2002

**HB**

**236**

**HFIN**

**FILE**



## **SEAGA Gas Project**

**BRINGING UTILITY GAS SERVICE  
TO SOUTHEAST AND GULF OF  
ALASKA COMMUNITIES**

**BASED ON THE PRODUCTION,  
TRANSPORTATION AND STORAGE  
OF LIQUID NATURAL GAS (LNG),  
LIQUID PETROLEUM GAS (LPG), AND  
MANUFACTURED GASES**

Alaska Infrastructure Gas Company

### **Major Business Interests**

**APUC APPROVED GAS UTILITY FOR  
17 ALASKAN COMMUNITIES  
GAS UTILITY MARKETING AND  
SERVICES  
LONG TERM OPERATION AND  
MAINTENANCE OF LOCAL GAS  
DISTRIBUTION SYSTEMS  
CONTRACT FOR GAS SUPPLIES AND  
MARINE TRANSPORTATION TO  
COMMUNITIES**

Alaska Infrastructure Gas Company

### **Service Area Communities**

#### ***Gulf of Alaska – 4***

- Cordova, Kodiak, Valdez, Yakutat

#### ***Southeast Alaska – 13***

- Angoon, Craig, Malinos, Juneau, Kake, Ketchikan, Klawock, Klukwan, Motiakatla, Petersburg, Sitka, Skagway, Wrangell

#### ***Expansion Communities – 5***

- Gustavus, Hoonah, Hydaburg, Puffin, Thorne Bay

Alaska Infrastructure Gas Company

### Community Development Potential

#### LARGE COMMUNITIES

- JUNEAU (30,000 pop.)
- KETCHIKAN (14,000 pop.)
- SITKA (9,000 pop.)
- KODIAK (12,000 pop.)

**5 YR PROJECTED RESIDENTIAL  
LOAD OF 5 BCF  
3.7+ BCF INDUSTRIAL LOAD**

Alaska Industrial Gas Company

### Community Development Potential

#### MEDIUM COMMUNITIES

- CORDOVA
- CRAIG
- KLAWOCK
- PETERSBURG
- VALDEZ
- WRANGELL

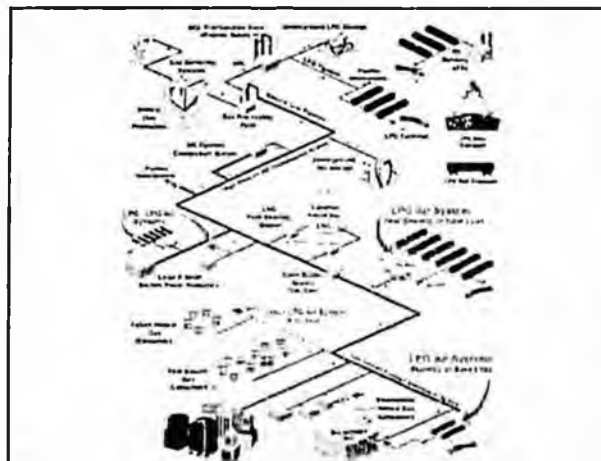
**5 YR PROJECTED  
LOAD OF 3'BCF**

#### SMALL COMMUNITIES

- ANCHORAGE
- HAINES
- KAKE
- KLUKWAN
- METLAKATLA
- SKAGWAY
- YAKUTAT

**5 YR PROJECTED  
LOAD OF 1.2 BCF**

Alaska Industrial Gas Company



### Major Project Components

Acquisition of gas supplies

Transportation of gas to tidewater

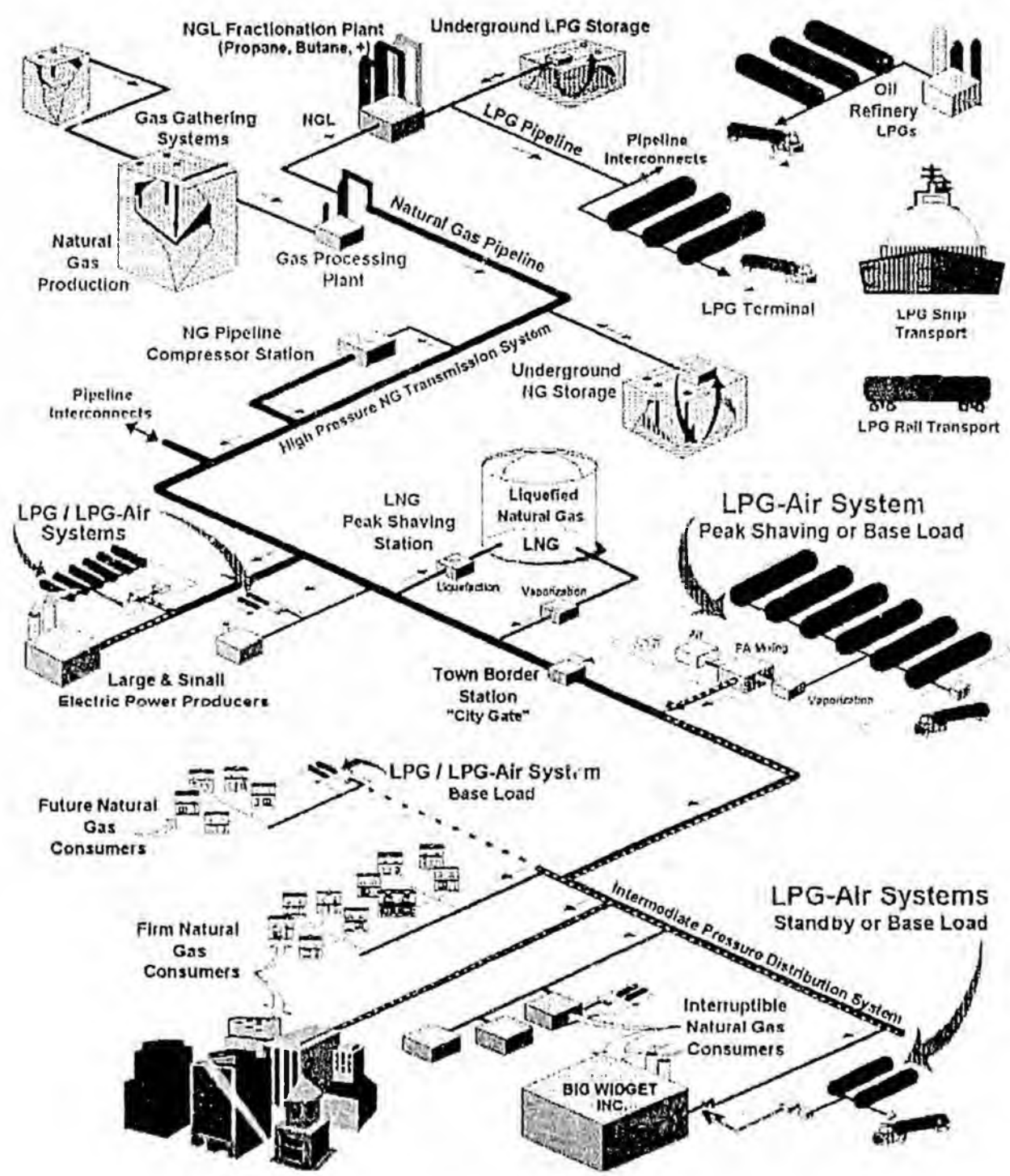
- Pipeline
- Railcar

Marine transportation of gas to communities

- Bulk barge
- Aquatrain

Storage and vaporization of gas in communities

Distribution and sale of gas in communities



## Canadian Infrastructure



## Marine Transportation

### LNG/LPG BARGE

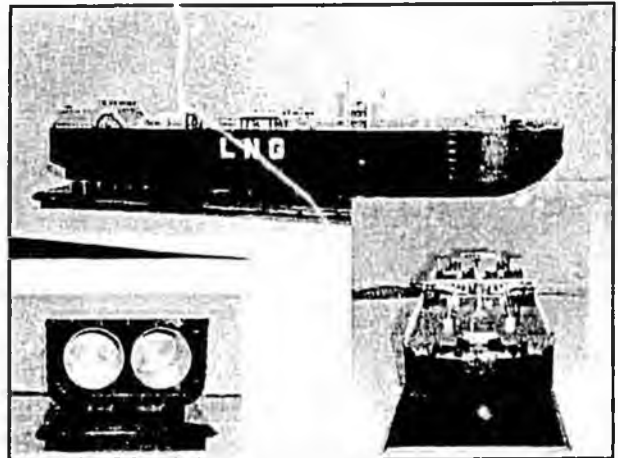
- 300' x 63' x 19'
- 11' DRAFT
- PUSH-TUG CONFIGURATION
- PRESSURIZED STORAGE TANKS
- NOMINAL CAPACITY 1,000,000 GALLONS

### RAILCAR AQUATRIN BARGE

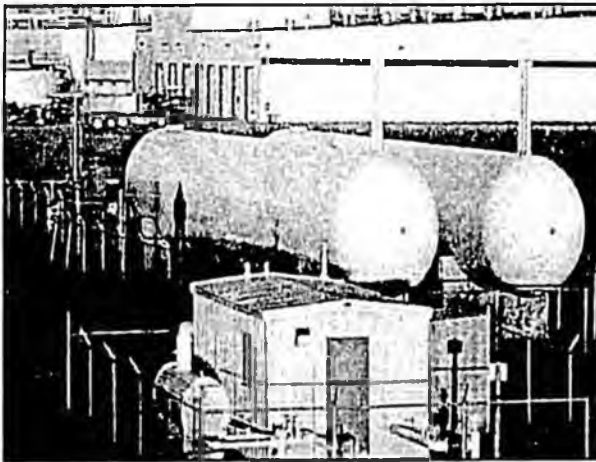
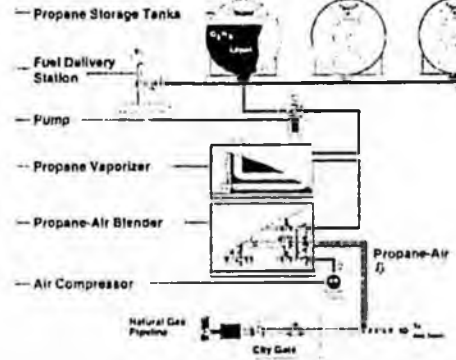
- EXISTING 180,000 GALLON BARGE
- NEW AQUATRIN BARGE >500,000 GALLONS

### SMALL BULK GAS CARRIER

- 500,000 TO 2,000,000 GALLON CAPACITY



## SMALL BULK GAS CARRIERS



## Sendout Piping Configuration



### 55,000 Gallon Storage Tank and Sendout Facility



### Small Gas Sendout System



## Cost Of Service

### Residential

- \$7.25/MCF cost of gas
- \$7.05/mo service charge

### Small commercial

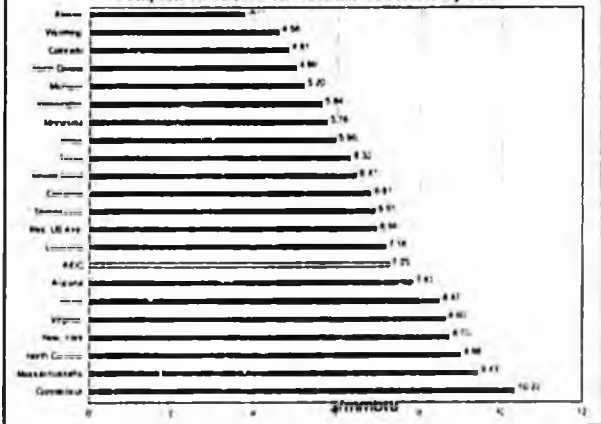
- \$6.89/MCF cost of gas
- \$9.95/mo service charge

