

ALASKA LEGISLATURE

2592

HOUSE and SENATE FINANCE COMMITTEE FILES, 2003-2004

Table A

TOTAL ADM MONIES ALLOCATED PER DISTRICT

School Year 2003-04

NAME	COMMUNITY	SCHOOL DISTRICT	LOCAL ADM	SAVINGS
Aqwiak, Arielle	Mtn. Village	Lower Yukon Schools	\$12,497.02	\$3,167.02
Aqwiak, Lois	Mtn. Village	Lower Yukon Schools	\$12,497.02	\$3,167.02
Alexie, Carlie	Mtn. Village	Lower Yukon Schools	\$12,497.02	\$3,167.02
Alexie, Caroline	Mtn. Village	Lower Yukon Schools	\$12,497.02	\$3,167.02
Alexie, Kristle	Mtn. Village	Lower Yukon Schools	\$12,497.02	\$3,167.02
Alexie, Matthew	Mtn. Village	Lower Yukon Schools	\$12,497.02	\$3,167.02
Allen, Roberta	Arctic Village	Yukon-Flats School District	\$22,384.23	\$13,054.23
Anelon, Myrtle	Levelock	Lake & Peninsula Borough SD	\$22,779.39	\$13,449.39
Attie, Michael	Kongiganak	Lower Kuskokwim Schools	\$13,260.22	\$3,930.22
Benjamin, Anna	Shageluk	Iditarod Area School District	\$11,369.96	\$2,039.96
Benjamin, Devin	Shageluk	Iditarod Area School District	\$11,369.96	\$2,039.96
Berg, Kelly	Eagle River	Home School	n/a	n/a
Blatchford, Alma	Unalakleet	Bering Straits Schools	\$15,557.56	\$6,227.56
Brinkham, Afton	Eagle	Alaska Gateway School District	\$11,400.98	\$2,070.98
Brooks, Erin	Fort Yukon	Yukon-Flats School District	\$22,384.23	\$13,054.23
Brooks, Leah	Fort Yukon	Yukon-Flats School District	\$22,384.23	\$13,054.23
Brook, Molly	Fort Yukon	Yukon-Flats School District	\$22,384.23	\$13,054.23
Burnham, Heather	Kaltag	Yukon-Koyukuk School District	\$17,988.01	\$8,658.01
Busch, Arthur	Russian Mission	Lower Yukon School District	\$12,497.02	\$3,167.02
Busk, Friedrich	Alexander Creek	Mat-Su Borough School District	\$7,215.66	(\$2,114.34)
Christiansen, Heidi	Old Harbor	Kodiak Island Borough Schools	\$8,734.88	(\$595.12)
David, Christopher	Kongiganak	Lower Kuskokwim Schools	\$13,260.22	\$3,930.22
David, Elizabeth	Kongiganak	Lower Kuskokwim Schools	\$13,260.22	\$3,930.22
David, Lucy	Kongiganak	Lower Kuskokwim Schools	\$13,260.22	\$3,930.22
Dayton, Elizabeth	Koyukuk	Yukon-Koyukuk School District	\$17,988.01	\$8,658.01
Dayton, Susan	Koyukuk	Yukon-Koyukuk School District	\$17,988.01	\$8,658.01
Demientieff, Arvin	Holy Cross	Iditarod School District	\$11,369.96	\$2,039.96
Demientieff, Chasity	Holy Cross	Iditarod School District	\$11,369.96	\$2,039.96
Demientieff, Clinton	Holy Cross	Iditarod School District	\$11,369.96	\$2,039.96
Esmailka, Danielle	Kaltag	Yukon-Koyukuk School District	\$17,988.01	\$8,658.01
Esmailka, Derrick	Kaltag	Yukon-Koyukuk School District	\$17,988.01	\$8,658.01
Esmailka, Megan	Kaltag	Yukon-Koyukuk School District	\$17,988.01	\$8,658.01
George, Kendra	St. Mary's	St. Mary's School District	\$12,500.00	\$3,170.00
Gochenauer, Harry	Wasilla	Mat-Su School District	\$7,215.66	(\$2,114.34)
Gochenauer, Tyler	Wasilla	Mat-Su School District	\$7,215.66	(\$2,114.34)
Ignatin, Jonysa	Old Harbor	Kodiak Island Borough Schools	\$8,734.88	(\$595.12)
Igkurak, Lance	Kongiganak	Lower Kuskokwim Schools	\$13,260.22	\$3,930.22
Igkurak, Laura	Kongiganak	Lower Kuskokwim Schools	\$13,260.22	\$3,930.22
Igkurak, Letha	Kongiganak	Lower Kuskokwim Schools	\$13,260.22	\$3,930.22
Ivon, Isiah	Kongiganak	Lower Kuskokwim Schools	\$13,260.22	\$3,930.22
John, Kacey	Arctic Village	Yukon-Flats School District	\$22,384.23	\$13,054.23
Jones, Maggie	Washington State	n/a	n/a	n/a
Kriska, Julie	Koyukuk	Yukon-Koyukuk School District	\$17,988.01	\$8,658.01
Lindquist, Abigail	Palmer	Malanuska Christian School	n/a	n/a
Moon, Amy		Anchorage School District	\$6,754.07	(\$2,575.93)

Table A

Nicholas, Shaylene	Kaltag	Yukon-Koyukuk School District	\$17,988.01	\$8,658.01
Otto, Rachael	Kongiganak	Lower Kuskokwim Schools	\$13,260.22	\$3,930.22
Peters, Kimberly	Holy Cross	Iditarod School District	\$11,369.96	\$2,039.96
Peters, Madeline	Holy Cross	Iditarod School District	\$11,369.96	\$2,039.96
Phillip, Emilda	Ajakanuk	Lower Yukon School District	\$12,497.02	\$3,167.02
Phillip, Emmilda	Ajakanuk	Lower Yukon School District	\$12,497.02	\$3,167.02
Rawls, Savannah	Kokhanok	Lake & Peninsula Borough SD	\$22,779.39	\$13,449.39
Rychnosky, Kimberly	Newhalen	Lake & Peninsula Borough SD	\$22,779.39	\$13,449.39
Shewfelt, Russell	Fort Yukon	Yukon-Flats School District	\$22,384.23	\$13,054.23
Solari, Roberta	Beaver	Yukon-Flats School District	\$22,384.23	\$13,054.23
Sorensen, Daniel	Alexander Creek	Home School	n/a	n/a
Standifer, Mary Jane	Tyonek	Kenai Peninsula Borough School	\$7,819.66	(\$1,510.34)
Stephan, Robert Jr.	Tyonek	Kenai Peninsula Borough School	\$7,819.66	(\$1,510.34)
Stephan, Sally	Tyonek	Kenai Peninsula Borough School	\$7,819.66	(\$1,510.34)
Tickett, Andrew	Shungnak	Northwest Arctic Borough S. D.	\$14,850.50	\$5,520.50
Tritt, Donetta	Lower Kalskag	Kuspuk School District	\$14,000.00*	\$4,670.00
Tritt, Sheena	Lower Kalskag	Kuspuk School District	\$14,000.00*	\$4,670.00
Tunohun, Ronnie	Old Harbor	Kodiak Island Borough Schools	\$8,734.88	(\$595.12)
Tweto, Jessica	St. Mary's	St. Mary's School District	\$12,500.00*	\$3,170.00
Waskey, Eusebius	Mtn. Village	Lower Yukon Schools	\$12,497.02	67.02
Waskey, Marie-Jean	Mtn. Village	Lower Yukon Schools	\$12,497.02	167.02
Wassillie, Laura	Kokhanok	Lake & Peninsula Borough SD	\$22,779.39	\$13,449.39
Wassillie, Sally	Kasigluk	Lower Kuskokwim Schools	\$13,260.22	\$3,930.22
Wisecarver, Ian	Wasilla	Mat-Su Borough School District	\$7,215.66	(\$2,114.34)
Witt, Georgia	Galena	Galena City School District	\$13,260.22*	\$3,930.22

TOTAL ADM MONIES SAVED 2003-04	\$318,939.98
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NENANA CITY SCHOOLS, ADM = \$9,330.00

* Estimated

Table B

School Year 2003-04

TABLE "B" LISTING ONLY THOSE MONIES TAKEN FROM STATE GENERAL FUND

NAME	COMMUNITY	SCHOOL DISTRICT	STATE REVENUE	SAVINGS
Aqwiak, Arielle	Mtn. Village	Lower Yukon Schools	\$7,720.00	\$3,772.00
Aqwiak, Lois	Mtn. Village	Lower Yukon Schools	\$7,720.00	\$3,772.00
Alexie, Carlie	Mtn. Village	Lower Yukon Schools	\$7,720.00	\$3,772.00
Alexie, Caroline	Mtn. Village	Lower Yukon Schools	\$7,720.00	\$3,772.00
Alexie, Kristie	Mtn. Village	Lower Yukon Schools	\$7,720.00	\$3,772.00
Alexie, Matthew	Mtn. Village	Lower Yukon Schools	\$7,720.00	\$3,772.00
Allen, Roberta	Arctic Village	Yukon-Flats School District	\$13,269.00	\$9,321.00
Anelon, Myrtle	Levelock	Lake & Peninsula Borough SD	\$13,990.00	\$10,042.00
Allie, Michael	Kongiganak	Lower Kuskokwim Schools	\$9,762.00	\$5,814.00
Benjamin, Anna	Shageluk	Iditarod Area School District	\$9,380.00	\$5,432.00
Benjamin, Devin	Shageluk	Iditarod Area School District	\$9,380.00	\$5,432.00
Berg, Kelly	Eagle River	Home School	n/a	\$0.00
Blatchford, Alma	Unalakleet	Bering Straits Schools	\$8,092.00	\$4,144.00
Brinkham, Afton	Eagle	Alaska Gateway School District	\$10,042.00	\$6,094.00
Brooks, Erin	Fort Yukon	Yukon-Flats School District	\$13,269.00	\$9,321.00
Brooks, Leah	Fort Yukon	Yukon-Flats School District	\$13,269.00	\$9,321.00
Brook, Molly	Fort Yukon	Yukon-Flats School District	\$13,269.00	\$9,321.00
Burnham, Heather	Kaltag	Yukon-Koyukuk School District	\$11,769.00	\$7,821.00
Busch, Arthur	Russian Mission	Lower Yukon School District	\$7,720.00	\$3,772.00
Busk, Friedrich	Alexander Creek	Mat-Su Borough School District	\$5,071.00	\$1,123.00
Christiansen, Heidi	Old Harbor	Kodiak Island Borough Schools	\$5,412.00	\$1,464.00
David, Christopher	Kongiganak	Lower Kuskokwim Schools	\$9,762.00	\$5,814.00
David, Elizabeth	Kongiganak	Lower Kuskokwim Schools	\$9,762.00	\$5,814.00
David, Lucy	Kongiganak	Lower Kuskokwim Schools	\$9,762.00	\$5,814.00
Dayton, Elizabeth	Koyukuk	Yukon-Koyukuk School District	\$11,769.00	\$7,821.00
Dayton, Susan	Koyukuk	Yukon-Koyukuk School District	\$11,769.00	\$7,821.00
Demientieff, Arvin	Holy Cross	Iditarod School District	\$9,380.00	\$5,432.00
Demientieff, Chasity	Holy Cross	Iditarod School District	\$9,380.00	\$5,432.00
Demientieff, Clinton	Holy Cross	Iditarod School District	\$9,380.00	\$5,432.00
Esmailka, Danielle	Kaltag	Yukon-Koyukuk School District	\$11,769.00	\$7,821.00
Esmailka, Derrick	Kaltag	Yukon-Koyukuk School District	\$11,769.00	\$7,821.00
Esmailka, Megan	Kaltag	Yukon-Koyukuk School District	\$11,769.00	\$7,821.00
George, Kendra	St. Mary's	St. Mary's School District	\$11,439.00	\$7,491.00
Gochenauer, Harry	Wasilla	Mat-Su School District	\$5,071.00	\$1,123.00
Gochenauer, Tyler	Wasilla	Mat-Su School District	\$5,071.00	\$1,123.00
Ignatin, Jonyssa	Old Harbor	Kodiak Island Borough Schools	\$5,412.00	\$1,464.00
Igkurak, Lance	Kongiganak	Lower Kuskokwim Schools	\$9,762.00	\$5,814.00
Igkurak, Laura	Kongiganak	Lower Kuskokwim Schools	\$9,762.00	\$5,814.00
Igkurak, Letha	Kongiganak	Lower Kuskokwim Schools	\$9,762.00	\$5,814.00
Ivon, Isiah	Kongiganak	Lower Kuskokwim Schools	\$9,762.00	\$5,814.00
John, Kacey	Arctic Village	Yukon-Flats School District	\$13,269.00	\$9,321.00
Jones, Maggie	Washington State	n/a	n/a	\$0.00
Kriska, Julie	Koyukuk	Yukon-Koyukuk School District	\$11,769.00	\$7,821.00
Lindquist, Abigail	Palmer	Matanuska Christian School	n/a	\$0.00