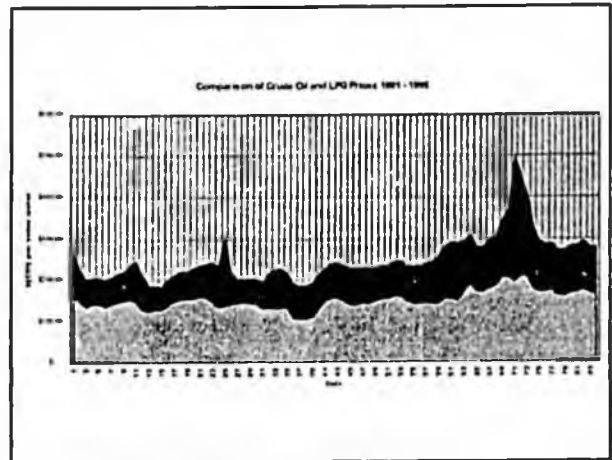
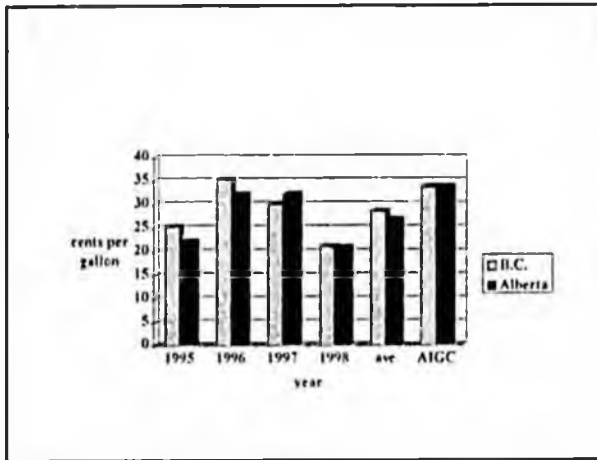
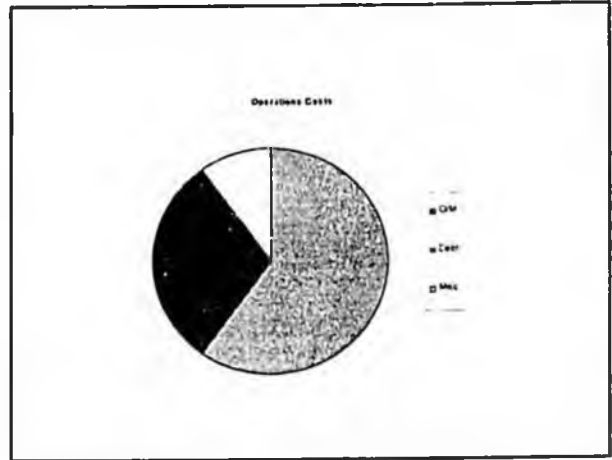
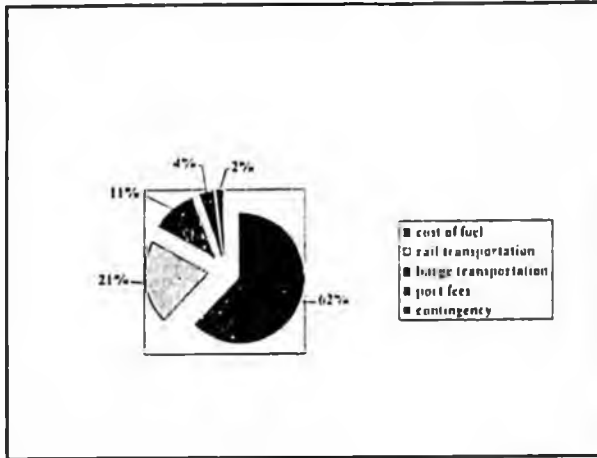
### Large commercial

- \$6.63/MCF cost of gas
- \$40.00/mo service charge

Alaska Interstate Gas Company

Comparison of 1999 Residential Gas Rates by State



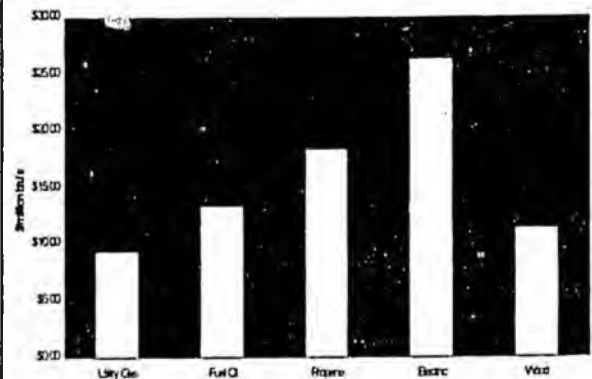


## Community Energy Survey Results

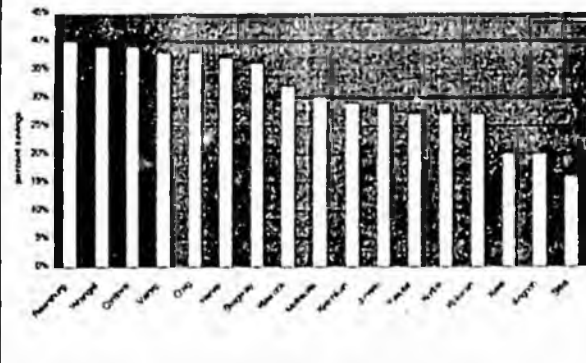
**Angoon, Craig, Hoonah, Hydaburg, Kake, Klawock, Yakutat**  
**Average annual energy consumption is 165 mmbtu**  
**Average fuel oil cost in 1999 was \$1.74 per gallon**  
**Average annual cost for fuel oil was \$2,685**

Alaska Electric Power Corporation

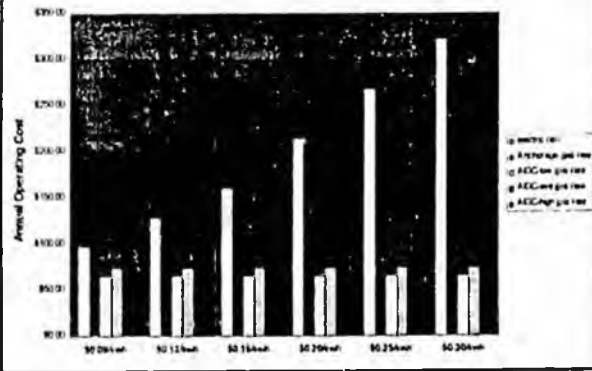
Comparative Costs of Fuels within Our Service Area - Low Cost Scenario

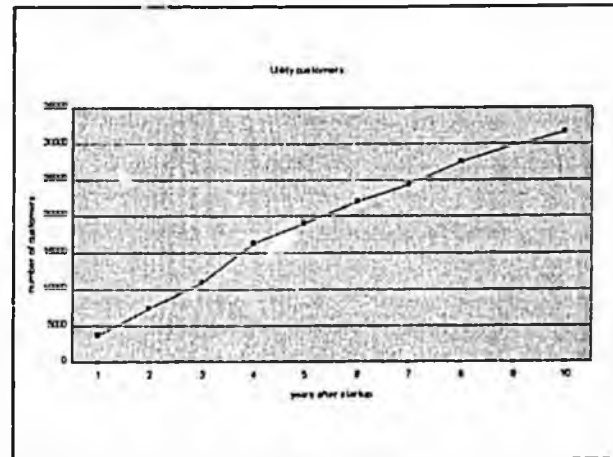
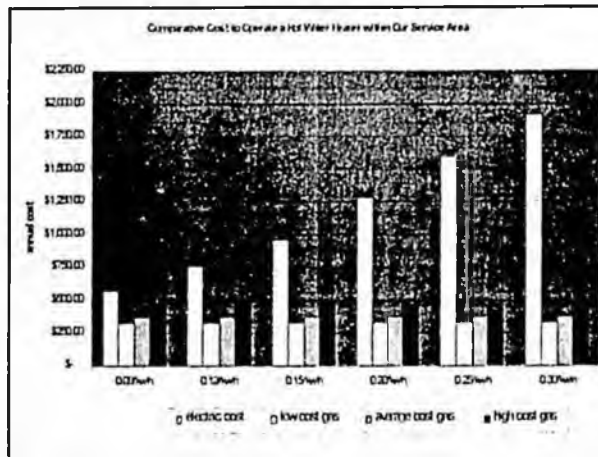


Percent Savings with Utility Gas Compared to Fuel Oil for Home Heating



Cost to Operate a Gas Clothes Dryer in Anchorage and Our Service Area Compared with an Electric Clothes Dryer at Representative Electric Rates in Our Service Area





### Marketing Incentives

- Hookup fee waiver
- Appliance rebates and bonuses
- Financing/refinancing assistance
- Grant/loan assistance
- Credit card financing assistance
- Leasing/maintenance contracts
- Special purchase discounts
- Vendor promotions
- Installation/conversion discounts

Altek • International Gas Company

### Service Schedule

Service	Frequency	Notes
GENERAL MAINTENANCE	Quarterly	Includes safety checks and gas line inspections.
APPLIANCE SERVICE	As needed	For gas stoves, water heaters, and furnaces.
PIPELINE MAINTENANCE	Annual	Includes leak detection and pipe replacement.
VALVE MAINTENANCE	Annual	Includes testing and lubrication of valves.
REGULATORS	Annual	Includes testing and replacement of regulators.
SAFETY CHECKS	Annual	Includes gas leak testing and carbon monoxide detector checks.
EMERGENCY SERVICE	24/7	Available for gas leaks, outages, and other emergencies.