THE
FOLLOWING
DOCUMENT(S)
ARE
POOR
ORIGINAL
COPIES

Table B

Moon, Amy		Anchorage School District	\$4,197.00	\$249.00
Nicholas, Shaylene	Kaltag	Yukon-Koyukuk School District	\$11,769.00	\$7,821.00
Otto, Rachael	Kongiganak	Lower Kuskokwim Schools	\$9,762.00	\$5,814.00
Peters, Kimberly	Holy Cross	Iditarod School District	\$9,380.00	\$5,432.00
Peters, Madeline	Holy Cross	Iditarod School District	\$9,380.00	\$5,432.00
Phillip, Emilda	Alakanuk	Lower Yukon School District	\$7,720.00	\$3,772.00
Phillip, Emmilda	Alakanuk	Lower Yukon School District	\$7,720.00	\$3,772.00
Rawls, Savannah	Kokhanok	Lake & Peninsula Borough SD	\$13,990.00	\$10,042.00
Rychnosky, Kimberly	Newhalen	Lake & Peninsula Borough SD	\$13,990.00	\$10,042.00
Shewfell, Russell	Fort Yukon	Yukon-Flats School District	\$13,269.00	\$9,321.00
Solari, Roberta	Beaver	Yukon-Flats School District	\$13,269.00	\$9,321.00
Sorensen, Daniel	Alexander Creek	Home School	n/a	\$0.00
Standifer, Mary Jane	Tyonek	Kenai Peninsula Borough School	\$4,485.00	\$537.00
Stephan, Robert Jr.	Tyonek	Kenai Peninsula Borough School	\$4,485.00	\$537.00
Stephan, Sally	Tyonek	Kenai Peninsula Borough School	\$4,485.00	\$537.00
Tickett, Andrew	Shungnak	Northwest Arctic Borough S. D.	\$9,142.00	\$5,194.00
Tritt, Donetta	Lower Kalskag	Kuspuk School District	\$9,887.00	\$5,939.00
Tritt, Sheena	Lower Kalskag	Kuspuk School District	\$9,887.00	\$5,939.00
Tunohun, Ronnie	Old Harbor	Kodiak Island Borough Schools	\$5,412.00	\$1,464.00
Tweto, Jessica	St. Mary's	St. Mary's School District	\$11,439.00	\$7,491.00
Waskey, Eusebius	Mtn. Village	Lower Yukon Schools	\$7,720.00	\$3,772.00
Waskey, Marie-Jean	Mtn. Village	Lower Yukon Schools	\$7,720.00	\$3,772.00
Wassillie, Laura	Kokhanok	Lake & Peninsula Borough SD	\$13,990.00	\$10,042.00
Wassillie, Sally	Kasigluk	Lower Kuskokwim Schools	\$9,762.00	\$5,814.00
Wisecarver, Ian	Wasilla	Mat-Su Borough School District	\$5,071.00	\$1,123.00
Witt, Georgia	Galena	Galena City School District	\$4,222.00	\$274.00

TOTAL ADM MONIES SAVED 2003-04 (*)	\$358,939.00
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NENANA CITY SCHOOLS, ADM = \$3948.00



Table C

Utah Department of Education
 Residential Programs
 Prepared 1/1/76

District	Community Capacity	Worth Supplement	Yearly Cost	Estimated Annual Round Trip	Annual Grant
Palmer	100	100	50,000	50,000	50,000
Lower Kuskokwim	100	100	50,000	50,000	50,000
Nenana	100	100	50,000	50,000	50,000
Nome	100	100	50,000	50,000	50,000
Northway-Arctic	100	100	50,000	50,000	50,000
Totals	500	500	2,500,000	2,500,000	2,500,000

board of schools in to it

Fairbanks Daily News-Miner

Coghill bill looks at boarding stipends

By TOM MORAN

Saturday, February 14, 2004 - News-Miner Juneau Bureau

JUNEAU--House Majority Leader John Coghill, R-North Pole, has introduced a bill that would offer additional state money to school districts that operate boarding schools.

House Bill 425, which Coghill introduced on Feb. 4, would let such school districts claim a stipend for each pupil in their respective boarding schools in order to help pay boarding expenses and also to pay for students' transport to and from the school at the beginning and end of the school year. The bill would add to a more limited stipend system in place today.

Coghill said he introduced the bill based on discussions with the Nenana school. He said he doesn't know whether there would be support for the bill in a state Legislature focused on a tight budget.

"I'm still going around looking for support, because it does have a cost to it," he said. "Before I begin the discussion of where we get the money from, I want to find out if there's support for looking for that money."

According to Eddy Jeans, school finance manager for the state Department of Education, the state already provides stipends ranging from \$460 to \$562 per student per month, plus the plane fare, to districts that operate boarding schools. But those only apply to students who do not have public high schools in their own districts. Coghill's proposal would apply those stipends to all students who attend boarding schools, even those who have the option of attending school at home.

"The proposal mirrors the current system," Jeans said. "The big thing here is that distinction of whether or not the kids have a secondary program in their home community."

Jeans said the purpose of the money would go to help the districts pay the additional costs of housing students.

"We don't have a program that provides school districts with (money to support) the residential side of a boarding school environment," he said.

Coghill's bill would apply to boarding schools in Nenana, Galena, Takotna, Bethel, Nome and Kotzebue, but not to Mount Edgecumbe in Sitka, which is run by the state.

The stipend received by the schools would vary regionally and be determined by the Department of Education. The measure doesn't have any specific numbers attached to it, but according to department estimates, the added stipends would cost about \$1.79 million per year, including \$445,000 for Nenana and \$586,000 for Galena. The current stipend program costs \$185,000 a year, so the whole program would run almost \$2 million.

In addition, the bill would allow school districts and schools to stay open if their student counts drop below state minimums solely because a student or students leave to attend state boarding schools.

Coghill said more work needs to be done on the bill, but said he wanted to drop it in it before this year's Feb. 15 deadline for introducing personal legislation.

"Really, all I'm looking for is trying to figure out what are all their needs, because I've only talked to the Nenana one," he said.

Jeans said the Department of Education has not taken a position on the bill at this point and said he expected legislators' reaction to it would depend on whether they could come up with the money while still meeting Gov. Frank Murkowski's budget goals.

The bill has been referred to the House Education, Finance, and Health, Education and Social Services committees.

Reporter Tom Moran can be reached at tmoran@newsminer.com or (907) 463-4893.

City of Nenana

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Nenana, Alaska 99760
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907-832-5441
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Send to: State Capitol	From: Jason P. Mayrand Mayor, City of Nenana
Attention: Rep. John Coghill	Date: 4 Mar 04
Office Location:	Office Location: Nenana City Office
Fax Number: 907-465-3258	Phone Number: 907-832-5501

Total pages, including cover: 1
Comments:

Rep. John Coghill

Mr. Coghill,

The results are in regarding participating facilities in the residential boarding home program.

Below is the estimated cost for the program as the State Statues read. If the Bill was to pass, this amount would be a best guess for annual cost. This directly affects 190 students (Nenana and Galena).

Nome-Beltz	No program	\$0	
Kotzebue	No Program	\$0	
Bethel	No Program	\$0	
Galena	Yes	\$585,800	
Nenana	Yes	<u>\$445,440</u>	
	Total	\$1,031,240	-about \$5,428 per student

The other programs that were in existence were contacted and they said that they were not interested in opening again.

Nenana currently saves the State \$383,000 in reduced ADM per year on average. Galena is preparing similar statistics to determine the savings their facility generates. I will send them as soon as we get them.

Jason

GALENA CITY SCHOOL DISTRICT: POSITION STATEMENT

"Project Education Residential School" (PERS)

Program Goals:

- I. Provide Vocational Educational Options for the Interior
- II. Provide H.S. program for educational or personal needy students
- III. Provide Economic Development for the Galena Community
- IV. Provide Practical use of existing Air Force un-used facilities
- V. Provide educational services choice to Alaska families

This grade 9-12 residential school program serves 85-100 students from thirty-plus communities in Alaska in it's eighth year of operation

- * 72 % of graduating seniors passed all three parts of the AHSQE
- * 94 % of the graduating seniors are native Alaskans
- * Post-Secondary approved programs: Aviation, cosmetology, computers, culinary arts, auto mechanics, airport maintenance, hospitality
- * Student Return rate 97 % for 03-04 school term
- * Current education partners; UAA, UAF, AVTEC, Mt. Edgecumbe, Nenana
- * Business partnerships with General Motors, Suzuki, Air Force, Lincoln Welding, Loudon Tribal Council, Frontier Flying, and City of Galena
- * Supports twenty-seven local jobs for the community of Galena

Estimated Program Budgeted Costs 2003-2004.....\$2,247,552

Instructional Program: \$1,091,350
 Dormitory Life; Staff & Facilities: \$691,896
 Food Services; Staff & Facilities: \$465,306

Current Revenues to Support the Program:\$ 908,375

ADM from 85 students: \$577,059
 Alaska Natives Resiliency Grant: \$ 331,316
 Projected Deficit- \$1,339,177

GCSD has operated this program to date with grant funding following the reduction of impact aide dollars. The district has depleted all reserve providing these educational services to predominately Alaska native students. Galena thus becomes one of several public boarding schools requesting board and room support similar to the \$7,260 per student support afforded to the state school at Mt. Edgecumbe.

As "No Child Left Behind" grows to greater prominence in all states, Galena's residential facility becomes even more effective support toward student/family choice!

Galena Residential School Dorm and Food Services

Budgets 260 days 85 Students/ Staff

Residential School Dorm Costs 93-04

310 Certified		
Dorm Director (1)	42,000	
320 Non-Certified Salaries		
Resident Advisors(8)	172864	
Floor Managers (2)	53750	
Hall Managers (3)	83000	
350 Employee Benefits		
20% of Salaries	70782	
420 Staff Travel for Training	4000	
425 Student Travel	143000	
433 Communications	25000	
434 Utilities Services	67500	
453 Janitorial Supplies	9000	
457 Small tools/Equipment	11000	
479 Other Supplies materials media	10000	
Total Dorm and Staff Budget		691896

Food Services at Residential School

310 Chef and Services Director	63700	
326 Food Services Staff	156906	
350 Benefits (20%)	41200	
420 Staff Travel	2000	
430 Utilities	25000	
457 Small Tools /Equip	2500	
459 Food	162500	
460 Milk	5500	
510 Equipment / other	6000	
Total Residential School Food Services		465306

Alaska Department of Education
 Residential Programs
 Prepared 11/17/03

District	Community	Capacity	Monthly Stipend	Yearly Cost	Estimated Round trip	Annual Airfair	Estimated Grant
Galena	Galena	100	562	505,800	800	80,000	585,800
Iditarod	Takotna	40	477	171,720	500	20,000	191,720
Lower Kuskokwim	Bethel	25	477	107,325	500	12,500	119,825
Nenana	Nenana	96	460	397,440	500	48,000	445,440
Nome - Beltz HS.	Nome	40	562	202,320	500	20,000	222,320
Northwest Arctic	Kotzebue	40	562	202,320	500	20,000	222,320
Totals		341		1,586,925		200,500	1,787,425

HB 425 : Secondary Boarding Schools

CSHB 425 (EDU)

Rep. John Coghill

* new title

FN # 1	#	EED	<u>148</u>	<u>3.18.04</u>	prev. published
new FN	#	EED	<u>148</u>	<u><u>3.10.04</u></u>	↑ * will replace #1

HB

425

SFIN

FILE

HB 425

was referred to the
Senate Finance
Committee

No hearing was held
on this bill

ALASKA STATE HOUSE OF REPRESENTATIVES

Interim Address:

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North Pole, AK 99705
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State Capitol
Room 204

REPRESENTATIVE JOHN COGHILL

SPONSOR STATEMENT

CSHB 425(EDU) SECONDARY BOARDING SCHOOLS

HB 425 puts into statute DOE's current practice. This legislation supports existing programs that are successful. Under this bill a student would not have to pass the current entrance standards. The bill would give students a choice of going to a school that something different to offer than may be available in their hometown.

This legislation by statute reimburses to full school year secondary boarding schools costs incurred by the district operating the program.

The legislation limits the program to schools already operating boarding schools on January 1, 2004.

There are three boarding schools that would qualify for reimbursement for a per-pupil stipend and one round trip between the student's community of residence and the school during the school year if the district expends money for the trip.

These schools will participate in a five-year pilot project that the Department of Education will evaluate for the legislature.

The hold harmless section of this bill allows a student's district of residence to count a student for the ADM count even though the student is attending a secondary boarding school. This avoids the possibility of paying the base allocation twice for the same student.

ALASKA STATE HOUSE OF REPRESENTATIVES

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Room 204

REPRESENTATIVE JOHN COGHILL

Sectional For Committee Substitute for House Bill 425(EDU)

Section 1.

(a) Provides that a school district that was operating a secondary boarding school prior to January 1, 2004 could be reimbursed for the cost of operating the boarding school providing they have a suitable student dormitory and provide daily access to a public school offering the grades 9-12 classes.

(b) The district can be reimbursed for a per-pupil stipend determined by the Department of Education and for one round trip per student that travels from their community.

(c) Defines district as "a city or borough school district or a regional educational attendance area.

Also defines district secondary school boarding program as "a public school operated for a full school year by a district in which the domiciliary services are provided for students in grades nine through 12. The full school year was added to the language in the Special Committee on Education and this resulted in a reduction in the fiscal note of \$227,700.

Section 2.

Provides a hold harmless clause for school districts that have children move out of the district to attend a secondary boarding school. The students moving from the district would be counted in the average daily membership of the home district.

Section 3.

This is a sunset clause that repeals the substance of this bill on July 1, 2009.

Section 4.

Puts into place an effective date of July 1, 2004.

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To: **Senator Gary Wilken**
Senate Finance Committee, Co-Chairman
From: R. Lindquist, Dean of Students
Date: May 3, 2004
Re: Consideration, House Bill 425
Cc: Distribution

Choice Alaska Greetings!

I want to express to you, and your colleagues in the Alaska Legislature, the sincere appreciation of the students, parents and staff of the Nenana Student Living Center for your past financial support. We received last year's monies with the understanding that we would return this year with an alternate method of future funding.

HB 425 has received bipartisan support in the House, passing by a vote of 38-0. Last Friday it made its way through the Senate HESS Committee. Your committee (Senate Finance) is currently considering HB 425 - I would ask that you consider the following:

Personal Testimony: Before coming to Nenana, I was the principal/administrator at Matanuska Christian School (K-12, Palmer, AK). During the HESS Committee meeting I heard the term "cash cow" used in reference to the fiscal note attached to this Bill. While I realize that there is a substantial fiscal note accompanying this legislation - this measure purposes to continue providing rural kids and their parents a choice... for what they believe is a better, expanded educational opportunity. I am hopeful you will consider this measure an investment, not an expense.

In my twelve-year tenure at MCS, I helped to provide choices to thousands of students and their families in the Mat-Su Valley. In doing so, we were able to save the state tens of millions of dollars in ADM monies. I did not comment on the learning environment at the local schools - it was the students and parents that decided that their needs were not being met and needed a placement option.

That is what the Nenana Student Living Center has been able to provide for the last three years – a viable option for hundreds of students and families whose needs are not being met at their local schools.

The First Alaskans Institute recently hosted a symposium on *"Thirty Years Later: A look back on the Molly Hootch case and forward to the future of rural schooling in Alaska"* Their conclusion was noteworthy. In part it read, *"First and most important, students and their parents need to make the choice about where Native and rural children attend school, whether it's a local community school, a boarding school, or another option... to move forward on creating the best possible system for all students, Native and non-Native in rural Alaska..."*

With the ongoing demands of *No Child Left Behind*, options for students and their families will become increasingly more important. Failure to provide the option that the NSLC has been able to successfully provide would be tragic.

Assessment: I was fortunate to be able to participate in the School Board Fly-In last week. On the way to Juneau, I rode with a group of NSLC kids participating in NYO and others wanting to visit UAA. I am very pleased to report that I was able to register eight seniors for the fall of 2004. These soon-to-be graduates have their class schedule in hand and money set aside to begin their post-secondary education.

The "proof of the pudding is in the taste." The NSLC graduated two students (both college bound) in 2002, our initial year of operation. Six students (five college bound, one voc-tech) graduated at the end of our second year, 2003. This year we are pleased to be graduating 17 confident, optimistic young individuals excited about learning.

Agnes David, of Kongiginak, testified before the HESS Committee last week about her daughter Lucy and her friends that are now excited about learning and are eager to attend college this next fall. Lucy will be serving as a Della Keats intern this summer. Lucy is one of nine of this year's graduates that are already enrolled at UAA, three at UAF, two in the Job Corps, one at the Career Academy and one brave young lady (who was also the Prom Queen) in the United States Marine Corps. Each of these students had the assistance and encouragement of NCPS and NSLC staff.

Assessments are used to determine the value and significance of an event or process. Our student's successes are demonstrated with higher test scores, self reliance and a determined outlook on their future; these are the best forms of assessment that we have available.

The NSLC will continue to perform self-assessments in College and post-secondary placements. We also conduct attitudes and at-risk behavior surveys in the fall of each year. We will continue to comply with assessments administered by the state – AYP, benchmark scores and exit exams.

Financial: Through charts, we have tried to graphically show ADM savings to the state that would help to off-set some of the costs associated with this Bill. I have attached two separate analyses on the savings. Exhibit A uses the same data that we use to determine how much total money Nenana City Public Schools receives from the state, per student. We use that per-student-funding amount to determine our budget for the year. A different type of analysis, with different figures, was used in Exhibit B. This reflects the total dollars taken out the State's general fund.

Depending on the data used – you will get different results. I believe both to be accurate. However, it doesn't matter which numbers you use -- the fact remains that there is a tremendous cost savings (over \$300,000.00) when rural students choose to attend the NSLC.

House Bill 425 will generate approximately \$4,748.00 per student (\$455,808.00 divided by 96 students). This extra funding, plus Nenana's local ADM funding dollars will still total less money than what a majority of our students would generate if they stayed home. However, our students have chosen not to stay home. They are willing to leave their home and families to gain daily access to the expanded educational opportunities available in Nenana. These monies will only partially cover the cost of room, board, travel and supervision.

Challenges: Among others, Governor Murkowski and Senator Stevens have asked for changes in providing a better quality of education for our rural students. One option that has been presented by both is the idea of regional learning centers. Nenana has shown the initiative in answering this need.

While we don't claim to have all the answers... we are working hard at providing improved, innovative, fiscally responsible options. I am concerned that if individual cities and school districts do not gain some support in their efforts to provide educational choices – the educational challenges that exist in rural Alaska will remain unchanged, or possibly escalate.

Nenana has built a \$450,000.00 residential facility – the nicest in the state. No direct financial assistance for room, board, transportation and

supervision was available the first two years of operation. This was accomplished at a tremendous cost of both financial and human resources to the City of Nenana. Now we ask for your assistance in continuing to provide an environment of success and future hope.

Thank you for your consideration of House Bill 425. We ask for your help in our efforts to develop Alaska's most valuable resources.

Attachments: 3

EXHIBIT "A"
TOTAL ADM MONIES ALLOCATED PER DISTRICT
School Year 2003-04

NAME	COMMUNITY	SCHOOL DISTRICT	LOCAL ADM	SAVINGS
Aowiak, Arlette	Mtn. Village	Lower Yukon Schools	\$12,497.02	\$3,167.02
Aowiak, Lois	Mtn. Village	Lower Yukon Schools	\$12,497.02	\$3,167.02
Alexie, Carle	Mtn. Village	Lower Yukon Schools	\$12,497.02	\$3,167.02
Alexie, Caroline	Mtn. Village	Lower Yukon Schools	\$12,497.02	\$3,167.02
Alexie, Kristle	Mtn. Village	Lower Yukon Schools	\$12,497.02	\$3,167.02
Alexie, Matthew	Mtn. Village	Lower Yukon Schools	\$12,497.02	\$3,167.02
Allen, Roberta	Arctic Village	Yukon-Flats School District	\$22,384.23	\$13,054.23
Aneton, Myrtle	Levelock	Lake & Peninsula Borough SD	\$22,770.39	\$13,449.39
Attie, Michael	Kongiganak	Lower Kuskokwim Schools	\$13,260.22	\$3,930.22
Benjamin, Anna	Shageluk	Iditarod Area School District	\$11,369.96	\$2,039.96
Benjamin, Devin	Shageluk	Iditarod Area School District	\$11,369.96	\$2,039.96
Berg, Kelly	Eagle River	Home School	n/a	n/a
Blatchford, Alma	Unalakleet	Bering Straits Schools	\$15,557.56	\$6,227.56
Brinkham, Afton	Eagle	Alaska Gateway School District	\$11,400.98	\$2,070.98
Brooks, Erin	Fort Yukon	Yukon-Flats School District	\$22,384.23	\$13,054.23
Brooks, Leah	Fort Yukon	Yukon-Flats School District	\$22,384.23	\$13,054.23
Brook, Molly	Fort Yukon	Yukon-Flats School District	\$22,384.23	\$13,054.23
Bumham, Heather	Katag	Yukon-Koyukuk School District	\$17,988.01	\$8,658.01
Busch, Arthur	Russian Mission	Lower Yukon School District	\$12,497.02	\$3,167.02
Busk, Friedrich	Alexander Creek	Mat-Su Borough School District	\$7,215.66	(\$2,114.34)
Christiansen, Heidi	Old Harbor	Kodiak Island Borough Schools	\$8,734.85	(\$595.12)
David, Christopher	Kongiganak	Lower Kuskokwim Schools	\$13,260.22	\$3,930.22
David, Elizabeth	Kongiganak	Lower Kuskokwim Schools	\$13,260.22	\$3,930.22
David, Lucy	Kongiganak	Lower Kuskokwim Schools	\$13,260.22	\$3,930.22
Dayton, Elizabeth	Koyukuk	Yukon-Koyukuk School District	\$17,988.01	\$8,658.01
Dayton, Susan	Koyukuk	Yukon-Koyukuk School District	\$17,988.01	\$8,658.01
Demientieff, Arvin	Holy Cross	Iditarod School District	\$11,369.96	\$2,039.96
Demientieff, Cheasty	Holy Cross	Iditarod School District	\$11,369.96	\$2,039.96
Demientieff, Clinton	Holy Cross	Iditarod School District	\$11,369.96	\$2,039.96
Esmailka, Danielle	Katag	Yukon-Koyukuk School District	\$17,988.01	\$8,658.01
Esmailka, Derrick	Katag	Yukon-Koyukuk School District	\$17,988.01	\$8,658.01
Esmailka, Megan	Katag	Yukon-Koyukuk School District	\$17,988.01	\$8,658.01
George, Kendra	St. Mary's	St. Mary's School District	\$12,500.00*	\$3,170.00
Gochenauer, Harry	Wasilla	Mat-Su School District	\$7,215.66	(\$2,114.34)
Gochenauer, Tyler	Wasilla	Mat-Su School District	\$7,215.66	(\$2,114.34)
Ignatin, Jonyasa	Old Harbor	Kodiak Island Brough Schools	\$8,734.85	(\$595.12)
Igkurak, Lance	Kongiganak	Lower Kuskokwim Schools	\$13,260.22	\$3,930.22
Igkurak, Laura	Kongiganak	Lower Kuskokwim Schools	\$13,260.22	\$3,930.22
Igkurak, Letha	Kongiganak	Lower Kuskokwim Schools	\$13,260.22	\$3,930.22
Ivon, Leah	Kongiganak	Lower Kuskokwim Schools	\$13,260.22	\$3,930.22
John, Kacey	Arctic Village	Yukon-Flats School District	\$22,384.23	\$13,054.23
Jones, Maggie	Washington State	n/a	n/a	n/a
Kriske, Julie	Koyukuk	Yukon-Koyukuk School District	\$17,988.01	\$8,658.01

Provided by Rep Coghill

EXHIBIT "A"

Lindquist, Abigail	Palmer	Matanuska Christian School	n/a	n/a
Moon, Amy		Anchorage School District	\$6,754.07	(\$2,575.93)
Nicholas, Shaylene	Katag	Yukon-Koyukuk School District	\$17,983.01	\$8,658.01
Otto, Rachael	Kongiganak	Lower Kuskokwim Schools	\$13,260.22	\$3,930.22
Peters, Kimberly	Holy Cross	Iditarod School District	\$11,369.96	\$2,039.96
Peters, Madeline	Holy Cross	Iditarod School District	\$11,369.96	\$2,039.96
Phillip, Emilda	Alakanuk	Lower Yukon School District	\$12,497.02	\$3,167.02
Phillip, Emarta	Alakanuk	Lower Yukon School District	\$12,497.02	\$3,167.02
Raws, Savannah	Kokhanok	Lake & Peninsula Borough SD	\$22,779.39	\$13,449.39
Rychnosky, Kimberly	Newhalen	Lake & Peninsula Borough SD	\$22,779.39	\$13,449.39
Shewfelt, Russell	Fort Yukon	Yukon-Flats School District	\$22,384.23	\$13,054.23
Solari, R. Berna	Beaver	Yukon-Flats School District	\$22,384.23	\$13,054.23
Sorenson, Daniel	Alexander Creek	Home School	n/a	n/a
Standifer, Mary Jane	Tyonek	Kenai Peninsula Borough School	\$7,819.66	(\$1,510.34)
Stephan, Robert Jr.	Tyonek	Kenai Peninsula Borough School	\$7,819.66	(\$1,510.34)
Stephan, Sally	Tyonek	Kenai Peninsula Borough School	\$7,819.66	(\$1,510.34)
Tickett, Andrew	Shungnak	Northwest Arctic Borough S. D.	\$14,850.50	\$5,520.50
Tritt, Donetta	Lower Kalskag	Kuspuk School District	\$14,000.00*	\$4,670.00
Tritt, Sheena	Lower Kalskag	Kuspuk School District	\$14,000.00*	\$4,670.00
Tunohun, Ronnie	Old Harbor	Kodiak Island Borough Schools	\$6,734.88	(\$595.12)
Tweto, Jessica	St. Mary's	St. Mary's School District	\$12,500.00*	\$3,170.00
Waskey, Eusebius	Mtn. Village	Lower Yukon Schools	\$12,497.02	\$3,167.02
Waskey, Marie-Jean	Mtn. Village	Lower Yukon Schools	\$12,497.02	\$3,167.02
Wasillie, Laura	Kokhanok	Lake & Peninsula Borough SD	\$22,779.39	\$13,449.39
Wasillie, Sally	Kaspluk	Lower Kuskokwim Schools	\$13,260.22	\$3,930.22
Wascarver, Ian	Wasilla	Mat-Su Borough School District	\$7,215.66	(\$2,114.34)
Witt, Georgia	Galena	Galena City School District	\$13,260.22*	\$3,930.22

TOTAL ADM MONIES SAVED 2003-04**\$318,939.98**

NENANA CITY SCHOOLS, ADM = \$9,330.00

* Estimated

EXHIBIT "B"