## EMPLOYMENT POTENTIAL

**200+ construction jobs**  
**15+ permanent full-time employees**  
**in Juneau**  
**35+ permanent full-time employees**  
**in AIGC**  
**50+ permanent and part-time**  
**secondary jobs related to gas utility**  
**service**

Alaska Infrastructure Trust Company

## PHASE I SEAGA PROJECT FUNDING

Existing equity	\$ 3,000,000
Equity investment	\$ 11,500,000
Term loan principal	\$ 45,500,000
Gas sales revenues	\$ 13,000,000
<b>Total funding</b>	<b>\$ 70,000,000</b>

Alaska Infrastructure Trust Company

## PHASE I PROJECT COST SUMMARY

Utility Plant	\$ 45,500,000
AFUDC debt	\$ 7,800,000
Interim Service	\$ 1,000,000
Financing costs	\$ 3,400,000
Contingency	\$ 3,300,000
Working Capital	\$ 2,500,000
Operating Reserves	\$ 8,500,000
<b>Total uses of funds</b>	<b>\$ 70,000,000</b>

Alaska Infrastructure Trust Company

## HOUSE BILL 239

**Provides legislative approval for a utility project over \$10,000,000 in cost as required by AS 44.88.095(g)**  
**Consider SEAGA Gas Project under AIDEA's Development Finance Program**  
**Places a bond limit of \$76,000,000 on the Project**  
**Provides a sunset date of July 1, 2006 for issuance of bonds**

Alaska Infrastructure Trust Company

**AIDEA**  
**Development Finance Program**

**Focuses on development, ownership,  
and operation of facilities such as  
roads, ports and utilities**

**Essential to economic well-being of an  
area**

**Financially feasible**

**Supported by local communities**

Alaska Infrastructure Gas Company

**SEAGA Gas Project**

**Project Team in Place to begin  
Building out the Project**

**Pending legislation to authorize  
participation of AIDEA in the Project**

***Due Diligence and economic  
Feasibility Review by AIDEA***

***Initiate Community Work in Fall or  
Winter 2001***

***Final Tariff Approval by RCA 6  
Months before startup of Service***

Alaska Infrastructure Gas Company



# FISCAL NOTE

**STATE OF ALASKA**  
**2001 LEGISLATIVE SESSION**

Fiscal Note Number: \_\_\_\_\_  
 Bill Version: HB 236  
 ( ) Publish Date: \_\_\_\_\_

Revision Date/Time (Note if correction): 04/18/2001 9:30a.m. Dept. Affected: DCED  
 Title: AIDEA Bonds For Gas Public Utilities BRU: AIDEA  
 Component: AIDEA

Sponsor: House Finance  
 Requester: House Finance Component Number: 1234

**Expenditures/Revenues** (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>CAPITAL EXPENDITURES</b>						
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<b>CHANGE IN REVENUES ( )</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
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**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
1156 RSS						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY2001) cost: \_\_\_\_\_

**POSITIONS**

Full-time						
Part-time						
Temporary						

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

The bill provides \$78 million in bonding authorization to finance the acquisition, design, construction, inventory and operation of a natural gas, propane air, or manufactured gas public utility in Southeast Alaska and several Gulf of Alaska communities. Prior to issuing bonds, AIDEA will be required to conduct a feasibility, market and risk analysis of the project as outlined in AS 44.88.005(c). Bonds sold to finance the project will have no fiscal impact on the General Fund.

Prepared by: Robert G. Poe, Jr., Executive Director Phone 907-269-3000  
 Division: AIDEA Date/Time 04/18/2001 9:30a.m.  
 Approved by: Commissioner Deborah B. Sedwick Date 4/18/2001  
 Agency: Department of Community & Economic Development

For distribution information, call the Governor's Legislative Office



# City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

(907) 747-1812 • Fax: (907) 747-7403

April 17, 2001

The Honorable Representative Bill Williams, Finance Co-Chair  
Alaska State Legislature  
House Finance Committee  
State Capitol Room 511  
Juneau, Alaska 99801-1182

Dear Representative Williams:

On behalf of the City and Borough of Sitka, I extend my support for House Bill 236. House Bill 236 will authorize the Alaska Industrial Development and Export Authority to issue bonds for gas public utilities.

The City and Borough of Sitka is excited about the prospect of the introduction of gas utility service to the community in the near future. It would have numerous economic, environmental and social benefits to the residents of Sitka.

I sincerely request your support for Senate Bill 236, and urge passage of the bill in this legislative session.

Sincerely,

Gary L. Paxton  
Administrator

# Alaska State Legislature

Co-Chair  
House Finance Committee  
Subcommittee Chair  
Environmental Conservation  
Courts



*During Session:*  
State Capitol  
Juneau, AK 99801-1182  
(907) 465-3424  
Fax (907) 465-3793

*In Ketchikan:*  
50 Front Street, Suite 203  
Ketchikan, AK 99901  
(907) 247-4672  
Fax (907) 225-7157

*Representative William K. Williams*

## **Sponsor Statement for House Bill 236 AIDEA Bonds for Gas Public Utilities**

HB 236 expresses the legislature's approval for AIDEA to proceed to evaluate the Southeast and Gulf of Alaska (SEAGA) gas project for bond funding under the AIDEA Development Finance Program. AS 44.88.095(g) prohibits AIDEA from issuing bonds for projects over the amount of \$10,000,000 without the legislature's prior approval. The SEAGA gas project would continue to be evaluated by AIDEA for compliance with all other requirements under the law before bonds would be issued.

SEAGA will bring the benefits of gas utility service to the people and communities of Southeast Alaska and the Gulf of Alaska. On December 31, 1998 Alaska Intrastate Gas Company was granted Certificates of Public Convenience and Necessity by the Regulatory Commission of Alaska. The Certificates allow Alaska Intrastate Gas Company to provide gas utility service to homes and businesses in the following communities: the unified municipalities of Juneau and Sitka; the boroughs of Haines, Ketchikan, Kodiak, and Yakutat; the cities of Angoon, Cordova, Craig, Kake, Klawock, Petersburg, Skagway, Valdez, and Wrangell; and the communities of Klukwan and Metlakatla.

Gas utility service to these boroughs, cities and communities will be initiated in 2002 and completed by 2009. In the first two years gas utility service will be initiated in Juneau, Ketchikan and Sitka, and then expanded rapidly to cover the remaining communities. The overall cost to bring gas utility service to these 17 communities will exceed \$100,000,000. The project will result in over 200 jobs during construction, and more than 35 permanent full time jobs within the region.

The project is based on the bulk movement of liquefied natural and petroleum gases by barge and/or ship throughout the service area. The utility gas is stored in each community as a liquid until needed. It is then re-gasified and distributed via buried pipeline to utility customers on demand. Gas supplies will initially be obtained from Canadian sources and shipped from the Port of Prince Rupert, BC, Canada. However, after initiation of gas utility service in the first three communities, utility service will transition to both Canadian and Alaskan gas resources as additional communities are brought on line.

The utility will primarily provide gas utility service to residential, small commercial, large commercial and industrial customers in the 17-community service area. Annual gas sales are expected to exceed 12 billion cubic feet within 10 years. Consumers will see immediate economic benefits from the availability of clean, efficient, and environmentally

friendly utility gas service that can satisfy their space heating and hot water requirements. Replacing fuel oil with gas utility service is expected to generate energy cost savings of 15 - 40% for residents and businesses within the service area.

The AIDEA Development Finance Program focuses on the development, ownership, and operation of facilities within Alaska such as roads, ports and utilities which are essential to the economic well-being of an area; are financially feasible; and are supported by the communities in which they are located.

If AIDEA moves forward with project financing, which would depend upon the project meeting all requirements in the law, HB 236 places a limit of \$76,000,000 on the amount of bonding provided to the project. Finally, HB 236 provides a sunset date for issuing bonds for this project of July 1, 2006.



**CITY/BOROUGH OF JUNEAU  
ALASKA'S CAPITAL CITY**

**OFFICE OF THE MAYOR**

Telephone: (907) 586-5240; Facsimile: (907) 586-5385

[Sally\\_Smith@ci.juneau.ak.us](mailto:Sally_Smith@ci.juneau.ak.us)

April 5, 2001

Francis Avezac, Chairman of the Board  
Alaska Intrastate Gas Company  
615 82nd Avenue, Suite 206  
Anchorage, Alaska 99518

Dear Mr. Avezac:

The City and Borough of Juneau Assembly supports the concept of bringing natural gas to Juneau. The Assembly encourages the Legislature of the State of Alaska to adopt legislation to authorize the Alaska Industrial Development Authority to investigate proposals and encourage the development of natural gas in Southeast Alaska.

Sincerely,

Sally Smith, Mayor  
City and Borough of Juneau

cc: CBJ Assembly

(e) Before issuing bonds, the authority shall provide for consideration at least sufficient, in the judgment of the authority, to pay the principal of and interest on the bonds as they become due and to create and maintain the reserves for the payments that the authority considers necessary or desirable, and to meet all obligations in connection with the lease or agreement and all costs necessary to service the bonds, unless the lease or agreement provides that the obligations are to be met or costs are to be paid by a party other than the authority. If the bonds are being issued to finance a project or projects under AS 44.88.155 — 44.88.159, then the consideration shall be provided by lease or other agreement regarding the project or projects. If the bonds are being issued to finance a development project or development projects under AS 44.88.172 — 44.88.177, then the consideration shall be provided by lease or other agreement regarding the development project or development projects.

(f) The superior court shall have jurisdiction to hear and determine suits, actions, or proceedings relating to the authority, including suits, actions, or proceedings brought to foreclose or otherwise enforce a mortgage, pledge, assignment, or security interest or brought by or for the benefit or security of a holder of its bonds or by a trustee for or other representative of the holders.

(g) *[Repealed, § 23 ch 123 SLA 1990.]*

(h) The authority may combine, for the purposes of a single offering, bonds financing more than one project or development project under AS 44.88.155 — 44.88.159 or 44.88.172 — 44.88.177.

(i) *[Repealed, § 23 ch 123 SLA 1990.]* (§ 1 ch 64 SLA 1967; am §§ 60, 61 ch 106 SLA 1980; am § 35 ch 115 SLA 1981; am §§ 13 — 16 ch 42 SLA 1987; am § 1 ch 162 SLA 1988; am §§ 7, 23 ch 123 SLA 1990; am §§ 1, 2 ch 109 SLA 1998)

**Delayed amendment.** — Until July 1, 2001, the reference to "AS 45.01 — AS 45.08, AS 45.12, AS 45.14, and AS 45.29" in subsection (c) reads "AS 45.01 — AS 45.09, AS 45.12, and AS 45.14".

**Revisor's notes.** — Formerly AS 44.61.090. Renumbered in 1980. In 1993 under § 13, ch. 34, SLA 1993 and § 128, ch. 35, SLA 1993 the citation to the Uniform Commercial Code was revised.

In 2000, "AS 45.01 — AS 45.08, AS 45.12, AS 45.14, and AS 45.29" was substituted for "AS 45.01 — AS 45.09, AS 45.12, and AS 45.14" in accordance with § 35, ch. 113, SLA 2000.

**Effect of amendments.** — The 1990 amendment,

effective June 15, 1990, deleted "Subject to (g) of this section" at the beginning of subsection (a) and repealed subsections (g) and (i).

The 1998 amendment, effective July 1, 1998, in subsection (e) deleted the former last sentence, which read: "If the bonds are being issued to provide money to finance, guarantee, or insure an exporting transaction under AS 44.88.300 - 44.88.390, then the consideration shall be provided by agreement with the exporter"; and in subsection (h) deleted ", and bonds issued to provide money to finance, guarantee, or insure an exporting transaction under AS 44.88.300 - 44.88.390" from the end.

**Sec. 44.88.095. Bonding limitations.** (a) The authority may not issue bonds in a 12-month period in an amount that exceeds \$400,000,000.

(b) *[Repealed, § 24 ch 123 SLA 1990.]*

(c) Before entering into a lease or other agreement under AS 44.88.090(e) regarding a project for which the authority agrees to issue bonds in an amount in excess of \$6,000,000, there must be filed with the authority a certified copy of a resolution of the governing body of the political subdivision of the state, if any, in which the project is to be located, consenting to the location of the project. The consent need only refer to the general nature of the project ultimately to be acquired, as set out in a request of the proposed project applicant. Before entering into a lease or other agreement under AS 44.88.090(e) regarding a project, the authority shall find, on the basis of all information reasonably available to it, that

(1) the project and its development under this chapter will be economically advantageous to the state and the general public welfare and will contribute to the economic growth of the state;

(2) the project applicant is financially responsible;

(3) provision to meet increased demand upon public facilities that might result from the project is reasonably assured; and

(4) the project will provide, or retain, employment reasonably related to the amount of the financing by the authority, considering the amount of investment per employee for comparable facilities and other relevant factors.