School Year 2003-04

TABLE "B" LISTING ONLY THOSE MONIES TAKEN FROM STATE GENERAL FUND

NAME	COMMUNITY	SCHOOL DISTRICT	STATE REVENUE	SAVINGS
Agwiak, Arielle	Mtn. Village	Lower Yukon Schools	\$7,720.00	\$3,772.00
Agwiak, Lois	Mtn. Village	Lower Yukon Schools	\$7,720.00	\$3,772.00
Alexia, Carlle	Mtn. Village	Lower Yukon Schools	\$7,720.00	\$3,772.00
Alexie, Caroline	Mtn. Village	Lower Yukon Schools	\$7,720.00	\$3,772.00
Alexie, Kristie	Mtn. Village	Lower Yukon Schools	\$7,720.00	\$3,772.00
Alexie, Matthew	Mtn. Village	Lower Yukon Schools	\$7,720.00	\$3,772.00
Allen, Roberta	Arctic Village	Yukon-Flats School District	\$13,269.00	\$9,321.00
Anelson, Myrtle	Levelock	Lake & Peninsula Borough SD	\$13,990.00	\$10,042.00
Attie, Michael	Kongiganak	Lower Kuskokwim Schools	\$9,782.00	\$5,814.00
Benjamin, Anna	Shageluk	Iditarod Area School District	\$9,380.00	\$5,432.00
Benjamin, Devin	Shageluk	Iditarod Area School District	\$9,380.00	\$5,432.00
Berg, Kelly	Eagle River	Home School	n/a	\$0.00
Blatchford, Alma	Unalakleet	Bering Straits Schools	\$8,092.00	\$4,144.00
Brinkham, Afton	Eagle	Alaska Gateway School District	\$10,042.00	\$6,094.00
Brooks, Erin	Fort Yukon	Yukon-Flats School District	\$13,269.00	\$9,321.00
Brooks, Leah	Fort Yukon	Yukon-Flats School District	\$13,269.00	\$9,321.00
Brook, Molly	Fort Yukon	Yukon-Flats School District	\$13,269.00	\$9,321.00
Burnham, Heather	Kaktag	Yukon-Koyukuk School District	\$11,769.00	\$7,821.00
Busch, Arthur	Russian Mission	Lower Yukon School District	\$7,720.00	\$3,772.00
Busk, Friedrich	Alexander Creek	Mat-Su Borough School District	\$5,071.00	\$1,123.00
Christiansen, Heidi	Old Harbor	Kodiak Island Borough Schools	\$5,412.00	\$1,464.00
David, Christopher	Kongiganak	Lower Kuskokwim Schools	\$9,782.00	\$5,814.00
David, Elizabeth	Kongiganak	Lower Kuskokwim Schools	\$9,782.00	\$5,814.00
David, Lucy	Kongiganak	Lower Kuskokwim Schools	\$9,782.00	\$5,814.00
Dayton, Elizabeth	Koyukuk	Yukon-Koyukuk School District	\$11,769.00	\$7,821.00
Dayton, Susan	Koyukuk	Yukon-Koyukuk School District	\$11,769.00	\$7,821.00
Dementieff, Arvin	Holy Cross	Iditarod School District	\$9,380.00	\$5,432.00
Dementieff, Chasity	Holy Cross	Iditarod School District	\$9,380.00	\$5,432.00
Dementieff, Clinton	Holy Cross	Iditarod School District	\$9,380.00	\$5,432.00
Esmailka, Danielle	Kaktag	Yukon-Koyukuk School District	\$11,769.00	\$7,821.00
Esmailka, Demick	Kaktag	Yukon-Koyukuk School District	\$11,769.00	\$7,821.00
Esmailka, Megan	Kaktag	Yukon-Koyukuk School District	\$11,769.00	\$7,821.00
George, Kendra	St. Mary's	St. Mary's School District	\$11,439.00	\$7,491.00
Gochenauer, Harry	Wasilla	Mat-Su School District	\$5,071.00	\$1,123.00
Gochenauer, Tyler	Wasilla	Mat-Su School District	\$5,071.00	\$1,123.00
Ignatin, Jonyssa	Old Harbor	Kodiak Island Borough Schools	\$5,412.00	\$1,464.00
Igkurak, Lance	Kongiganak	Lower Kuskokwim Schools	\$9,782.00	\$5,804.00
Igkurak, Laura	Kongiganak	Lower Kuskokwim Schools	\$9,782.00	\$5,814.00
Igkurak, Letha	Kongiganak	Lower Kuskokwim Schools	\$9,782.00	\$5,814.00
Ivon, Isiah	Kongiganak	Lower Kuskokwim Schools	\$9,782.00	\$5,814.00
John, Kacey	Arctic Village	Yukon-Flats School District	\$13,269.00	\$9,321.00
Jones, Maggie	Washington State	n/a	n/a	\$0.00
Kriska, Julie	Koyukuk	Yukon-Koyukuk School District	\$11,769.00	\$7,821.00

EXHIBIT "B"				
Lindquist, Abigail	Palmer	Matanuska Christian School	n/a	\$0.00
Moon, Amy	Anchorage	Anchorage School District	\$4,197.00	\$249.00
Nicholas, Shaylene	Katag	Yukon-Koyukuk School District	\$11,789.00	\$7,821.00
Otto, Rachael	Kongiganak	Lower Kuskokwim Schools	\$9,762.00	\$5,814.00
Peters, Kimberly	Holy Cross	Iditarod School District	\$9,380.00	\$5,432.00
Peters, Madeline	Holy Cross	Iditarod School District	\$9,380.00	\$5,432.00
Phillip, Emilde	Alakanuk	Lower Yukon School District	\$7,720.00	\$3,772.00
Phillip, Emmilda	Alakanuk	Lower Yukon School District	\$7,720.00	\$3,772.00
Rawls, Savannah	Alakanuk	Lake & Peninsula Borough SD	\$13,990.00	\$10,042.00
Rychnosky, Kimber	Alakanuk	Lake & Peninsula Borough SD	\$13,990.00	\$10,042.00
Shewfelt, Russell	Lower Yukon	Yukon-Flats School District	\$13,269.00	\$9,321.00
Soleri, Roberta	Beaver	Yukon-Flats School District	\$13,269.00	\$9,321.00
Sorenson, Daniel	Alexander Creek	Home School	n/a	\$0.00
Standifer, Mary Jane	Tyonek	Kenai Peninsula Borough School	\$4,485.00	\$537.00
Stephan, Robert Jr.	Tyonek	Kenai Peninsula Borough School	\$4,485.00	\$537.00
Stephan, Sally	Tyonek	Kenai Peninsula Borough School	\$4,485.00	\$537.00
Tickett, Andrew	Shungnak	Northwest Arctic Borough S. D.	\$9,142.00	\$5,194.00
Tritt, Donetta	Lower Kalskag	Kuspuk School District	\$9,887.00	\$5,939.00
Tritt, Sheena	Lower Kalskag	Kuspuk School District	\$9,887.00	\$5,939.00
Tunohun, Ronnie	Old Harbor	Kodiak Island Borough Schools	\$5,412.00	\$1,464.00
Tweto, Jessica	St. Mary's	St. Mary's School District	\$11,439.00	\$7,491.00
Waskey, Eusebius	Mtn. Village	Lower Yukon Schools	\$7,720.00	\$3,772.00
Waskey, Marie-Jean	Mtn. Village	Lower Yukon Schools	\$7,720.00	\$3,772.00
Wassillie, Laura	Kokhanok	Lake & Peninsula Borough SD	\$13,990.00	\$10,042.00
Wassillie, Sally	Kasigluk	Lower Kuskokwim Schools	\$9,762.00	\$5,814.00
Wisecarver, Ian	Wasilla	Mat-Su Borough School District	\$5,071.00	\$1,123.00
Witt, Georgia	Galena	Galena City School District	\$4,222.00	\$274.00

TOTAL ADM MONIES SAVED 2003-04 (*)	\$358,939.00
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NENANA CITY SCHOOLS, ADM = \$3948.00



SENATE COMMITTEE REPORT

DATE: 04/26/04

FURTHER: Finance

DATE TURNED
IN TO OFFICE: 4.30.04

Health, Education and Social Services Committee considered CS FOR HOUSE BILL NO. 425(EDU)

HB 425 BOARDING SCHOOL FUNDING

"An Act relating to funding for school districts operating secondary school boarding programs and to funding for school districts from which boarding students come; and providing for an effective date."

and recommends:

- be replaced with _____ CS _____ (_____)
- 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 Change
 New Title w/ SCR # _____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#
EED	3/10	✓			2

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	DO PASS	DO NOT PASS	NO REC	AMEND
Guess <i>[Signature]</i>			✓	
Green <i>[Signature]</i>			✓	
Davis <i>[Signature]</i>			✓	
Wilken <i>[Signature]</i>			✓	
Dyson CHAIR: <i>[Signature]</i>	✓			

HB

427

SFIN

FILE



Official Business

Alaska State Legislature

Senate

Office of the Secretary

State Capitol, Room 213
Juneau, Alaska 99801-1182
Phone: (907) 465-3701
Fax: (907) 465-2832
Email: senate_secretary@legis.state.ak.us

FOR YOUR IMMEDIATE ATTENTION

DATE: May 6, 2004
TO: Finance Committee
(Mindy, Room 520)
FROM: Office of the Senate Secretary
SUBJ: Referral Change

The Co-Chair of the Committee noted above has waived the referral(s) on the following bills(s):

RETRIEVE

CS FOR HOUSE BILL NO. 427(JUD)

"An Act relating to guardianships and conservatorships, to the public guardian and the office of public advocacy, to private professional guardians and private professional conservators, to court visitors, court-appointed attorneys, guardians ad litem, and fiduciaries, and to the protection of the person or property of certain individuals, including minors; amending Rule 17(c), Alaska Rules of Civil Procedure, and Rules 16(f) and 17(e), Alaska Rules of Probate Procedure; and providing for an effective date."

Please give the bill file(s) to the page delivering this message for forwarding to the next Committee of referral.

Thank you.

HB

430

SFIN

FILE



Official Business

Alaska State Legislature

Senate

Office of the Secretary

State Capitol, Room 213
Juneau, Alaska 99801-1182
Phone: (907) 465-3701
Fax: (907) 465-2832

Email: senate_secretary@legis.state.ak.us

FOR YOUR IMMEDIATE ATTENTION

DATE: May 8, 2004
TO: Finance Committee
(Mindy, Room 520)
FROM: Office of the Senate Secretary
SUBJ: Referral Change

The Co-Chair of the Committee noted above has waived the referral(s) on the following bill(s):

RETRIEVE

HOUSE BILL NO. 430

"An Act relating to employees under 21 years of age in the premises of hotels, restaurants, and eating places that are licensed to sell, serve, deliver, or dispense alcoholic beverages."

Please give the bill file(s) to the page delivering this message for forwarding to the next Committee of referral.

Thank you.

HB

431

HFIN

FILE



2004
Survey of Municipal Fiscal Conditions
 Based on 76 responses from municipalities between 2/22/04 and 3/13/04

Alaska Municipal League

March, 2004

<u>Contents</u>	<u>Page</u>
Trends and Conclusions	2
Numerical Summary and Overview of Survey responses	3
Local tax efforts in Alaska	4
Fiscal Survey Response Summary of Narratives by Community	5-11
Appendices:	
□ "Alaska Taxable," Table 3A, <u>2003 Per Capita Tax Revenues</u> , Department of Community and Economic Development.	
□ "Alaska's Economic Links," Executive Summary, Gross and Associates	
□ Raw Municipal Fiscal Surveys in Alphabetical Order	

THE
FOLLOWING
DOCUMENT(S)
ARE
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Trends and Conclusions

2004 Survey of Municipal Fiscal Conditions

Based on 76 responses from municipalities by AML between 2/22/04 and 3/13/04

The current State budget approach of relying on "local government tax authority" and local taxpayers as a major strategy to balance the state budget is failing most communities and local economies in both rural and urban Alaska:

- Nearly half of the rural municipalities surveyed responded that they do not have "the financial resources necessary to provide minimum public services/continue as a city or borough." Many of Alaska's long established rural municipalities are failing because they simply do not have sufficient local property or sales tax bases to replace state budget cuts impacting their community. There is a steady decline of the most basic services like public safety, road maintenance, building and other infrastructure maintenance, buying insurance to protect public facilities, and having a trained city clerk to perform basic municipal duties.
- Accelerating state budget cuts are overburdening both urban and rural local tax structures. This year municipalities and local taxpayers are feeling the deep impacts of the elimination of municipal revenue sharing (in place since 1969), new local matching requirements for roads, diminishment of state funded local services to citizens, and severe state mandated increases in municipal employee retirement programs. In most cases, these impacts are magnified by local economic crises.
- State cuts on top of serious local economic downturns in 75% of the municipalities surveyed have a severe dampening effect on local economic recovery. All local taxes, especially sales taxes, are linked to the local economy. Therefore, state cuts that pressure local tax increases, or reduce key local services like public safety, further hinder already struggling local economies.
- Rural problems hurt urban economies: According to a recent economic study (See appendix), up to one third of Alaska's urban economies are fueled by commerce with rural Alaska (transportation, goods, services). As rural populations decline, rural residents move to seek improved living conditions, while jobs in urban areas that previously served rural Alaska decline.

Recommendation:

This year the State of Alaska must develop its own long-term revenue sources, which do not conflict with key local revenues like the local sales tax. State adoption of a long-range fiscal plan is necessary to stabilize local economies and ensure a high quality of life in Alaskan communities. A state long-range fiscal plan must include provisions for the adequate funding for education and restoration of revenue sharing programs, or a "municipal dividend". These programs have been key factors in the health of Alaska's communities.

Summary of Responses Municipal Fiscal Conditions Survey

Based on 76 responses from municipalities between 2/22/04 and 3/13/04

1. Is your community facing an economic downturn that is hurting local government revenues? No 23% - Yes 77%
2. Is your municipality anticipating a revenue shortfall this coming year? No 18% - Yes 82%
3. Do you anticipate a need to cut public services? No 36% - Yes 64%
4. Do you anticipate a need to raise fees or taxes? No 28% - Yes 72%
5. For small municipalities, without revenue sharing, etc. does your municipality have the financial resources necessary to provide minimum public services/continue as a city or borough? No 48% - Yes 52%.

Note: The most impacted small communities are the least likely to have had the administrative capacity to fill out and return the survey.

- Nearly half (48%) of municipalities said they will not have the financial resources necessary to provide minimum public services, even with tax or fee increases. Several went so far as to question whether they could even continue as a city without state revenue sharing. However, municipalities that are already in crisis are the least likely to have responded to the survey. Therefore the situation may be considerably worse than reported on the whole.
- More than 3 out of 4 municipalities (77%) report facing an economic downturn, often from reduced fishing and tourism revenues — and made all the more difficult by the elimination of state revenue sharing payments. Several said their sales tax and/or property tax revenues are dropping because of falling economies and job losses.
- 5 out of 6 municipalities (82%) said they anticipate a significant revenue shortfall in the coming year, with many reporting double-digit percentage shortages in meeting their minimum budgetary needs.
- 2 out of 3 (64%) municipalities anticipate making cuts in public services for their residents, and many communities face the prospect of finding additional cuts on top of service reductions already imposed in the past year.
 - *Almost half report they already have laid off workers or reduced employee hours, or will need to do both in the coming year to close their budget gap.*
- More than 2 out of 3 (72%) municipalities report the need to raise taxes and/or fees in the coming year, with sales tax and bed tax the most frequently mentioned tax increases. Utility and harbor rates top the list of expected fee increases.
 - *Municipalities report raising fees for everything from water and sewer rates to landfills to harbor services to community washeterias.*
 - *More than 1 in 5 communities have raised their sales tax rate or are looking to raise the rate this year — or are considering implementing a new sales tax to help fill the budget gap.*

Local Government Tax Effort in Alaska

Alaska's municipalities are confronting fiscal problems that could overwhelm their ability to pay the bills. It's not as if the communities aren't trying to meet their needs. Almost 100 of Alaska's cities and boroughs collect a sales tax, and all charge fees for the services they provide, ranging from large-scale water and sewer systems to even the smallest washeteria. The issue isn't a willingness to pay what they can afford, but the reality that there are limits to what they can raise locally. The truth is the communities in our state simply do not have the same revenue-raising capabilities as those held by the state.

Setting aside for a moment the budget problems in Alaska's larger cities, we see serious examples of smaller communities taxing themselves as much as their economy can bear:

- Aniak, Cordova, Gambell, Diomedes, Napakiak, Noorvik, White Mountain, Marshall, Houston, False Pass, Nome and the Denali Borough have all either raised their sales tax rate, imposed a new sales tax or are considering a new or increased sales tax.
- The Bristol Bay Borough is looking at a possible property tax rate increase, despite the painful reality that property tax values have fallen 35% in the past seven years.
- Property tax and sales tax receipts are dropping in Craig.
- Tourism is down in the Denali Borough.
- Sales tax receipts have fallen steadily in Hoonah since 2000, and sales tax revenues in Petersburg are down for the second year in a row.
- Bed tax receipts are dropping in the Lake & Peninsula Borough.

And it's not just about revenue shortages. Communities are cutting whenever they can, even if it jeopardizes public safety.

- More than a dozen communities cut back last year or plan to do so this year on their law enforcement staff. Also, many communities have cut law enforcement previously or have already lost their immediate access to state troopers.
- Dillingham has eliminated or reduced the hours for nine staff positions.
- Almost two-thirds of those communities responding to a recent Alaska Municipal League survey reported cutting public services to help close their budget gap.

The best way for ensuring that all Alaska communities have the minimum financial resources they need to provide public services is for the state to adopt a long-term fiscal plan that relies on the state's broad taxing authority and some earnings of the Permanent Fund for a stable flow of money for state and municipal public services.

February-March 2004 Survey of Municipal Fiscal Conditions
Responses from 76 municipalities collected between 2/22 and 3/13/04
Alaska Municipal League

Municipality / Population	Budgetary effects
Aleknagik, 221	36% decrease in sales tax plus state cuts. Frozen wages, reduced hours, deferred maintenance, reduced senior transportation, etc.
Allakaket, 97	The city has no office workers, and other employees are working reduced hours.
Ambler, 295	The poor economy is hitting city water and sewer fee collections, but still the city may need to raise the fees for those services to cover budget shortages.
Anaktuvuk Pass, 302	The city is having trouble making payroll, and reports its unpaid bills are stacking up. To deal with the problem, the city may cut back its employees to four-hour workdays.
Anchorage, 269,070	The municipality reports an \$11 million shortfall from the loss of state revenue sharing payments. Service fees were raised for 2004.
Aniak, 539	The city is looking at raising its 2% sales tax rate and charging landfill fees to cover a gap estimated at 31% of its general fund.
Atka, 102	The FY2005 shortfall is estimated at \$60,000, or 20% of the budget. The city is trying to get a new health clinic built but is having trouble coming up with a local cash match.
Brevig Mission, 307	Next year's anticipated \$40,000 budget shortage could force the city to cancel insurance coverage.
Bristol Bay Borough, 1,159	Property values have fallen 35% in the past seven years, and next year's municipal budget shortfall is estimated at \$1.3 million (30% of the general fund budget). The borough is looking at a possible property tax mill rate increase, and higher sewer and landfill fees.
Cold Bay, 116	The community reports no serious budget problems.
Cordova, 2,434	Its revenue shortage equals 15% of its general fund budget. The city's response is to raise all of its fees; the property tax rate will increase 1 mill; and it may need to increase its existing 6% sales

	tax rate.
Craig, 1,227	Property tax receipts are dropping, as are sales tax revenues. Craig's general fund budget shortfall will reach about 15%. It is raising solid waste disposal fees and charges for its other enterprise funds.
Deering, 129	The city already has cut its school gym coordinator, a part-time municipal clerk and a washeteria attendant that leaves the facility without an attendant two days a week. The city is looking at raising residential water rates by 50% and business rates by 67%.
Delta, 856	The community reports no serious budget problems.
Denali Borough, 1,886	Usibelli coal sales are down the past two years; tourism is down the past three years. The FY2005 general fund budget shortfall is estimated at \$200,000, or 10%. The city is looking at a possible bed tax increase and may even need to consider a general sales tax. Possible spending cuts include borough aid to fire department/EMS departments and schools.
Dillingham, 2,475	To deal with a projected \$500,000 budget shortfall (10%), the city eliminated or reduced the hours for nine positions, cut library hours and senior center activities and reduced EMT activities.
Eagle, 150	The community reports no serious budget problems.
Elim, 339	The city expects to come up short by 30% for bulk fuel purchases and 25% short for workers compensation and property insurance payments. The city was unsuccessful in its efforts to raise taxes to restore its village public safety officer position.
City of Fairbanks, 29,670	The combined loss of state revenue sharing and jump in employer contributions to PERS will cost the city about \$2 million, or 10% of its operating budget. And the city's revenue cap, which did not include state revenue sharing in the calculation, prevents raising local fees or taxes to cover much of the gap.
False Pass, 79	The downturn in the commercial fishing industry has caused the town's only grocery, hardware and fuel store to announce its closure, which will cut into municipal tax revenues. The city already has frozen employee salaries and reduced benefits and may also need to cut a part-time librarian position. The city has instituted a bed tax and will try again this year to win voter approval to raise the sales tax from 2% to 3%.

Gambell, 639	The budget shortfall is estimated at \$156,000, or 20%. The city may need to lay off two workers, and is considering a boost in the local sales tax from 3% to 5%, and possibly a 10% bed tax.
Golovin, 148	The budget gap is estimated at 40% of general fund spending, and the city anticipates cutting funding for ice roads, trail staking, the health clinic and village public safety officer.
Grayling, 192	The community turned over its water and sewer services to a program in Bethel when it ran short of funds to run the system.
Hoonah, 868	The city's major employer, Whi.estone Logging, has left town, and sales tax revenues have declined steadily since 2000. That, combined with the loss of state revenue sharing, leaves the city with a \$70,000 budget shortfall for FY2005. Anticipated layoffs could cut two public works employees and one police officer. The city raised water, sewer and garbage rates in October. The water and sewer fund has carried a deficit balance for three years.
Hooper Bay, 1,075	The collapse of the commercial herring and halibut fisheries has left the city unable to meet all of its obligations. The city expects cutting a police officer from the budget.
Houston, 1,279	A 2% sales tax was put into place Jan. 1, 2004, to help make up for lost revenue from the state, but it will not be enough and the city expects to reduce road and fire department services and cut hours of operations for other services to cover the gap.
Hughes, 69	The loss of state funding means major cutbacks and layoffs in funding for search and rescue, road maintenance and solid waste services. Water and sewer and solid waste fees will increase.
Huslia, 285	The city clerk has been laid off, services cut at the health clinic and roads, and the city has reduced property insurance coverage.
City & Borough of Juneau, 30,981	Street maintenance likely will be reduced, as will library hours and police and fire services to help cover a \$2 million budget gap. Fees likely will increase for bus fares, library passes, ambulance services and "care-a-van" services for the disabled and elderly.
Kachemak, 419	The budget gap equaling 30% of operating costs presents the city with two options: cutting road maintenance and grants to nonprofits or boosting property taxes.
Kaktovik, 306	The community's 20% budget gap threatens services for elders

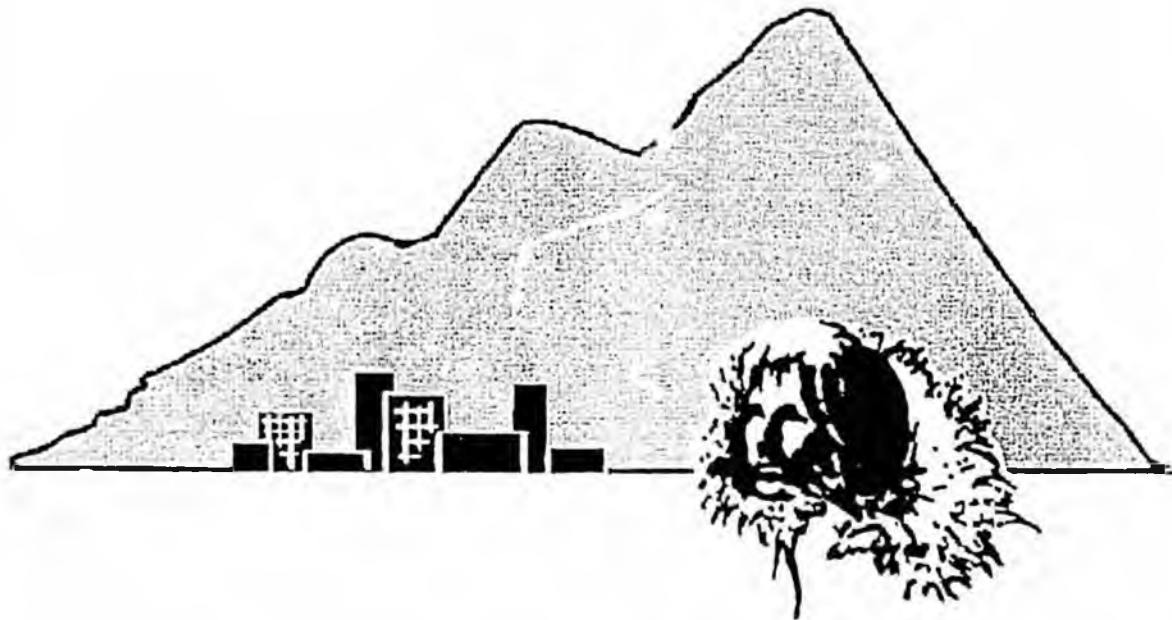
	and recreation programs.
City of Kenai, 7,166	An estimated \$600,000 budget shortfall threatens building maintenance and training budgets.
Kenai Peninsula Borough, 51,187	The borough reports no serious budget problems this year.
King Cove, 794	The city hopes to save money through attrition by combining its public safety and harbor functions.
City of Kodiak, 6,544	The city is looking at raising harbor fees and general service fees, with a study of water and sewer fees in FY2005. Its general fund shortfall is about 10% to 15% of its operating budget.
Kotlik, 633	The community is unable to pay its expenses and has cut police services in half to help close a 50% gap in its operating budget.
Kotzebue, 3,107	Among the budget problems facing Kotzebue is the continued cost of operating the city jail.
Kwethluk, 730	City staff has been reduced by more than half. The 5% sales tax is the maximum allowed by law.
Lake & Peninsula Borough, 1,641	Bed tax receipts are falling as tourism drops, and the city may propose a tax increase to voters this fall.
Larson Bay 115	Specifically revenue sharing cuts causing city to raise fees for services which can cause hardship
Diomedes, 128	The community lacks funds to deal with shoreline erosion that threatens fuel tanks and lines and the seawall. Maintenance for the public walkway will be cut in half, as will an administrative clerk's funding. Public safety funding also will be cut, as will money for heating fuel for the community hall, city offices and washeteria. The city may boost the sales tax rate from 3% to 4%.
Marshall, 364	Police and water and sewer operator hours will be cut in half, and the community is considering raising utility fees and boosting the sales tax rate from 4% to 5% to help with its budget problems
McGrath, 401	Loss of jobs – fewer teachers and classes offered – skeleton crew exists: city clerk; PT office asst.; water plan operator; and public works foreman - must tap reserves to pay for insurance and fuel purchases- cannot provide minimum services