(d) Before adopting a resolution approving a project to be financed under AS 44.88.172 for which bonds must be issued, the authority shall, on the basis of all information reasonably available to it, make findings, with respect to the project, as described in (c)(1) — (4) of this section, and also find that

(1) the project is economically and financially feasible and able to produce revenue adequate to repay the bonds or loans with which it is financed;

(2) the project complies with applicable law; and

(3) issuance of the bonds is not expected to adversely affect the ability of the state or any political subdivision of the state to market other bonds.

(e) Before entering into an agreement to finance or to develop a proposed project financed under AS 44.88.172 for which bonds must be issued, the authority shall obtain the approval of each Regional Resource Advisory Council appointed under AS 44.88.174 or municipality in the area in which the proposed project is to be located. Approval under this subsection must be evidenced by a certified copy of a resolution of the council or of the governing body of the municipality. Before considering a resolution regarding the approval or rejection of the development or financing of a proposed project under this subsection, a Regional Resource Advisory Council shall conduct a public hearing in the region. If a proposed project is located in a municipality, the governing body of the municipality shall conduct a hearing on the proposed project.

(f) Before entering into an agreement to finance or to develop a proposed project financed under AS 44.88.172 for which bonds must be issued, the authority shall compile and make available to the public a document that summarizes the projected economic, social, and environmental effects of the project; and, in conjunction with the Department of Fish and Game, the Department of Natural Resources, the Department of Environmental Conservation, and the Department of Labor and Workforce Development, the authority shall conduct a public hearing on the projected effects of the project.

(g) Before July 1, 2003, the authority may issue bonds in an amount greater than \$10,000,000 to assist in the financing of a development project under AS 44.88.172 — 44.88.177 only with legislative approval. Beginning July 1, 2003, and thereafter, without prior legislative approval, the authority may not issue bonds, except refunding and conduit revenue bonds. (§§ 8, 9, 24 ch 123 SLA 1990; am §§ 3, 4 ch 51 SLA 1992; am § 4 ch 111 SLA 1996; am § 3 ch 109 SLA 1998; am § 8 ch 117 SLA 2000)

**Revisor's notes.** — In 1999, in (f) of this section, "Department of Labor" was changed to "Department of Labor and Workforce Development" in accordance with § 90, ch. 58, SLA 1999.

**Effect of amendments.** — The 1996 amendment, effective June 28, 1996, in subsection (g), added the first sentence and, at the beginning of the second sentence, added "Beginning July 1, 1998, and there-

after," and made a related stylistic change.

The 1998 amendment, effective July 1, 1998, substituted "July 1, 2000" for "July 1, 1998" in two places in subsection (g).

The 2000 amendment, effective June 30, 2000, in subsection (g) substituted "July 1, 2003" for "July 1, 2000" in two places and inserted "and conduit revenue."

**Sec. 44.88.100. Trust indentures and trust agreements.** In the discretion of the authority, an issue of bonds may be secured by a trust indenture or trust agreement between the authority and a corporate trustee (which may be a trust company, bank, or national banking association, with corporate trust powers, located inside or outside the state) or by a secured loan agreement or other instrument or under a resolution giving powers to a corporate trustee (hereinafter in this section referred to as "trust agreement") by means of which the authority may

(1) make and enter into any and all the covenants and agreements with the trustee or the holders of the bonds which the authority may determine to be necessary or desirable, including, without limitation, covenants, provisions, limitations, and agreements as to

**HB**

**236**

SFIN

FILE

HB 236

was referred to the  
Senate Finance  
Committee

No hearing was held  
on this bill

**HB**

**238**

**HFIN**

**FILE**



# FISCAL NOTE

**STATE OF ALASKA**  
**2001 LEGISLATIVE SESSION**

Fiscal Note Number: \_\_\_\_\_  
 Bill Version: CSHB 238 (FIN)  
 (H) Publish Date: \_\_\_\_\_

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: DCED  
 Title: An Act relating to the power transmission BRU: AIDEA  
           intertie fund of AEA Component: \_\_\_\_\_  
 Sponsor: House Finance Component Number: \_\_\_\_\_  
 Requester: \_\_\_\_\_

**Expenditures/Revenues** (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>CAPITAL EXPENDITURES</b>						
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<b>CHANGE IN REVENUES ( )</b>						
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**FUND SOURCE** (Thousands of Dollars)

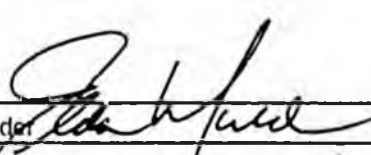
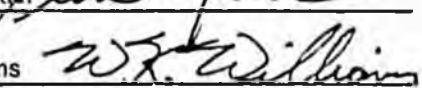
1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY2001) cost: 0.0

**POSITIONS**

Full-time						
Part-time						
Temporary						

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

Prepared by: Representative Eldon Mulder  Phone 465-2647/465-3424  
                   Co-Chair  
                   Representative Bill Williams  Date 4/27/01  
                   Co-Chair

Adopted  
4/26/01

22-LS0868\F  
Cramer  
4/26/01

**CS FOR HOUSE BILL NO. 238(FIN)**

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SECOND LEGISLATURE - FIRST SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered:  
Referred:

Sponsor(s): REPRESENTATIVE LANCASTER

**A BILL**

**FOR AN ACT ENTITLED**

1 "An Act relating to the powers of the Alaska Energy Authority; and providing for the  
2 power transmission intertie loan program of the Alaska Energy Authority."

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

4 \* Section 1. AS 44.83.080 is amended to read:

5 **Sec. 44.83.080. Powers of the authority.** In furtherance of its corporate  
6 purposes, the authority has the following powers in addition to its other powers:

- 7 (1) to sue and be sued;
- 8 (2) to have a seal and alter it at pleasure;
- 9 (3) to make and alter bylaws for its organization and internal  
10 management;
- 11 (4) to adopt regulations governing the exercise of its corporate powers;
- 12 (5) to improve, equip, operate, and maintain power projects
- 13 (6) to issue bonds to carry out any of its corporate purposes and  
14 powers, including the establishment or increase of reserves to secure or to pay the

1 bonds or interest on them, and the payment of all other costs or expenses of the  
2 authority incident to and necessary or convenient to carry out its corporate purposes  
3 and powers;

4 (7) to sell, lease as lessor or lessee, exchange, donate, convey, or  
5 encumber in any manner by mortgage or by creation of any other security interest, real  
6 or personal property owned by it, or in which it has an interest, when, in the judgment  
7 of the authority, the action is in furtherance of its corporate purposes;

8 (8) to accept gifts, grants, or loans from, and enter into contracts or  
9 other transactions regarding them, with any person;

10 (9) to deposit or invest its funds, subject to agreements with  
11 bondholders;

12 (10) to enter into contracts with the United States or any person and,  
13 subject to the laws of the United States and subject to concurrence of the legislature,  
14 with a foreign country or its agencies, for the construction, financing, operation, and  
15 maintenance of all or any part of a power project or bulk fuel storage facility, either  
16 inside or outside the state, and for the sale or transmission of power from a power  
17 project or any right to the capacity of it or for the security of any bonds of the  
18 authority issued or to be issued for the project;

19 (11) to enter into contracts with any person and with the United States,  
20 and, subject to the laws of the United States and subject to the concurrence of the  
21 legislature, with a foreign country or its agencies for the purchase, sale, exchange,  
22 transmission, or use of power from a project, or any right to the capacity of it;

23 (12) to apply to the appropriate agencies of the state, the United States,  
24 and to a foreign country and any other proper agency for the permits, licenses, or  
25 approvals as may be necessary, and to maintain and operate power projects in  
26 accordance with the licenses or permits, and to obtain, hold, and use the licenses and  
27 permits in the same manner as any other person or operating unit;

28 (13) to enter into contracts or agreements with respect to the exercise  
29 of any of its powers, and do all things necessary or convenient to carry out its  
30 corporate purposes and exercise the powers granted in this chapter;

31 (14) to recommend to the legislature

1 (A) the pledge of the credit of the state to guarantee repayment  
2 of all or any portion of revenue bonds issued to assist in construction of power  
3 projects;

4 (B) an appropriation from the general fund

5 (i) for debt service on bonds or other project purposes;

6 or

7 (ii) to reduce the amount of debt financing for the  
8 project;

9 (15) to carry out the powers and duties assigned to it under AS 42.45;

10 (16) to make grants or loans to any person and enter into contracts

11 or other transactions regarding the grants or loans.

12 \* Sec. 2. AS 44.83 is amended by adding a new section to read:

13 **Article 5A. Power Transmission Intertie Loan Program.**

14 **Sec. 44.83.550. Power transmission intertie loan program.** (a) A power  
15 transmission intertie fund is established in the Alaska Energy Authority to carry out  
16 the purposes of this section. The fund consists of money appropriated to it by the  
17 legislature.

18 (b) The fund may be used by the authority to

19 (1) extend and upgrade power transmission interties in the state; and

20 (2) make loans to public utilities and other entities for

21 (A) acquisition, design, and construction of power transmission  
22 interties in the state;

23 (B) acquisition, design, and construction of regional power  
24 projects; and

25 (C) retirement of capital construction debt of electric utilities  
26 related to the acquisition, design, and construction of power projects.

27 (c) A loan for a project or intertie issued under (b)(2) of this section is  
28 contingent on the execution of a written agreement entered into by the borrower and  
29 the Alaska Energy Authority in which the borrower agrees to

30 (1) pay the design, construction, and other costs related to the power  
31 project or power transmission intertie that exceed the amount of the loan;

1  
2  
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4  
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9

(2) pay the operation and maintenance costs of the power project or power transmission line; and

(3) provide for the allocation of costs that may reasonably be charged to other utilities for use of the power project or power transmission intertie.

(d) In setting the terms and conditions with respect to a loan from the power transmission intertie fund, the authority may include the terms and conditions it considers advisable, including making loans for which no interest is charged.

(e) The authority shall deposit repayments of loans made under this section in the Railbelt energy fund (AS 37.05.520).

**HB**

**239**

HFIN

FILE



# FISCAL NOTE

**STATE OF ALASKA  
2001 LEGISLATIVE SESSION**

Fiscal Note Number: 1  
 Bill Version: HB 239  
 (H) Publish Date: 4/25/01

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: Education & Early Development  
 Title: An Act establishing a pilot program for a BRU: K-12 Support  
regional learning center. Component: Boarding Home Grants  
 Sponsor: Rep. Foster  
 Requester: House Special Committee on Education Component Number: 148

**Expenditures/Revenues (Thousands of Dollars)**

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

OPERATING EXPENDITURES	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims	75.0	311.0	311.0	311.0	0.0	0.0
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>75.0</b>	<b>311.0</b>	<b>311.0</b>	<b>311.0</b>	<b>0.0</b>	<b>0.0</b>

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ( )						
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**FUND SOURCE (Thousands of Dollars)**

FUND SOURCE	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
1002 Federal Receipts						
1003 GF Match						
1004 GF	75.0	311.0	311.0	311.0	0.0	0.0
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
<b>TOTAL</b>	<b>75.0</b>	<b>311.0</b>	<b>311.0</b>	<b>311.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY2001) cost: 0.0

Check this box (X) if funding for this bill is included in the Governor's FY 2002 budget proposal:

**POSITIONS**

Full-time						
Part-time						
Temporary						

**ANALYSIS:** *(Attach a separate page if necessary)*  
 This legislation would require the department to develop a pilot program for a regional learning center within the Bering Strait School District. The department would establish a contract with a school district to operate the pilot regional learning center. The contract would require the school district to provide the department with periodic reports as to the progress of the pilot project including an assessment of student performance as it relates to the implementation of the project.  
 Estimated cost include a planning grant of \$75,000 in FY02.  
 Operational grants for FY03 through FY05 will be \$311,000 annually.  
 See attached analysis.

Prepared by: Eddy Jeans, School Finance Manager Phone 465-8679  
 Division: Education Support Services Date/Time 4/24/01 12:00 AM  
 Approved by: Bruce Johnson, Deputy Commissioner of Education Date 4/25/01  
 Agency: Education & Early Development

For distribution information, call the Governor's Legislative Office

**Fiscal Analysis of HB 239, FN#1**

<b>1) Provides for 2 full time house parents.</b>	<b>\$120,000</b>
<b>2) 1 Program Coordinator</b>	<b>75,000</b>
<b>3) Transportation for students</b> <b>20 student X 40 units X \$300</b>	<b>60,000</b>
<b>4) Food</b>	<u><b>56,000</b></u>
<b>20students X 40 units X 7 days X \$10</b>	<b>\$311,000</b>

# Alaska House of Representatives

Richard Foster  
P.O. Box 1630  
Nome, AK 99762  
907-443-5036  
Fax 907-2162



During Session  
State Capitol Rm. 410  
Juneau, AK 99801-1182  
907-465-3789  
Fax 907-465-3242

## Majority Whip

### HB 239

**"An Act establishing a pilot program for a regional learning center"**

### Sponsor's Statement

The Twenty-first Alaska Legislature through the Legislative Budget and Audit Committee (LB&A) hearings found indications of broad support for regional learning centers. Several communities have expressed interest in creating regional boarding programs focused on the special interests of their region.

The LB&A meeting in Nome helped create a renewed interest in the possibility of a regional boarding school that would teach vocational skills and other job related and living skills that are not available in the high schools of small isolated communities.

The Bering Strait School District and the Nome City School District have been exploring the feasibility of a cooperative program that would utilize the existing Nome Beltz School complex to develop and operate a pilot regional learning program.

The Bering Strait School District and the Nome Common Council have both taken actions to support the creation of a pilot program and to seek federal funding to help cover program planning and initial operation costs.

A conceptional overview of the program is contained in the March 20, 2001 letter from, Dr. John Davis, Superintendent of the Bering Strait School District. The April 26, 2001 letter from Mary Knodel, Nome Common Council Member helps to define and support the concept.



# CITY OF NOME

*Celebrating 100 Years of Gold Rush History*

Incorporated April 9, 1901

March 15, 2001

The Honorable Richard Foster  
Alaska State Legislature  
State Capital, Room 410  
Juneau, Alaska 99801-1182

Dear Representative Foster:

On behalf of the City of Nome, Alaska, I wish to state our strong support for a Regional Learning Center in Nome.

A Regional Learning Center would be a new type of residential educational institution that will provide both college preparatory, college level, and vocational training to students in grades 11 through 14. The Learning Center will expose junior and senior high school students to college level expectations and allow those who desire a university education a longer transition from rural villages to education in urban Alaska.

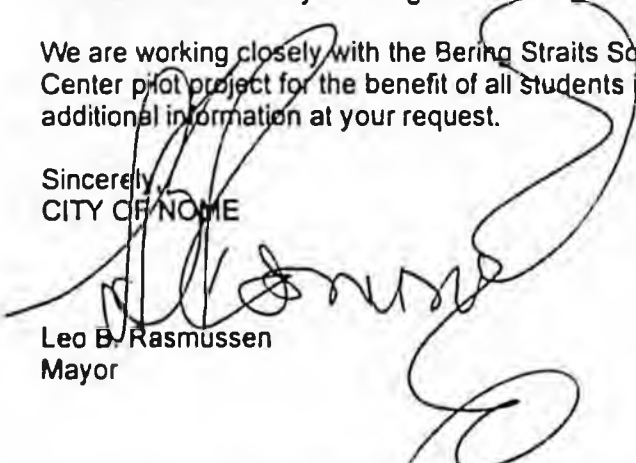
Our regional education leaders who are closely acquainted with the career educational needs of our students are highly excited about the proposal and opportunity to improve and enhance the quality of education at the secondary and post-secondary levels. Being fully aware that a great majority of Nome students do not progress on to college (due to the high costs of tuition, boarding and travel to Anchorage, Juneau or Fairbanks and the impracticalities of leaving in their families for great lengths of time), educators see the program offerings at the Nome-Beltz complex as attractive options for individuals to acquire career skills and become qualified, credible members of the Alaskan job force.

Nome already has an institutional advantage on which we can build at our Nome-Beltz school complex and a University of Alaska-Fairbanks campus site. Siting such a program in Nome makes sense due to the size of the population in our region, the transportation hub and municipal infrastructure resources in place, as well as the fact the City provides tax-generated fiscal support to education programs.

The City of Nome has prepared a concept document which provides information on renovation costs, student projections, curriculum and conceptual operations budget to convert and utilize the William E. Beltz facility as a regional learning/vocational education center.

We are working closely with the Bering Straits School District to develop a Regional Learning Center pilot project for the benefit of all students in our region. We stand by prepared to assemble additional information at your request.

Sincerely,  
CITY OF NOME

  
Leo B. Rasmussen  
Mayor

DISTRICT OFFICE

# BERING STRAIT SCHOOL DISTRICT

P.O. BOX 225  
UNALAKLEET, ALASKA 99684-0225  
(907) 624-3611

20 March, 2001

The Honorable Richard Foster  
The House of Representatives  
Alaska State Capitol  
Juneau AK 99801-1182

BREVIG MISSION

COUNCIL Dear Representative Foster:

DIOMEDE Over the past two months, the Bering Strait School District and the Nome City  
ELIM School District have begun discussions about working together to better serve the  
GAMBE students in the region. This letter is to serve as an introduction to our discussions.

GOLOVIN The school districts have been talking about developing a regional learning center  
KOYUK located in Nome. The learning center would use the available space at the Nome  
SAINT MICHAEL Beltz High School. It would be necessary to refurbish and rehabilitate the student  
housing and the vocational education facilities.

SAVOONGA The two school districts will be seeking support to provide program development  
SHAKTOOLIK for a demonstration project, support to operate the program and funding to  
SHISHMAREF remodel living quarters and classroom space.

STEBBINS The primary goal of the center is to support and supplement the local high school  
TELLER programs by expanding the career awareness and skills of students. Eventually,  
UNALAKLEET we envision a program that would support the educational program for high  
WALES school age students and young people looking to complete their high school  
program or begin training for a career.

WHITE MOUNTAIN The Bering Strait region has several career opportunities that now require  
significant importation of qualified staff from out of the region and even out of the  
state. These areas are education, health care, transportation (aviation) and  
government services (law enforcement). We believe that the development of a  
program to help introduce students to career opportunities will enhance the  
region's ability to fill these jobs with local students.

The second aspect of this program is the development of the residential  
component. Our goal will be to develop a program that will prepare young  
people to learn the needed skills to live and work independently. In addition, the  
program will help students earn the basic skills required of a person entering the  
work force or apprentice program. Currently most apprentice programs require a  
high school diploma and achievement of the age 18.

The center would expand the opportunity for the public school system, social  
service agencies (Kawerak), economic development organizations (NSEDG) and the

DISTRICT OFFICE

# BERING STRAIT SCHOOL DISTRICT

P.O. BOX 225

UNALAKLEET, ALASKA 99684-0225

(907) 624-3611

community college to coordinate and maximize services now being provided in the region.

I hope this gives you an overview of our early discussions. Your support and recommendations about how we might generate the required support would be appreciated.

Should you or your staff have any question, please let me know.

BREVIG MISSION

COUNCIL

DIOMEDE

ELIM

GAMBELL

GOLOVIN

KOYUK

SAINT MICHAEL

SAVOONGA

SHAKTOOLIK

SHISHMAREF

STEBBINS

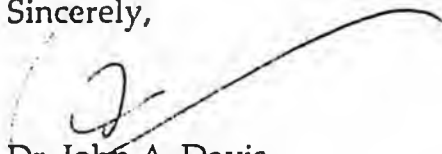
TELLER

UNALAKLEET

WALES

WHITE MOUNTAIN

Sincerely,



Dr. John A. Davis  
Superintendent

cc: C. Weyiouanna, Pres., B&SD Board  
S. Swopc, Supt., Nome CSD  
Nome City Council

**HB**

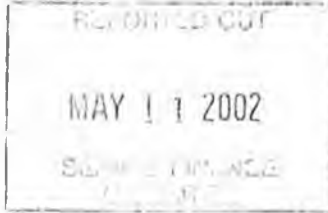
**239**

SFIN

FILE

# SENATE FINANCE COMMITTEE REPORT

DATE: 4/18/02



FURTHER:

DATE TURNED IN TO OFFICE: 5/11/02

Finance Committee considered

HOUSE BILL NO. 239

HB 239 VOCATIONAL EDUCATION PILOT PROGRAM

"An Act establishing a pilot program for a regional learning center."

and recommends:

- be replaced with \_\_\_\_\_ CS \_\_\_\_\_ (\_\_\_\_\_)
- adopt previous S CS HB 239 (HES)
- attached amendment(s)
- adopt Letter of Intent by \_\_\_\_\_ Committee
- further referral to \_\_\_\_\_ Committee

Senate Bill:

- same title
- new title

House Bill:

- same title
- technical title
- new: SCR # \_\_\_\_\_

**NEW FISCAL NOTE(S):**

Department	Date	Fiscal	Zero	FN#

**PREVIOUS FISCAL NOTE(S):**

Department	Date	Fiscal	Zero	FN#
DEED	4/16/02	150.0		2

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:		DO PASS	DO NOT PASS	NO REC	AMEND
<i>Linda Green</i>					
<i>Wesley Crutcher</i>					
<i>[Signature]</i>					
<i>[Signature]</i>					
<i>Gary Wilbur</i>					
<i>[Signature]</i>					
COCHAIR:	<i>[Signature]</i>				
COCHAIR:	<i>[Signature]</i>				

# FISCAL NOTE

MAY 11 2002

**STATE OF ALASKA  
2002 LEGISLATIVE SESSION**

Fiscal Note Number: 2  
 Bill Version: HB 239  
 (S) Publish Date: 4/18/02

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: Education & Early Development  
 Title: An Act establishing a pilot program for a regional learning center. BRU: K-12 Support  
 Sponsor: Rep. Foster Component: Boarding Home Grants  
 Requester: House Special Committee on Education Component Number: 148

**Expenditures/Revenues (Thousands of Dollars)**

Note: Amounts do not include inflation unless otherwise noted below

OPERATING EXPENDITURES	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims	150.0	236.0	311.0	311.0	0.0	0.0
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>150.0</b>	<b>236.0</b>	<b>311.0</b>	<b>311.0</b>	<b>0.0</b>	<b>0.0</b>

<b>CAPITAL EXPENDITURES</b>						
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<b>CHANGE IN REVENUES ( )</b>						
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**FUND SOURCE (Thousands of Dollars)**

FUND SOURCE	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
1002 Federal Receipts						
1003 GF Match						
1004 GF	150.0	236.0	311.0	311.0	0.0	0.0
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
<b>TOTAL</b>	<b>150.0</b>	<b>236.0</b>	<b>311.0</b>	<b>311.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY2002) cost: 0.0

Check this box (X) if funding for this bill is included in the Governor's FY 2003 budget proposal:

**POSITIONS**

Full-time						
Part-time						
Temporary						

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

This legislation would require the department to develop a pilot program for a regional learning center within the Bering Strait School District. The department would establish a contract with a school district to operate the pilot regional learning center. The contract would require the school district to provide the department with periodic reports as to the progress of the pilot project including an assessment of student performance as it relates to the implementation of the project.  
 Estimated cost include a planning grant of \$150,000 in FY03.  
 While transitioning into full operation FY04 costs estimate at \$236,000.  
 Operational grants for FY05 through FY06 will be \$311,000 annually.  
 See attached analysis.