Mountain Village, 757	The community is looking at laying off four or five workers, including at the police department, and also is considering reductions in its insurance coverage.
Napakiak, 351	Sales tax, water and sewer and washeteria revenues are all down. The city already has eliminated two village public safety officers, and is considering raising its sales tax, water and sewer and washeteria rates to help cover costs.
Nenana, 519	The loss of state revenue sharing funds and lower sales tax revenues have forced the elimination of a full-time police officer and a part-time fire chief position.
Nome, 3,493	The city increased its sales tax rate from 4% to 5% in October 2003. Its budget shortfall for next year is estimated at \$300,000.
Nondalton, 207	Without state revenue sharing or other new revenues, the city will cut its two-person water and sewer staff to just one position and reduce its secondary operator to an on-call position. A bed tax is being considered, as is an increase in water and sewer rates.
Noorvik, 677	All employees could see their workdays reduced to six hours. The city already has laid off two permanent and two part-time workers. A sales tax increase from 3% to 4% or more is possible.
North Pole, 1,683	The city eliminated two police officer positions in FY2004 and beginning in June the North Pole dispatch center will close, eliminating three more positions. The city will contract out the services. User fees went up in FY2004 and a tax increase is possible in FY2005.
Old Harbor, 229	A limited tax base will make it hard for the small community to cope with a \$20,000 general fund budget shortfall.
Ouzinkie, 189	In addition to a general fund shortfall of about 25%, declines in logging and fishing has caused an increase in electric and utility accounts receivables.
Palmer, 5,159	The city reports no serious budget problems this year.
Petersburg, 3,146	Sales tax receipts are down for the second year in a row,
Port Alexander, 72	Deferred maintenance is a looming problem.
Port Lions, 251	Loss of state revenue sharing and reduced fisheries tax receipts

	leaves the city with a 50% hole in its budget. Road maintenance may be reduced, and the city may need to lay off one or two employees in addition to raising utility and harbor fees.
Ruby, 195	State funding cuts have forced the community to operate with a volunteer city clerk and no suicide prevention program. Additional possible cuts include reduced hours for the city administrator, laundromat and electric utility. Fee increases are also possible for utilities, the laundromat and phones.
Russian Mission, 328	The recreation center is closed.
Saint Mary's, 549	Trash pickups have been reduced and part-time city workers cut back. Water and sewer and garbage fees may rise.
Savoonga, 686	The village public safety officer has been cut back to one hour per day, and the community has eliminated its animal control efforts. Sales tax revenues from the local store and receipts from the city lodge are not enough to pay the bills without state revenue sharing.
Selawik, 778	Staff time has been cut in half and utility rates increased to cover a 20% general fund budget shortfall.
Seward, 2,830	Lower visitor numbers resulting in lower local tax, harbor and utility fees, etc. Increased sales tax by 1%, eliminated capital repair budget. Future PERS increases will likely mean cuts to specific services and layoffs.
City & Borough of Sitka, 8,894	Lower cruise ship traffic has affected city revenues, in addition to the loss of state funding. The city has eliminated one police office position, cut back half of its temporary employees, and more staff reductions are likely. Harbor and utility rates are going up, as is the amount of purchases subject to sales tax.
Skagway, 841	A small increase in property taxes is expected.
Soldotna, 3,944	Even with no wage increases, utility rates will need to go up to cover higher health and workers compensation insurance and retirement system costs.
Tanana, 278	The city anticipates eliminating one of its two police officer positions.
Togiak, 804	The loss of state revenues and reduced fisheries tax receipts add

	up to a \$300,000 (33%) budget shortfall. The community has reduced the city administrator to three days a week and the city clerk to four days a week. The public safety department has eliminated one officer and a jail guard, and road maintenance services have been reduced. User fees are going up.
Unalakleet, 532	Decline in fishing. Converting fulltime employees to part-time and eliminating one position.
Valdez, 4,171	The city is looking at raising water and sewer fees and instituting a fee to cover 911 dispatch services.
White Mountain, 210	The city has raised its sales tax from 1% to 3%, and has taken out a bingo and pull-tab permit to help raise money. Services are being reduced.
Whittier, 170	Utility and harbor fees may go up, and layoffs are possible.
Wrangell, 2308	Economic crisis plus state cuts – Even a 7% sales tax and 12 mill property tax rate are not sufficient – Loss of 24 hour Police service, cut fire equipment replacement, cut hours of library and recreation facilities, cut all other departments and hospital, senior center.
City & Borough of Yakutat, 724	The elimination of state funding and a drop in fisheries tax receipts has created a \$150,000 gap in the budget. Services will be reduced.

Alaska Taxable 2003



Municipal Taxation - Rates and Policies
Full Value Determination
Population and G.O. Bonded Debt



Volume XLIII
January, 2004



State of Alaska
Frank Murkowski, Governor

Department of Community and Economic Development
Edgar Blatchford, Commissioner

TABLE 3A
2003 Per Capita Tax Revenues

This table lists only those municipalities which levy a sales, severance, property or other type of local tax

Municipality	Property Tax (Inc. Oil & Gas)	Sales Tax	Other Taxes	Total Taxes Reported	Population	Per Capita Revenue	**Per Capita Revenue Boro & City
North Slope Borough	\$ 199,653,165	\$ -	\$ -	\$ 199,653,165	9,402	\$ 21,235	
Valdez	\$ 20,260,164	\$ -	\$ 256,803	\$ 20,516,967	4,171	\$ 4,919	
Skagway	\$ 1,146,146	\$ 2,531,977	\$ 91,782	\$ 3,771,906	841	\$ 4,485	
Egegik	\$ -	\$ -	\$ 313,063	\$ 313,063	88	\$ 3,558	
Unalaska	\$ 3,921,031	\$ 5,906,859	\$ 3,786,437	\$ 13,616,326	4,051	\$ 3,361	
Whittier	\$ 170,723	\$ 117,418	\$ 67,296	\$ 375,437	170	\$ 2,208	
Juneau, City & Borough of	\$ 26,957,171	\$ 29,739,796	\$ 1,866,589	\$ 60,563,556	30,981	\$ 1,955	
Bristol Bay Borough	\$ 1,994,187	\$ -	\$ 186,355	\$ 2,182,542	1,159	\$ 1,883	
Saint Paul	\$ -	\$ 294,629	\$ 621,291	\$ 915,920	533	\$ 1,718	
Haines Borough	\$ 1,816,643	\$ 1,899,249	\$ 292,875	\$ 4,010,767	2,360	\$ 1,699	
Cordova	\$ 1,419,491	\$ 2,124,800	\$ 67,337	\$ 3,611,628	2,434	\$ 1,484	
Pilot Point	\$ -	\$ -	\$ 112,500	\$ 112,500	76	\$ 1,480	
Soldotna*	\$ 494,183	\$ 5,232,283	\$ -	\$ 5,726,466	3,944	\$ 1,452	\$ 2,547
Craig	\$ 454,964	\$ 1,231,647	\$ 67,439	\$ 1,774,070	1,227	\$ 1,446	
Nome	\$ 2,298,761	\$ 2,621,576	\$ 88,988	\$ 5,009,325	3,493	\$ 1,434	
Ketchikan, City*	\$ 3,566,122	\$ 7,364,065	\$ 273,338	\$ 11,203,525	7,845	\$ 1,428	\$ 2,296
Dillingham	\$ 1,339,392	\$ 1,838,724	\$ 289,320	\$ 3,467,436	2,475	\$ 1,401	
Yakutat, City & Borough of	\$ 329,893	\$ 588,561	\$ 92,073	\$ 1,010,527	724	\$ 1,396	
Petersburg	\$ 1,847,911	\$ 2,312,188	\$ 33,077	\$ 4,193,176	3,146	\$ 1,333	
Sitka, City & Borough of	\$ 4,035,950	\$ 7,119,114	\$ 331,818	\$ 11,486,882	8,894	\$ 1,292	
Wrangell	\$ 973,256	\$ 1,761,568	\$ 22,686	\$ 2,757,510	2,144	\$ 1,286	
Anchorage	\$ 315,674,931	\$ -	\$ 21,241,605	\$ 337,116,536	259,070	\$ 1,253	
North Pole*	\$ 755,335	\$ 1,336,630	\$ -	\$ 2,091,965	1,683	\$ 1,243	\$ 2,061
King Cove	\$ -	\$ 926,188	\$ 45,000	\$ 971,188	794	\$ 1,223	
Kodiak, City*	\$ 635,692	\$ 7,003,452	\$ 101,795	\$ 7,740,939	6,544	\$ 1,183	\$ 1,809
Homer*	\$ 1,543,120	\$ 3,978,578	\$ -	\$ 5,521,698	4,721	\$ 1,170	\$ 2,265
Chignik	\$ -	\$ -	\$ 86,460	\$ 86,460	77	\$ 1,123	
Seward*	\$ 712,175	\$ 2,165,586	\$ 217,482	\$ 3,095,243	2,794	\$ 1,108	\$ 2,203
Kenai Peninsula Borough	\$ 41,693,443	\$ 14,370,582	\$ -	\$ 56,064,025	51,187	\$ 1,095	
Wasilla*	\$ 404,632	\$ 6,497,070	\$ -	\$ 6,901,702	6,343	\$ 1,088	\$ 1,893
False Pass	\$ -	\$ 82,598	\$ -	\$ 82,598	79	\$ 1,046	
Akutan	\$ -	\$ -	\$ 734,653	\$ 734,653	748	\$ 982	
Aleutians East Borough	\$ -	\$ -	\$ 2,493,342	\$ 2,493,342	2,729	\$ 914	
Bethel	\$ -	\$ 4,603,797	\$ 612,948	\$ 5,216,745	5,736	\$ 909	
Pelican	\$ 51,551	\$ 46,570	\$ 3,672	\$ 101,992	115	\$ 887	
Seldovia*	\$ 152,418	\$ 116,133	\$ -	\$ 268,551	308	\$ 872	\$ 1,967
Ketchikan Gateway Borough	\$ 6,996,515	\$ 4,832,064	\$ 32,771	\$ 11,861,370	13,670	\$ 868	
Sand Point	\$ -	\$ 358,881	\$ 423,165	\$ 782,046	919	\$ 829	
Fairbanks North Star Borough	\$ 68,013,670	\$ -	\$ 1,305,822	\$ 69,319,692	84,791	\$ 818	
Matanuska-Susitna Borough	\$ 51,829,354	\$ -	\$ 676,760	\$ 52,506,134	65,241	\$ 805	
Kotzebue	\$ -	\$ 2,405,615	\$ 73,862	\$ 2,479,477	3,107	\$ 798	
Kenai, City*	\$ 1,410,204	\$ 3,953,561	\$ -	\$ 5,363,765	7,166	\$ 749	\$ 1,644
Palmer*	\$ 625,633	\$ 2,914,417	\$ -	\$ 3,540,050	5,159	\$ 686	\$ 1,491
Denali Borough	\$ -	\$ -	\$ 1,288,022	\$ 1,288,022	1,886	\$ 683	
Kodiak Island Borough	\$ 7,944,894	\$ -	\$ 732,477	\$ 8,677,371	13,852	\$ 626	
Klawock	\$ -	\$ 457,237	\$ 29,196	\$ 486,433	848	\$ 574	
Nenana	\$ 147,196	\$ 127,480	\$ -	\$ 274,676	519	\$ 529	
Aleknagik	\$ -	\$ 106,606	\$ -	\$ 106,606	213	\$ 500	
Hoonah	\$ -	\$ 374,101	\$ -	\$ 374,101	868	\$ 431	
Fairbanks, City*	\$ 8,076,192	\$ -	\$ 3,679,726	\$ 11,955,918	29,670	\$ 403	\$ 1,221
Cold Bay	\$ -	\$ -	\$ 45,678	\$ 45,678	116	\$ 394	
Lake & Peninsula Borough	\$ -	\$ -	\$ 627,176	\$ 627,176	1,641	\$ 382	
Unalakleet	\$ -	\$ 253,117	\$ 10,339	\$ 264,056	725	\$ 364	
Atka	\$ -	\$ -	\$ 29,546	\$ 29,546	102	\$ 294	
Saxman	\$ -	\$ 92,811	\$ -	\$ 92,811	394	\$ 236	
St. Michael	\$ -	\$ 85,092	\$ -	\$ 85,092	390	\$ 218	
Fort Alexander	\$ -	\$ 13,475	\$ 1,688	\$ 15,163	72	\$ 211	
Galena	\$ -	\$ 150,000	\$ -	\$ 150,000	713	\$ 210	
Kake	\$ -	\$ 142,142	\$ -	\$ 142,142	700	\$ 203	
St. Mary's	\$ -	\$ 106,347	\$ -	\$ 106,347	549	\$ 194	
Angoon	\$ -	\$ 100,471	\$ -	\$ 100,471	542	\$ 185	
Fort Yukon	\$ -	\$ 99,279	\$ -	\$ 99,279	581	\$ 171	

TABLE 3A- continued
2003 Per Capita Tax Revenues

This table lists only those municipalities which levy a sales, severance, property or other type of local tax