Prepared by: Eddy Jeans, School Finance Manager Phone 465-8679  
 Division: Education & Early Development Date/Time 04/16/02  
 Approved by: Ed McLain, Deputy Commissioner of Education Date 4/16/2002  
 Agency: Education & Early Development

For distribution information, call the Governor's Legislative Office

## Fiscal Analysis of HB 239 #2

### YEAR 1

1.) 1 Program Coordinator	75,000
2.) Travel & Community Meetings Airfare - 16,000; Hotels - 5,040; Per Diem - 3,960	25,000
3.) Engineers Report for renovating housing units	50,000
	<u>150,000</u>

### YEAR 2

1.) Provides for boarding home coordinator	\$ 45,000
2.) 1 Program Coordinator	75,000
3.) Transportation for students 20 students X 10 units X \$300	60,000
4.) Food 20 students X 40 Units X 7 days X \$10	56,000
	<u>\$ 236,000</u>

### YEAR 3 & 4

1.) Provides for 2 full time house parents	\$ 120,000
2.) 1 Program Coordinator	75,000
3.) Transportation for students 20 students X 10 units X \$300	60,000
4.) Food 20 students X 40 Units X 7 days X \$10	56,000
	<u>\$ 311,000</u>

SENATE FINANCE COMMITTEE  
5/11/2002 COMMITTEE ACTION

Bill Number	HB 239		
Amendment			
Motion	Report Bill from Committee		
<u>Motion by</u>	Olson		
<u>Objection by</u>	Wilken		
Removed			
<u>Second Objection by</u>			
<u>Committee Member</u>	Y	Vote	N
Senator Green			✓
Senator Hoffman	✓		
Senator Leman			
Senator Olson	✓		
Senator Ward	✓		
Senator Wilken			✓
Senator Austerman	✓		
Co-Chair Donley			
Co-Chair Kelly			
<u>Tally</u>			
Yea	4		
Nay	2		
Absent			
<b>MOTION</b>	<b>PASSED</b>		

Report Bill from Committee

# Alaska House of Representatives

Richard Foster  
P.O. Box 1630  
Nome, AK 99762  
907-443-5036  
Fax 907-2162



During Session  
State Capitol Rm. 410  
Juneau, AK 99801-1182  
907-465 3789  
Fax 907-465-3242

## Majority Whip

### HB 239

**"An Act establishing a pilot program for a regional learning center"**

### Sponsor's Statement

The Twenty-first Alaska Legislature through the Legislative Budget and Audit Committee (LB&A) hearings found indications of broad support for regional learning centers. Several communities have expressed interest in creating regional boarding programs focused on the special interests of their region.

The LB&A meeting in Nome helped create a renewed interest in the possibility of a regional boarding school that would teach vocational skills and other job related and living skills that are not available in the high schools of small isolated communities.

The Bering Strait School District and the Nome City School District have been exploring the feasibility of a cooperative program that would utilize the existing Nome Beltz School complex to develop and operate a pilot regional learning program.

The Bering Strait School District and the Nome Common Council have both taken actions to support the creation of a pilot program and to seek federal funding to help cover program planning and initial operation costs.

A conceptional overview of the program is contained in the March 20, 2001 letter from, Dr. John Davis, Superintendent of the Bering Strait School District. The April 26, 2001 letter from Mary Knodel, Nome Common Council Member also helps to define and support the concept.

The initial program being discussed is not a traditional yearlong boarding program. Courses would be taught in short concentrated blocks, some as short as one or two weeks in length. Students, as part of their *urban survival skill* training would be responsible for meal planning, shopping and preparing their breakfast and evening meals in a cooperative home-style kitchen. It is anticipated that about 200 juniors and seniors from small rural high schools would participate in the program each year. Some students might be brought in for more than one program during the course of the school year.

The discipline problems that have been associated with past boarding programs should be minimal since students will have to compete to be in the program and can be sent home at any time. It is anticipated that classes will be scheduled for at least six days a week. Classes such as driver training and water safety can easily be taught on weekends.

Work-Study opportunities would allow students to become familiar with a variety of occupations that are available in a regional hub such as Nome. They could work with a full range of retail and transportation businesses, State and Federal agencies, State and City police departments, broadcasting, Hospital and Health Care programs, programs operated by the area nonprofit native corporation and the University of Alaska regional center.

Students from Nome would also benefit from the learning center. Nome students have many of the opportunities already enumerated, but by pooling the resources of the two school districts; additional programs that neither district could afford independently can be cooperatively developed. If the pilot program is successful, the possibilities are almost limitless.

The districts have expressed a willingness to report their progress to the Department of Education and to the Legislature during the Pilot Program and have consented to contract for a third-party evaluation before the program sunsets. If the concept is successful it could serve as a model for other interested school districts.

DISTRICT OFFICE

# BERING STRAIT SCHOOL DISTRICT

P.O. BOX 225  
UNALAKLEET, ALASKA 99684-0225  
(907) 624-3611

20 March, 2001

The Honorable Richard Foster  
The House of Representatives  
Alaska State Capitol  
Juneau AK 99801-1182

BREVIQ MISSION

COUNCIL

Dear Representative Foster:

DIOMEDE

ELIM

GAMBELL

GOLOVIN

KOYUK

SAINT MICHAEL

SAVOONGA

SHAKTOOLIK

SHISHMAREF

STEBBINS

TELLER

UNALAKLEET

WALES

WHITE MOUNTAIN

Over the past two months, the Bering Strait School District and the Nome City School District have begun discussions about working together to better serve the students in the region. This letter is to serve as an introduction to our discussions.

The school districts have been talking about developing a regional learning center located in Nome. The learning center would use the available space at the Nome Beltz High School. It would be necessary to refurbish and rehabilitate the student housing and the vocational education facilities.

The two school districts will be seeking support to provide program development for a demonstration project, support to operate the program and funding to remodel living quarters and classroom space.

The primary goal of the center is to support and supplement the local high school programs by expanding the career awareness and skills of students. Eventually, we envision a program that would support the educational program for high school age students and young people looking to complete their high school program or begin training for a career.

The Bering Strait region has several career opportunities that now require significant importation of qualified staff from out of the region and even out of the state. These areas are education, health care, transportation (aviation) and government services (law enforcement). We believe that the development of a program to help introduce students to career opportunities will enhance the region's ability to fill these jobs with local students.

The second aspect of this program is the development of the residential component. Our goal will be to develop a program that will prepare young people to learn the needed skills to live and work independently. In addition, the program will help students earn the basic skills required of a person entering the work force or apprentice program. Currently most apprentice programs require a high school diploma and achievement of the age 18.

The center would expand the opportunity for the public school system, social service agencies (Kawerak), economic develop organizations (NSEDC) and the

DISTRICT OFFICE

# BERING STRAIT SCHOOL DISTRICT

P.O. BOX 225  
UNALAKLEET, ALASKA 99684-0225  
(907) 624-3611

community college to coordinate and maximize services now being provided in the region.

I hope this gives you an overview of our early discussions. Your support and recommendations about how we might generate the required support would be appreciated.

Should you or your staff have any question, please let me know.

BREVIK MISSION

COUNCIL

DIOMEDE

ELIM

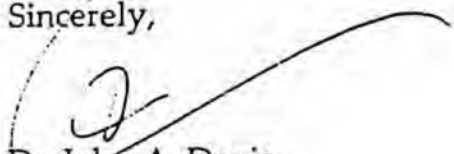
GAMBELL

GOLOVIN

KOYUK

SAINT MICHAEL

Sincerely,

  
Dr. John A. Davis  
Superintendent

cc: C. Weyiouanna, Pres., B&SD Board  
S. Swope, Supt., Nome CSD  
Nome City Council

SAVOONGA

SHAKTOOLIK

SHISHMAREF

STEBBINS

TELLER

UNALAKLEET

WALES

WHITE MOUNTAIN



# CITY OF NOME

*Celebrating 100 Years of Gold Rush History*

Incorporated April 9, 1901

April 26, 2001

The Honorable Richard Foster  
State House of Representatives  
State Capital, Room 410  
Juneau, AK 99801-1182

Dear Representative Foster,

We are writing in response to a letter dated April 23, 2001, from Ms. Loretta Bullard concerning House Bill 239. It is often hard to realize that we are all working for the same goal; the betterment of life in rural Alaska. We would like to clarify and spell out the original intentions of the development of a **Regional Learning Center** located in Nome.

A large group of concerned citizens and parents met with the Legislative Budget and Audit Committee when they were in Nome. The opinion expressed by the citizens and parents was that improved education in rural Alaska is crucial to the development of our children. The group expressed the need to explore any alternative educational opportunities.

The Bering Straits School District in a progressive move directed their administration to meet with representatives of Nome Public Schools. Dr. John Davis, the Superintendent of Schools for Bering Straits met with the Nome School District and representatives of the City of Nome. At this meeting a unanimous decision was voiced that the development of a Regional Learning Center in Nome would be beneficial to all citizens of the Bering Straits Region for the following reasons:

1. Enhance vocational education career awareness and other specialized classes for grades 10-12 and young adults ages 17-20 years (grades 13-14).
2. Support and supplement local high school programs by expanding vocational skills and career awareness of students.
3. Support young people who are looking to complete high school or begin training for a career or profession.

4. Introduce and train students for career opportunities that will enhance the Region's ability to fill jobs, which are currently being filled by qualified staff who are imported from outside the Region or the state.
5. Create an emphasis on the areas of career preparation for education (teaching and administration), health care (health aides, nurses, Physician Assistants, Doctors), transportation (aviation including pilots and aircraft mechanics), skilled craft persons (office workers, water plant operators, sewage treatment plant operators, carpenters, electricians, small engine repairmen) and governmental services (law enforcement, including VPSO's city policemen, State Troopers). These are areas that the members of the Bering Straits School Board have identified and the Nome School District agrees with.
6. Develop a program that will help students learn the basic skills needed to live and work independently in a larger setting other than the village. This type of development is essential to further career enhancement.
7. Allow Regional agencies a forum to coordinate and maximize services now being provided in the region.

It has always been the intent of this group to implement this project on a small scale and work forward. The initial programs being discussed are driver education and swimming lessons.

The idea of a traditional "Regional Board School" was discussed only to indicate that it did not work and would not be the direction to take. It was the intent to use the apartment facility at Nome-Beltz to house the students and house parents for short durations of three to nine weeks. This arrangement will provide instruction on the necessary living skills to make the transition easier for village students to move on to further career development.

The use of the large trade shops at the Nome-Beltz High School would help introduce all students to different types of trades. It also intends to offer students who are interested in a specific subject that is not or cannot be taught in their current high school, the opportunity to receive the specific instruction.

House Bill 239 is needed to assist in sending the State portion of school funding with the students as they attend school in the Bering Straits School District or in the Nome Public Schools. In addition, it will assist in the establishment of funding for transportation and housing needs of the students. This is a fiscal hurdle that neither Bering Straits School District or the Nome Public School can absorb financially.

Even though the partners in the Bering Straits Region and the Legislature may not voice the need in the same manner, we are all envisioning the same program.

Honorable Richard Foster

April 26, 2001

We find it very encouraging that the Bering Straits School District School Board initiated these discussions. The parents and citizens of this region want and deserve improvement to the educational system.

We thank you for your support and continued efforts in helping to improve rural Alaska and especially appreciate your efforts to improve the educational opportunities of this region.

Respectfully,  
CITY OF NOME



Mary Knodel  
Nome Common Council Member

Cc: Senator Donny Olson  
Mayor & Nome Common Council  
John Davis, Superintendent, Bering Strait School District  
Gloria Karmun, President, Nome Public School Board  
Mike Babb, Director, Northwest Campus  
Eugene Asicksik, President, Norton Sound Economic Development Corporation  
Tim Towarak, Bering Strait Native Corporation  
Loretta Bullard, President, Kawerak, Inc.  
IRA & Traditional Councils



# CITY OF NOME

*Celebrating 100 Years of Gold Rush History*

Incorporated April 9, 1901

March 15, 2001

The Honorable Richard Foster  
Alaska State Legislature  
State Capital, Room 410  
Juneau, Alaska 99801-1182

Dear Representative Foster:

On behalf of the City of Nome, Alaska, I wish to state our strong support for a Regional Learning Center in Nome.

A Regional Learning Center would be a new type of residential educational institution that will provide both college preparatory, college level, and vocational training to students in grades 11 through 14. The Learning Center will expose junior and senior high school students to college level expectations and allow those who desire a university education a longer transition from rural villages to education in urban Alaska.

Our regional education leaders who are closely acquainted with the career educational needs of our students are highly excited about the proposal and opportunity to improve and enhance the quality of education at the secondary and post-secondary levels. Being fully aware that a great majority of Nome students do not progress on to college (due to the high costs of tuition, boarding and travel to Anchorage, Juneau or Fairbanks and the impracticalities of leaving in their families for great lengths of time), educators see the program offerings at the Nome-Beltz complex as attractive options for individuals to acquire career skills and become qualified, credible members of the Alaskan job force.

Nome already has an institutional advantage on which we can build at our Nome-Beltz school complex and a University of Alaska-Fairbanks campus site. Siting such a program in Nome makes sense due to the size of the population in our region, the transportation hub and municipal infrastructure resources in place, as well as the fact the City provides tax-generated fiscal support to education programs.

The City of Nome has prepared a concept document which provides information on renovation costs, student projections, curriculum and conceptual operations budget to convert and utilize the William E. Beltz facility as a regional learning/vocational education center.

We are working closely with the Bering Straits School District to develop a Regional Learning Center pilot project for the benefit of all students in our region. We stand by prepared to assemble additional information at your request.

Sincerely,  
CITY OF NOME

Leo B. Rasmussen  
Mayor



**KAWERAK, INC.**

PO BOX 948 • NOME ALASKA 99762

TELEPHONE: (907) 443-5231 • FAX: (907) 443-3708

SERVING THE  
VILLAGES OF:  
  
BREVIG MISSION  
COUNCIL  
DIOMEDE  
ELIM  
GAMBELL  
GOLOVIN  
KING ISLAND  
KOYUK  
MARYS IGLOO  
NOME  
SAVOONGA  
SHAKTOOLIK  
SHISHMAPEF  
SOLOMON  
STEBBINS  
ST. MICHAEL  
TELLER  
UNALAKLEET  
WALES  
WHITE MOUNTAIN

February 8, 2002

Stan Lujan, Superintendent  
Mike Murphy, Nome School Board  
PO Box 133  
Nome, Alaska 99762

Gentlemen:

The Kawerak Board of Directors, at their December 5-6, 2001 meeting made and passed the following motion:

**To support HB 239 which would establish a pilot program for high school students in the Bering Straits Region, which would:**

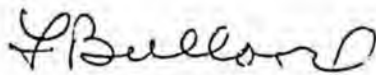
- 1) expand career awareness and vocational education opportunities; and
- 2) provide classes that increase independent living and working skills.

**The Kawerak Board requests Nome Public Schools to establish a steering committee consisting of parent representatives from Bering Strait and Nome Public School Districts, Kawerak, Northwest Campus, and Norton Sound Health Corporation which would provide regional input into the scope and design of the ongoing program.**

Thank you for your presentation. Please call if you have any questions.

Sincerely,

KAWERAK INCORPORATED

  
Loretta Bullard  
President

cc: Representative Richard Foster  
Representative Reggie Joule  
Senator Donny Olson

Dr. John Davis, BSSD Superintendent  
Clifford Weyiouanna, BSSD Board Chair

DISTRICT OFFICE

# BERING STRAIT SCHOOL DISTRICT

P.O. BOX 225  
UNALAKLEET, ALASKA 99684-0225  
(907) 624-3611

21 March, 2002

Senator Lyda Green  
State Capitol Bldg.  
Juneau, AK 99811

Re: HB 239

BREVIG MISSION

Dear Senator Green:

DIOMEDE

ELIM

GAMBELL

GOLOVIN

KOYUK

SAINT MICHAEL

SAVOONGA

SHAKTOOLIK

SHISHMAREF

STEBBINS

TELLER

UNALAKLEET

WALES

WHITE MOUNTAIN

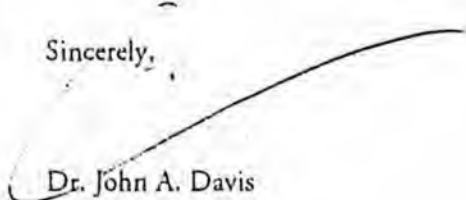
The funds being requested in the fiscal note to HB239 are intended to assist in the planning and development of a regional learning center (RLC) for the Norton Sound Region. The idea behind the effort is to create a learning center to facilitate additional educational opportunities that are not currently available in the region.

The regional boarding school program as delivered many years ago was not viewed as a successful model. I believe that a variation of that model in combination with the local community school could offer a viable alternative. Students would remain enrolled in their current school but would spend shorter periods of time working on specific goals at the RLC. One skill we would focus on is that of independent living, a critical skill our young people need to be successful

I understand that you have requested additional information about how this program would be funded? Following the initial planning & program development effort, I see the program operating as an extension of our current program and would be funded through the foundation formula and additional private & federal grants the District could attract.

I look forward to discussing this project further during my visit with you next week in Juneau.

Sincerely,

  
Dr. John A. Davis

Superintendent

cc: Senator Olsen, Rep. Foster, Rep. Joule, J.M. Walsh and S. Lujan, Supt Nome Public Schools

# Alaska House of Representatives

Richard Foster  
P.O. Box 1630  
Nome, AK 99762  
907-443-5036  
Fax 907-2162



During Session  
State Capitol Rm. 410  
Juneau, AK 99801-1182  
907-465-3789  
Fax 907-465-3242

## Majority Whip

May 11, 2002

To: Senate Finance Committee Members  
From: Rep. Richard Foster  
Re: HB 239

Nome City School District and Bering Strait School Superintendents Response for funding the proposed cooperative learning center beyond the fourth year of operation is attached.

If you have questions or need more information, please contact Larry in my office 465-3789.

DISTRICT OFFICE

**BERING STRAIT SCHOOL DISTRICT**P.O. BOX 425  
UNALAKLEET, ALASKA 99684-0225  
(907) 624-3611

10 May 2002

The Honorable Senator Pete Kelly  
The Honorable Senator Dave Donley  
Co-Chair, Senate Finance Committee  
Alaska State Capitol  
Juneau, Alaska 99801

BREVIG MISSION

DIOMEDE

ELIM

GAMUELL

GOLOVIN

KOYUK

SAINT MICHAEL

SAVOONQA

SHAKTOOLIK

SPISHMAREF

STEBBINS

TELLER

UNALAKLEET

WALES

WHITE MOUNTAIN

RE: HB239: Vocational Education Pilot Program

Gentlemen:

During the Senate Finance Committee hearing yesterday, May 9, 2002, questions were raised regarding:

- 1) need for legislation,
- 2) long-term funding viability of the pilot program between Bering Strait School District and Nome City Schools.

I appreciate the opportunity to clarify this concern.

Need for the Legislation:

The purpose for requesting support from the Alaska legislature is two-fold. First, it is to demonstrate support and commitment at the state level in order to leverage federal funding. In discussions with our Congressional delegation we believe state support is essential to securing federal aid.

The second reason for requesting state legislative support is for planning purposes and for piloting a demonstration model. The requested state support is not for long-term operational support. The cooperating school districts will need to generate support from local agencies as well as reallocating current budget resources. The Bering Strait School District will be able to direct teacher and administrative support to the program, as will the Nome City Schools.

The request from the state is a portion of the support needed. This request however is critical for the project to get off the ground. It represents the funding from which most other funds can be leveraged.

Long Term Funding Viability:

There are several sources of anticipated funding to be secured over the next five years. The two districts will be making applications for federal funding under the following Discretionary Grants Programs - Federal resources by grant titles:

- *Strengthening Institutions and Alaska Native and Native Hawaiian Programs*
- *Smaller learning communities*
- *Vocational Rehabilitation Services Projects for American Indians with Disabilities*
- *High School Equivalency Program and College Assistance Migrant Program*

Access to these federal grants will be greatly enhanced with demonstrated support of the program from the state and local level. State support is essential and a key component to winning federal support.

Other local resources the Districts will access:

- Norton Sound Economic Development Corporation - CDQ grants
- Kawerak, Inc. - employment training grants
- Norton Sound Health Corporation - employment training grants
- Title I funds - Bering Strait School District
- Northwest Campus, University of Alaska, Nome
- Carl Perkins Vocational Funds
- General funding from the Bering Strait School District and Nome Public School

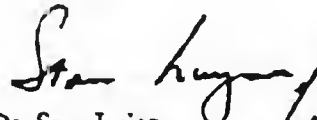
The Bering Strait School District is able to commit staff resources of potentially up to three teachers during the course of a school year by diverting the current itinerate vocational education teacher schedule. Nome Public Schools will also be able to restructure its use of staff and facilities to support the regional learning center. We are hopeful that through these various funding sources, the regional learning center will continue to grow and to expand the cooperation between our two local school districts, for the benefit of our students. Your support is critical for the initial planning effort.

Additional letters of future funding commitment are being requested at this time.

Sincerely,



Dr. John A. Davis  
Superintendent  
Bering Strait School District



Dr. Stan Lujan  
Superintendent  
Nome City Schools

cc: J M Walsh, J. Hayes

DISTRICT OFFICE

# BERING STRAIT SCHOOL DISTRICT

P.O. BOX 225  
UNALAKLEET, ALASKA 99684-0225  
(907) 624-3611

1 May, 2002

Senator Dave Donley, Co-Chair  
Senator Pete Kelly, Co-Chair  
Senate Finance  
Alaska State Legislature  
State Capitol Building  
Juneau, AK 99811-1182

BREVIK MISSION

DIOMEDE

ELIM

GAMBELL

Re: HB239 – Regional Learning Center

GOLOVIN

Dear Senators Donnelly & Kelly:

KOYUK

We are writing in support of HB239. This proposed legislation has a direct impact on the education of high school students that we serve in the Norton Sound and Seward Peninsula region. The intention of HB238 is to provide seed money for the Bering Strait School District and the Nome Public School District to develop a regional learning for the benefit of students in both school districts. The funding is to help facilitate the planning of the program, complete a facilities needs assessment, complete an engineer study and establish a demonstration model program.