Municipality	Property Tax (Inc. Oil & Gas)	Sales Tax	Other Taxes	Total Taxes Reported	Population	Per Capita Revenue	**Per Capita Revenue Boro & City
Emmonak		\$ 122,902	\$ -	\$ 122,902	745	\$ 165	
Thorne Bay		\$ 79,252	\$ -	\$ 79,252	503	\$ 156	
Noorvik		\$ 106,979	\$ -	\$ 106,979	677	\$ 156	
Hooper Bay		\$ 160,299	\$ -	\$ 160,299	1,075	\$ 149	
Marshall		\$ 52,845	\$ -	\$ 52,845	364	\$ 145	
Shaktoolik		\$ 30,000	\$ -	\$ 30,000	218	\$ 136	
Chefornak		\$ 55,840	\$ 343	\$ 56,183	419	\$ 134	
Togiak		\$ 58,000	\$ 45,000	\$ 103,000	804	\$ 128	
Kotlik		\$ 80,658	\$ -	\$ 80,658	633	\$ 127	
Kwethluk		\$ 91,607	\$ -	\$ 91,607	730	\$ 125	
Quinhagak		\$ 70,150	\$ -	\$ 70,150	572	\$ 123	
Houston*	\$ 155,637	\$ -	\$ -	\$ 155,837	1,279	\$ 122	\$ 927
Mountain Village		\$ 82,776	\$ -	\$ 82,776	757	\$ 109	
Elim		\$ 37,073	\$ -	\$ 37,073	339	\$ 109	
Pilot Station		\$ 58,166	\$ -	\$ 58,166	546	\$ 107	
Gambell		\$ 65,989	\$ -	\$ 65,989	639	\$ 103	
Diomedea		\$ 13,198	\$ -	\$ 13,198	128	\$ 103	
Chevak		\$ 83,738	\$ -	\$ 83,738	854	\$ 98	
Selawik		\$ 74,991	\$ -	\$ 74,991	778	\$ 96	
Slebbins		\$ 55,504	\$ -	\$ 55,504	586	\$ 95	
Brevig Mission		\$ 29,146	\$ -	\$ 29,146	307	\$ 95	
Aniak		\$ 48,847	\$ 1,254	\$ 50,101	539	\$ 93	
Bettles		\$ -	\$ 3,299	\$ 3,299	36	\$ 92	
Clarks Point		\$ 5,895	\$ -	\$ 5,895	65	\$ 91	
Tenakee Springs		\$ 6,612	\$ 1,981	\$ 8,593	96	\$ 88	
Koyuk		\$ 28,948	\$ -	\$ 28,948	329	\$ 88	
Deering		\$ 10,128	\$ -	\$ 10,128	129	\$ 79	
Napakiak		\$ 26,779	\$ -	\$ 26,779	351	\$ 76	
Teller		\$ 18,523	\$ -	\$ 18,523	247	\$ 75	
Nunapitchook		\$ 38,238	\$ -	\$ 38,238	512	\$ 75	
Eek		\$ 21,400	\$ -	\$ 21,400	291	\$ 74	
Tanana		\$ 19,628	\$ -	\$ 19,628	278	\$ 71	
Ambler		\$ 20,600	\$ -	\$ 20,600	295	\$ 70	
Shungnak		\$ 16,910	\$ -	\$ 16,910	249	\$ 68	
Kachemak*	\$ 28,408	\$ -	\$ -	\$ 28,408	419	\$ 68	\$ 1,163
Anderson		\$ -	\$ 36,503	\$ 36,503	592	\$ 65	
Kiana		\$ 24,937	\$ -	\$ 24,937	399	\$ 62	
Manokotak		\$ 24,807	\$ -	\$ 24,807	404	\$ 61	
Larsen Bay		\$ 6,317	\$ -	\$ 6,317	107	\$ 59	
Buckland		\$ 24,231	\$ -	\$ 24,231	426	\$ 57	
Scammon Bay		\$ 26,700	\$ -	\$ 26,700	491	\$ 54	
Savoonga		\$ 34,789	\$ -	\$ 34,789	686	\$ 51	
Kivalina		\$ 19,184	\$ -	\$ 19,184	383	\$ 50	
Ouzinkie*		\$ 8,134	\$ -	\$ 8,134	189	\$ 43	\$ 1,136
Nightmute		\$ 9,687	\$ -	\$ 9,687	224	\$ 43	
Toksook Bay		\$ 22,365	\$ -	\$ 22,365	549	\$ 41	
Mekoryuk		\$ 7,616	\$ -	\$ 7,616	204	\$ 37	
White Mountain		\$ 7,390	\$ -	\$ 7,390	210	\$ 35	
Hydaburg		\$ 11,273	\$ -	\$ 11,273	364	\$ 31	
Sheldon Point (Nunam Iqua)		\$ 4,185	\$ -	\$ 4,185	204	\$ 21	
Nonchalton		\$ 692	\$ -	\$ 692	207	\$ 3	
Average statewide per capita revenue (Excludes North Slope)						\$ 1,195	
Average statewide per capita revenue (Including North Slope)						\$ 1,488	

* indicates that city is located within a borough that also levies taxes. The revenue numbers listed only represent the revenues collected by the borough or the city.

**This column reflects a per capita revenue encompassing both city & borough taxes

ALASKA'S ECONOMIC LINKS

A Multi-Regional Analysis

Commissioned by

THE NORTH SLOPE BOROUGH

Prepared by

Gross & Associates

with

Chase Economics
Northwest Strategies
Glenn Pascall

EXECUTIVE SUMMARY

Purpose of the Study

Among American cities that are the largest metro areas in their respective states, Anchorage has perhaps the closest economic links to outlying areas of its home state. To an unusual degree it serves as the headquarters for industries that make a dominant contribution to the state economy yet are located elsewhere in Alaska. Because these industries are resource-based, Anchorage derives a crucial portion of its economic health from natural resource activities statewide.

Over half the trade receipts and two-thirds of the services receipts in the State of Alaska flow through Anchorage-based businesses. Most banks, and many transportation and construction companies, are headquartered in Anchorage. Many Alaska native regional corporations have offices and staff in Anchorage. For the city's hospitality and retailing industries, a major source of business is travel by Alaska residents to Anchorage.

This study seeks to document the linkages and interdependencies of Alaska's economic components. It clarifies the effect that resource industries, based in the rural areas of Alaska, have on the vitality of the urban core of Anchorage.

Highlights of Major Findings

- The economy of Anchorage receives enormous stimulus from the rest of Alaska. Anchorage, the State's economic core, exports one-third of its output of goods and services, and over 60 percent of these exports are destined for other regions of Alaska.
- Of the \$16.9 billion in total 1996 output from the Anchorage/Mat-Su core region, \$3.4 billion - over 20 percent - were goods and services purchased by rural and other peripheral areas of Alaska.
- In 1996, over 25,000 jobs in the Anchorage/Mat-Su core region were due directly or indirectly to trade with the rest of Alaska. This exceeded the region's combined number of federal civilian and military jobs, and was also more than the total number of state and local government jobs.
- The ratio of Anchorage/Mat-Su jobs created by 1996 trade with the rest of Alaska was greater than one in seven. The \$833 million paid to these workers exceeded the earnings of all retail trade employees in the region and was almost as large as the total for service sector employment.

- 100 percent of Anchorage/Mat-Su construction exports, 90% of health services exports; 88% of wholesale trade exports; 86% of finance, insurance, and real estate exports; and 69% of business services exports were purchased by the rest of Alaska.
- Anchorage/Mat-Su construction companies made almost 50% of their total sales to buyers located elsewhere in Alaska. For firms in engineering, legal services, and wholesale trade the comparable figure was over one-third. The periphery accounted for over 67 percent of total exports and one-eighth of total sales in retail trade.
- Trade between Anchorage/Mat-Su and the rest of Alaska strongly favors the core region. Its \$3.4 billion in exports to the periphery is more than three times the reverse flow of \$989 million. The periphery exports over half its total output, an unusually high proportion. But only 4 percent is destined for Anchorage/Mat-Su, while 28 percent of the periphery's imports come from the core region.
- Alaska's economy is heavily natural resource based. In 1996, resource industries contributed \$15.5 billion share to the state's \$25.85 billion total output, a 60 percent share. Activity in oil and gas, minerals, fisheries and seafood processing accounted for nearly 90 percent of the resource total and is based almost 100 percent outside Anchorage/Mat-Su.
- A major benefit statewide is the Alaska Permanent Fund. Supported by oil revenues, it creates an estimated 8.5 full-time jobs for each \$1 million paid to Alaskans. The 1996 dividend of \$643 million equated to 5,383 jobs. A significant portion of these jobs are in Anchorage as the center of medical, educational, in-state hospitality, and retail industries on which a significant share of dividend dollars are spent.
- The benefit to Anchorage's economy from resource based industries in the periphery is likely to be enhanced in the future by a number of probable-to-potential events. These include:
 - ⇒ Enhanced petroleum recovery, with a total value of about \$3.4 billion supporting 5,690 jobs and generating over \$250 million in annual labor income for Anchorage/Mat-Su.
 - ⇒ The Trans-Alaska Gas System (TAPS), a natural gas pipeline with a total value of about \$3.9 billion, supporting 9,000 direct jobs and 9,000 other jobs for Anchorage/Mat-Su residents during construction, and generating over \$700 million in annual labor income.
 - ⇒ ANWR petroleum exploration and development, worth \$16 billion in total output over a 20-year period and generating 7,368 Anchorage/Mat-Su jobs with an annual payroll of nearly \$300 million.

- ⇒ The Alaska Seafood Center in Anchorage, worth \$137 million in economic activity and 1,646 jobs in the core region during the construction phase, with 1,109 long-term jobs and \$34 million in annual labor income.
- Alaska's peripheral regions show wide variation in economic mix:
 - ⇒ The Gulf Coast is strongly diversified in tourism, fishing, timber and lumber, oil and gas production, refining and transport, and government.
 - ⇒ The Fairbanks region contains Alaska's second-largest city, whose diversified economy reflects its role as the center for interior Alaska.
 - ⇒ The Northern regional economy is dominated by the development of vast oil reserves that have driven Alaska's statewide economy for the last two decades.
 - ⇒ The Northwest/Interior is by far the largest and most sparsely populated region, where subsistence, mining and fisheries are the primary sources of jobs.
 - ⇒ The Southwest is the center of the world's richest fisheries. Commercial fishing and fish processing are primary sources of employment.
 - ⇒ The Southeast, home to the state capital, is dominated by government but also has strong sectors in tourism, timber, and fisheries.
- Alaska's peripheral regions also show wide variation in socio-economic mix compared to Anchorage/Mat-Su:
 - ⇒ Most other parts of the state, except for the Gulf Coast and Southeast, have a combination of lower per capita income and higher cost of living. This results in per capita purchasing power that is much below Anchorage. Factors of remoteness and climatic extremes also tend to drive the cost of public service delivery higher in outlying areas.
- Anchorage/Mat-Su residents derive 8 percent of their total labor income from working in the periphery region, while residents of the periphery earn only 1 percent of their total labor income from working in the core. More than \$400 million in net labor income flows annually from the periphery to Anchorage/Mat-Su, paid to people who reside in the core and work elsewhere in Alaska.

Feb 2004 Municipal Fiscal Conditions Survey - Please return ASAP

Loss of revenue sharing, capital matching grants, STIP roads match, plus state PERS/other cost increases are hurting municipalities/local taxpayers. AML needs information to present a case to the Governor, Legislature, and public. Please take a few minutes to fill out this survey.

Name of Respondent Julia Simon Title Mayor Municipality City of Allakaket

1. Is your community facing an economic downturn that is hurting local government revenues? No Yes If yes, please specify cause and impacts. Residents are hurting

in rural areas - Lack of jobs because of cuts -
lack of services

2. Is your municipality anticipating a revenue shortfall this coming year? No Yes If yes, how much, and what % of your total General Fund budget? Please give specifics.

The revenue will not meet our needs at all -

3. Do you anticipate a need to cut public services? No Yes If yes, which ones and how much? (If possible, please also estimate total probable employee layoffs.)

We already cut some public services -
As for now, we don't have office workers - Our
employees are working ~~with~~ short hours.

4. Do you anticipate a need to raise fees or taxes? No Yes If yes, which ones and how much?

At this time, we don't know yet

5. For small municipalities, without revenue sharing, etc. does your municipality have the financial resources necessary to provide minimum public services/continue as a city or borough? No Yes If No, please explain.

Good question

Please **FAX TO AML** at 907-463-5480 ASAP Thank You!
(Feel free to attach additional sheets. Call Kevin 1-877-636-1325 with questions.)

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Name of Respondent: Patricia Henzane Title: Admin Municipality: City of Aiken

1. Is your community facing an economic downturn that is hurting local government revenues? No Yes If yes, please specify cause and impacts. State Budget Cuts

and Sales Tax Revenues. The City has had to make budget cuts

2. Is your municipality anticipating a revenue shortfall this coming year? No Yes If yes, how much, and what % of your total General Fund budget? Please give specifics.

The City balanced the budget by making cuts. Froze wages, reduced hours freeze hiring, deferred maintenance, reduced Senior Transportation Program, reduced travel & Training, etc.

3. Do you anticipate a need to cut public services? No Yes If yes, which ones and how much? (If possible, please also estimate total probable employee layoffs.)

Senior Transportation Program cut from 3 day a week to 2 days.

4. Do you anticipate a need to raise fees or taxes? No Yes If yes, which ones and how much?

Boat Storage fees were reinstated.

5. For small municipalities, without revenue sharing, etc. does your municipality have the financial resources necessary to provide minimum public services/continue as a city or borough? No Yes . If No, please explain.

We have a 5% Sibs Tax and we get some revenue from tourism activities. The lodges always fight the tax and we have had to reduce the budget for attorneys fees to collect. We expect a 36% reduction in sales tax revenue.

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Name of Respondent Harry Douglas Title City Admin Municipality City of Ambler

1. Is your community facing an economic downturn that is hurting local government revenues?
No Yes If yes, please specify cause and impacts. Collections of W/S + Cable

Services.

2. Is your municipality anticipating a revenue shortfall this coming year? No Yes If yes, how much, and what % of your total General Fund budget? Please give specifics.

3. Do you anticipate a need to cut public services? No Yes If yes, which ones and how much? (If possible, please also estimate total probable employee layoffs.)

4. Do you anticipate a need to raise fees or taxes? No Yes If yes, which ones and how much?
W/S Services - to be discussed later.

5. For small municipalities, without revenue sharing, etc. does your municipality have the financial resources necessary to provide minimum public services/continue as a city or borough? No Yes If No, please explain.