SAINT MICHAEL

SAVOONGA

SHAKTOOLIK

SHISHMAREF

STEBBINS

As a result of earlier discussions and Senate HESS hearing on HB239, we have been asked to respond to additional questions. Please distribute to members of the Senate Finance Committee as appropriate.

TELLER

UNALAKLEET

WALES

*What percentage of state support is represented by this proposed legislation?*

WHITE MOUNTAIN

The percentage of direct support from the state will diminish each of the four years. The level of anticipated federal support and local support will increase each year until the program was fully supported by local, federal and other grant sources. It is expected that during the first year state support would approximate 70% and the Bering Strait School District and Nome Public School District would provide the additional 30% through in-kind and direct support.

*How does this proposed program differ from AVTEC or Kotzebue Tech Center?*

The proposed program differs significantly from the two mentioned program in that the proposed regional learning center will be geared to current high school students who will utilize the center while remaining enrolled in the current sending school. Students would participate in short term programs. This is not intended to be a residential boarding school lasting a semester or year.

*Title I monies were mentioned in testimony. How will these monies be used in this effort?*

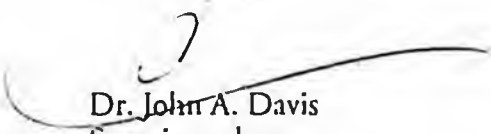
The new ESEA reauthorization is still something of a mystery to everyone. The implications to education and to Alaskan education are still unclear. However, as we learn more we are beginning to imagine various possibilities.

One such possibility is using funds created under Title I program. These monies are dedicated to help send students to a neighboring school. It is a form of school choice that was included in the legislation. However, the practical result may be that the monies revert to the federal government because there is not real way for many rural communities to take advantage of this option. Currently this money is not useable by most rural Alaskan school districts yet the money must be set aside in a contingency account. Our fear is that the money will lapse because of regulation inflexibility.

The idea is that possibly a regional learning center may be a place where funds could be spent. This all remains speculative as we learn more about the new requirements of ESEA.

We are available to answer other questions and willing testify before the Senate Finance committee as is needed. We look forward to an opportunity to speak on behalf of this effort.

Sincerely,



Dr. John A. Davis  
Superintendent



Dr. Stan Lujon  
Superintendent-Nome Public Schools

cc: Rep. Foster, Sen. Olson, JM Walsh

# SENATE COMMITTEE REPORT

DATE: 4/30/01

FURTHER: Finance

DATE TURNED IN TO OFFICE: 4/17/02

Health, Education and Social Services Committee considered

HOUSE BILL NO. 239

"An Act establishing a pilot program for a regional learning center."

and recommends:

- be replaced with S CS HB 239 (HES)
- adopt previous \_\_\_\_\_ CS \_\_\_\_\_ (\_\_\_\_\_)
- attached amendment(s)
- adopt Letter of Intent by \_\_\_\_\_ Committee
- further referral to \_\_\_\_\_ Committee

Senate Bill:

- same title
- new title

House Bill:

- same title
- technical title
- new: SCR # \_\_\_\_\_

**NEW FISCAL NOTE(S):**

Department	Date	Fiscal	Zero	FN#
DEED	4/16/02	\$		2

**PREVIOUS FISCAL NOTE(S):**

Department	Date	Fiscal	Zero	FN#

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	Do PASS	Do NOT PASS	NO REC	AMEND
<i>Chris D. Kluwe</i>	✓			
<i>Sam Wells</i>			✓	
<i>Bob Damm</i>	✓			
<i>Lyda Green</i>			✓	
CHAIR: <i>Lyda Green</i>			✓	

HB 239-VOCATIONAL EDUCATION PILOT PROGRAM  
SENATE FINANCE COMMITTEE

SIGN-IN

NAME: John Handeland Subject/Bill No: 239  
Co./Dept./Title: City of Nune Phone: 443-6663  
Address: PO B 295 Nune Zip: 99762  
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



**HB**

**242**

HFIN

FILE



# FISCAL NOTE

**STATE OF ALASKA**  
**2001 LEGISLATIVE SESSION**

Fiscal Note Number: 1  
Bill Version: HB 242  
(H) Publish Date: 4/17/01

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: Administration  
Title: "An Act relating to reemployment of and BRU: Centralized Admin. Services  
medical benefits of PERS & TRS members..." Component: Retirement & Benefits  
Sponsor: Representative Kott  
Requester: House State Affairs Component Number: 64

**Expenditures/Revenues** (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Personal Services	41.0	41.0	41.0	41.0	41.0	41.0
Travel						
Contractual	50.0	15.0	15.0	15.0	15.0	15.0
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>91.0</b>	<b>56.0</b>	<b>56.0</b>	<b>56.0</b>	<b>56.0</b>	<b>56.0</b>

<b>CAPITAL EXPENDITURES</b>						
-----------------------------	--	--	--	--	--	--

<b>CHANGE IN REVENUES ( )</b>						
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**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (PERS, TRS, JRS)	91.0	56.0	56.0	56.0	56.0	56.0
<b>TOTAL</b>	<b>91.0</b>	<b>56.0</b>	<b>56.0</b>	<b>56.0</b>	<b>56.0</b>	<b>56.0</b>

Estimate of any current year (FY2001) cost: 0.0

Check this box (X) if funding for this bill is included in the Governor's FY 2002 budget proposal:

**POSITIONS**

Full-time	1	1	1	1	1	1
Part-time						
Temporary						

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

This legislation will allow certain retirees who return to permanent employment the option to elect whether to continue receiving a retirement benefit (and forego additional retirement benefit accrual) or to receive additional retirement benefit accrual (and suspend receiving a retirement benefit). Additional member counseling and education will be necessary to assist reemployed retirees in their selection. A Retirement and Benefits Technician position will be needed to assist with member counseling. Contractual costs are included for computer programming to incorporate changes to the law and to cover the publication of educational materials.

Prepared by: Guy Bell, Director Phone 465-4471  
Division: Retirement & Benefits Date/Time 04/13/01  
Approved by: Jim Duncan, Commissioner Date 4/13/01  
Agency: Department of Administration

For distribution information, call the Governor's Legislative Office

## HB 242 FN#1 – Continued (Actuarial Cost)

This legislation has three basic components:

1. Retiree Return Incentive
2. improvements to Tier II Medical Benefits to address employee attraction and retention
3. Simplification of Geographic Differential language

### 1. Retiree Return Incentive

The retiree return incentive removes a disincentive for retirees to return to full time employment. Currently, a retiree who wishes to return to permanent public employment must forego retirement benefit payments during their period of return. The change we propose would allow the retiree to continue receiving benefit payments after returning to public employment. To keep this cost-neutral, an employee would not accrue additional retirement credit during the period of return. This provision will have no actuarial impact.

### 2. Improvements to Tier II Medical Benefits to address employee attraction and retention.

Currently, regardless of their length of service, Tier II retirees are not eligible for system paid medical coverage until age 60, at which point the retirement system pays half the cost. With the change proposed in this legislation, a Tier II peace officer or teacher with 25 years of such service, or a general public employee with 30 years of service, will qualify for system provided and paid medical coverage. In addition, any retiree over the age of 60 will receive system provided and paid medical coverage. This change will increase PERS and TRS employer rates a modest 0.17% of payroll.

### 3. Simplification of Geographic Differential language

This change will not have an impact on employer rates. Our actuarial firm does not consider the current geographic differential law when calculating retirement system liability. Instead, they use current total salary (including any geographic differential) and project it forward to the expected retirement date to calculate system liabilities. That methodology won't change as a result of this legislation.

For some Tier II members, the system will have a larger retirement benefit liability than would occur in the absence of this legislation. However, the amount of that liability cannot be predicted and it will depend on each member's total employment history.

22-LS0885A.1  
Cramer  
4/23/01

2006

AMENDMENT

OFFERED IN THE HOUSE  
TO: HB 242

BY REPRESENTATIVE DAVIES

1 Page 1, following line 10:

2 Insert a new bill section to read:

3 **\*\* Sec. 2.** AS 14.25.040(a) is amended to read:

4 (a) Unless a teacher or member has elected to participate in the optional  
5 university retirement program under AS 14.40.661 - 14.40.799 [OR HAS FILED AN  
6 ELECTION UNDER AS 14.25.043(b)], a teacher or member contracting for service  
7 with a participating employer is subject to this chapter."  
8

9 Renumber the following bill sections accordingly.  
10

11 Page 3, following line 2:

12 Insert a new bill section to read:

13 **\*\* Sec. 4.** AS 14.25.043(a) is amended to read:

14 (a) If a retired member again becomes an active member, benefit payments  
15 may not be made during the period of reemployment [UNLESS THE TEACHER  
16 MAKES AN ELECTION UNDER (b) OF THIS SECTION]. The retirement benefit  
17 must be suspended for the entire school year if the teacher is reemployed as an active  
18 teacher for a period equivalent to a year of service. During the period of  
19 reemployment, deductions from the member's salary will be made in accordance with  
20 AS 14.25.050. Upon subsequent retirement, the retired member is entitled to receive  
21 an additional benefit based on the credited service and the average base salary during  
22 the period of reemployment in accordance with AS 14.25.110."  
23

24 Renumber the following bill sections accordingly.

22-LS0885A.1

1

2 Page 4, following line 30:

3 Insert a new bill section to read:

4 **\*\* Sec. 8. AS 39.35.150(a) is amended to read:**

5 (a) If a retired employee subsequently becomes an active member, benefit  
6 payments may not be made during the period of re-employment [UNLESS THE  
7 MEMBER MAKES AN ELECTION UNDER (b) OF THIS SECTION]. During the  
8 period of re-employment, deductions from the employee's salary shall be made in  
9 accordance with AS 39.35.160. Upon subsequent retirement, the retired employee is  
10 entitled to receive an additional pension based on the credited service and the average  
11 monthly compensation earned during the period of re-employment in accordance with  
12 AS 39.35.370."

13

14 Renumber the following bill sections accordingly.

15

16 Page 5, following line 27:

17 Insert a new bill section to read:

18 **\*\* Sec. 11. AS 14.25.043(b), 14.25.043(c); AS 39.35.120(b)(2), 39.35.150(b), and  
19 39.35.150(c) are repealed."**

20

21 Renumber the following bill sections accordingly.

22

23 Page 5, line 30:

24 Delete "sec. 10"

25 Insert "sec. 15"

26

27 Page 6, line 1:

28 Delete "secs. 1 - 3"

29 Insert "secs. 1, 3, and 5"

30

31 Page 6, line 3:

22-LS0885A.1

1 Delete "sec. 10"

2 Insert "sec. 15"

3

4 Page 6, line 4:

5 Delete "secs. 4 - 7"

6 Insert "secs. 6, 7, 9, and 10"

7

8 Page 6, following line 5:

9 Insert a new bill section to read:

10 "\* Sec. 13. Sections 2, 4, 8, and 11 of this Act take effect July 1, 200<sup>6</sup>."

11

12 Renumber the following bill sections accordingly.

13

14 Page 6, line 6:

15 Delete "Section 8"

16 Insert "Section 12"

17

18 Page 6, line 7:

19 Delete "sec. 9"

20 Insert "secs. 13 and 14"