Please FAX TO AML at 907-463-5480 ASAP Thank You!
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From: Municipality of Anshewara

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Name of Respondent Nancy Perry Title MLB Municipality Amherst

1. Is your community facing an economic downturn that is hurting local government revenues? No Yes If yes, please specify cause and impacts. _____

2. Is your municipality anticipating a revenue shortfall this coming year? No Yes If yes, how much, and what % of your total General Fund budget? Please give specifics.

\$ 11 million shortfall from 03 to 04 in State Revenue Sharing
11/303 = 3.6%

3. Do you anticipate a need to cut public services? No Yes If yes, which ones and how much? (If possible, please also estimate total probable employee layoffs.)

The Municipality may require cuts in services
Would be required via property reductions, if necessary
through attrition

4. Do you anticipate a need to raise fees or taxes? No Yes If yes, which ones and how much?

Fees raised in 2003 in 2004 fiscal year. Property taxes
will be lower to the tax cap limitation

5. For small municipalities, without revenue sharing, etc. does your municipality have the financial resources necessary to provide minimum public services/continue as a city or borough? No Yes If No, please explain.

Please FAX TO AML at 907-463-5480 ASAP Thank You!
(Feel free to attach additional sheets. Call Kevin 1-877-636-1325 with questions.)

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Name of Respondent Travis Pate Title Manager Municipality Aniak

1. Is your community facing an economic downturn that is hurting local government revenues?
No Yes If yes, please specify cause and impacts. Cause is unknown, but we are expecting a 10% shortfall in local revenue.

2. Is your municipality anticipating a revenue shortfall this coming year? No Yes If yes, how much, and what % of your total General Fund budget? Please give specifics.
Expecting a \$19,000 shortfall of local revenues (10% of Local Fund). Losing \$68,541 of State support (Revenue sharing - Sub Com - for Capital Match). This total is 31% of our total budget.

3. Do you anticipate a need to cut public services? No Yes If yes, which ones and how much? If possible, please also estimate total probable employee layoffs.
Not yet.

4. Do you anticipate a need to raise fees or taxes? No Yes If yes, which ones and how much?
Possibly raise sales tax, start charging fuel, start charging fees for landfill use.

5. For small municipalities, without revenue sharing, etc. does your municipality have the financial resources necessary to provide minimum public services/continue as a city or borough? No Yes If No, please explain.
Not at present. We were at minimum levels before the cuts.

Please **FAX TO AML** at 907-463-5480 ASAP Thank You!
(Fee free to attach additional sheets. Call Kevin 1-877-636-1325 with questions.)

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Name of Respondent ^{Nancy Hugs} AKP City Title Mayor Municipality Amherst Pass

1. Is your community facing an economic downturn that is hurting local government revenues? No Yes If yes, please specify cause and impacts. We may not survive

until the next fiscal year. Barely making payroll and bills piling up

2. Is your municipality anticipating a revenue shortfall this coming year? No Yes If yes, how much, and what % of your total General Fund budget? Please give specifics.

I believe the General Fund budget is gone

3. Do you anticipate a need to cut public services? No Yes If yes, which ones and how much? (If possible, please also estimate total probable employee layoffs.)

We may need to cut payroll. We are anticipating 10 employee lay-off

4. Do you anticipate a need to raise fees or taxes? No Yes If yes, which ones and how much?

We do not collect taxes

5. For small municipalities, without revenue sharing, etc. does your municipality have the financial resources necessary to provide minimum public services/continue as a city or borough? No Yes If No, please explain.

Without any source of revenue. We may cut back to (4) hrs per day of employee work

Please **FAX TO AML** at 907-463-5480 ASAP Thank You!
(Feel free to attach additional sheets. Call Kevin 1-877-636-1325 with questions.)

Feb 2004 Municipal Fiscal Conditions Survey - Please return ASAP

Loss of revenue sharing, capital matching grants, STP roads match, plus state PERS/other cost increases are hurting municipalities/local taxpayers; AML needs information to present case to the Governor, Legislature, and public. Please take a few minutes to fill out this survey

Name of Respondent Julie Niskyville Administrator
Municipality Atoka

1. Is your community facing an economic downturn that is hurting local government revenues? No Yes If yes, please specify cause and impacts: As first state income tax less to now less state income tax less
taxes will be lower

2. Is your municipality anticipating a revenue shortfall this coming year? No Yes If yes, how much, and what % of your total General Fund Budget? Please give specifics.
\$ 60,000 - 20% - lost revenue
sharing of first taxes.

3. Do you anticipate a need to cut public services? No Yes If yes, which ones and how much? (If possible, please also estimate total probable employee layoffs.)
Essentials services being minimized
by city because contracts don't pay
enough such as port office, airport
ground services. Maintenance could be

4. Do you anticipate a need to raise fees or taxes? No Yes If yes, which ones and how much?
Utility - Water - 33,000 - depends
on city council approval if there
is a source. There is no real tax

5. For small municipalities, without revenue sharing, etc. does your municipality have the financial resources necessary to provide minimum public services/continue as a city or borough? No Yes If No: please explain.
Yes for two possibly 3 years ago -
then it will become difficult
to meet expenses at current levels.

Please FAX TO AML at 907-463-5480 ASAP. Thank You!
(Feel free to attach additional sheets. Call Kevin at 1-877-636-1325 with questions.)

Additionally, Atoka is trying to get a
new clinic & everyone wants the
community to put in a cash match.
Ideally some of the city's resources could
have been used towards this matter.

Feb 2004 Municipal Fiscal Conditions Survey - Please return ASAP

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Name of Respondent Lucy Okie Title ^{City} Administrator Municipality Brevig Mission

1. Is your community facing an economic downturn that is hurting local government revenues?
No Yes If yes, please specify cause and impacts. _____

2. Is your municipality anticipating a revenue shortfall this coming year? No Yes If yes, how much, and what % of your total General Fund budget? Please give specifics.

40,000.00. We will have to cancel our insurance coverage.
This will leave the City vulnerable and unsustainable

3. Do you anticipate a need to cut public services? No Yes If yes, which ones and how much? (If possible, please also estimate total probable employee layoffs.)

4. Do you anticipate a need to raise fees or taxes? No Yes If yes, which ones and how much?

5. For small municipalities, without revenue sharing, etc. does your municipality have the financial resources necessary to provide minimum public services/continue as a city or borough? No Yes If No, please explain.

Please FAX TO AML at 907-463-5480 ASAP Thank You!
(Feel free to attach additional sheets. Call Kevin 1-577-636-1325 with questions.)

Feb 2004 Municipal Fiscal Conditions Survey - Please return ASAP

Loss of revenue sharing, capital matching grants, STIP road match, plus state PERS/other cost increases are hurting municipalities/local taxpayers. AML needs information to present a case to the Governor, Legislature, and public. Please take a few minutes to fill out this survey.

Name of Respondent Ellen Skiles Title Finance Director Municipality Bristol Bay Borough

1. Is your community facing an economic downturn that is hurting local government revenues? No Yes If yes, please specify cause and impacts. Disastrous fishing

Seasons - revenue down 20% - property values
have fallen 25% last seven years.

2. Is your municipality anticipating a revenue shortfall this coming year? No Yes If yes, how much, and what % of your total General Fund budget? Please give specifics.

Revenue shortfall \$1.3 Million - 30% of
general fund budget

3. Do you anticipate a need to cut public services? No Yes If yes, which ones and how much? (If possible, please also estimate total probable employee layoffs.)

4. Do you anticipate a need to raise fees or taxes? No Yes If yes, which ones and how much?

Property tax - a possible mill increase
landfill & sewer fees - possible increase

5. For small municipalities, without revenue sharing, etc. does your municipality have the financial resources necessary to provide minimum public services/continue as a city or borough? No Yes If No, please explain.

Please **FAX TO AML** at 907-463-5480 ASAP Thank You!
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Feb 2004 Municipal Fiscal Conditions Survey - Please return ASAP

Due to revenue sharing, capital matching grants, STIF reach north plus state FERS/other cost increases are hurting municipalities/local taxpayers. AML needs information to present a case to the Governor, Legislature, and public. Please take a few minutes to fill out this survey.

Name of Respondent John Maxwell Title Mayor Municipality City of Col Bay

1. Is your community facing an economic downturn that is hurting local government revenues? No Yes If yes, please specify cause and impacts.

2. Is your municipality anticipating a revenue shortfall this coming year? No Yes If yes, how much, and what % of your total General Fund budget? Please give specifics.

3. Do you anticipate a need to cut public services? No Yes If yes, which ones and how much? (If possible, please also estimate total probable employee layoffs.)

4. Do you anticipate a need to raise fees or taxes? No Yes If yes, which ones and how much?

5. For small municipalities, without revenue sharing, etc. Does your municipality have the financial resources necessary to provide minimum public services/continue as a city or borough? No Yes If No, please explain.

Please FAX TO AML at 907-463-5480 ASAP Thank You!
(Feel free to attach additional sheets. Call Kevin 1-877-636-1323 with questions.)

Feb 2004 Municipal Fiscal Conditions Survey - Please return ASAP

Loss of revenue sharing, capital matching grants, STIP needs match plus other FEES/other cost increases are hurting municipalities/local taxpayers. AML needs information to present a case to the Governor, Legislature, and public. Please take a few minutes to fill out this survey.

Name of Respondent Bill A. Hahn Title City Manager Municipality Cardova

1. Is your community facing an economic downturn that is hurting local government revenues? No Yes If yes, please specify cause and impacts. Fishing Industry downturn,

off shore processing, ~~the~~ lack of borough, increased insurance & retirement, increased power & fuel cost, hospital in dire financial problem

2. Is your municipality anticipating a revenue shortfall this coming year? No Yes If yes, how much, and what % of your total General Fund budget? Please give specifics.

1.5% - \$600,000 plus

3. Do you anticipate a need to cut public services? No Yes If yes which ones and how much? (If possible, please also estimate total probable employee layoffs.)

Currently cuts are being avoided by use of fund balance.

Would need 25% across the board employee cuts.

4. Do you anticipate a need to raise fees or taxes? No Yes If yes, which ones and how much?

All are being raised a small amount. Property tax 1 mill.

May increase sales tax.

5. For small municipalities, without revenue sharing, etc. does your municipality have the financial resources necessary to provide minimum public services/continue as a city or borough? No Yes If No, please explain.

Not for long.

Please **FAX TO AML at 907-463-5480 ASAP** Thank You!
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5

Feb 2004 Municipal Fiscal Conditions Survey - Please return ASAP

Loss of revenue sharing, capital matching grants, STIP roads match, plus state PERS/other cost increases are hurting municipalities/local taxpayers. AML needs information to present a case to the Governor, Legislature, and public. Please take a few minutes to fill out this survey.

Name of Respondent Jon Bolling Title Admin. Municipality City of Craig

1. Is your community facing an economic downturn that is hurting local government revenues?

No Yes If yes, please specify cause and impacts. Decreasing property tax receipts

due to declines in property values; stagnant and declining sales tax revenues due to high unemployment

2. Is your municipality anticipating a revenue shortfall this coming year? No Yes If yes, how much, and what % of your total General Fund budget? Please give specifics.

Our shortfall will be about 15% of general fund budget. Large increases in insurance costs + PERS, primarily.

3. Do you anticipate a need to cut public services? No Yes If yes, which ones and how much? (If possible, please also estimate total probable employee layoffs.)

More likely. we will have to raise rates to make up the difference, or look to our savings

4. Do you anticipate a need to raise fees or taxes? No Yes If yes, which ones and how much?

Solid waste and other enterprise fund fees.

5. For small municipalities, without revenue sharing, etc. does your municipality have the financial resources necessary to provide minimum public services/continue as a city or borough? No Yes If No, please explain.

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Feb 2004 Municipal Fiscal Conditions Survey-Please return ASAP

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Name of Respondent: Ronald Moto Title: Mayor Municipality: City of Deering

1. Is your community facing an economic downturn that is hurting local government revenues? Yes

Cause and Impacts. Our Water/Sewer started in 1993 and after many delays due to lack of funding and archaeology findings we are getting close to completing our system, several funding requests through Village Safe Water, Capital Improvement Plan we have been denied funding for the last several years with no explanation even though we work directly with our engineer to document our needs, we desperately need improvements to the water supply line from a river and many other needs to make our system safe and to supply clean water to our community.

2. Is your municipality anticipating a revenue shortfall this coming year? Yes

How much, and what % of your total General Fund Budget?

\$39,498.00 and 35% of our General Fund budget, due to increased expenses with our water and sewer improvements.

3. Do you anticipate a need to cut public services? Yes, which ones and how much, if possible, please also estimate total probable employee layoffs.

The Public services we've cut out this year are: Gym Coordinator @ School \$7,200.00, Council donations @ Holidays \$1,000.00, Scholarships for college students \$2,500.00, total probable employee layoffs: part-time clerk estimated \$12,480.00 which means more work for the Clerk, alternate Washeteria Attendant \$6,240.00 which means no attendant 2days/week.

4. Do you anticipate a need to raise fees or taxes? Yes

Water by the gallon for residents: from .10/cents to .15/cents gallon and for business from: .15/cents to .25/cents, washer token sales: up on \$1.00.

5. For small municipalities, without revenue sharing, etc, does your municipality have the financial resources necessary to provide minimum public services/continue as a city or borough? No

Without revenue sharing, \$39,498.00 expense short-fall, again due to our Water/sewer upgrade and Community Facilities and Cable upgrades, and raise more rates @ Washeteria/Cable to meet the 35% revenue short-fall due to the high expenses of upgrading our facilities.

Feb 2004 Municipal Fiscal Conditions Survey - Please return ASAP

Loss of revenue sharing, capital matching grants, STIF road match, plus state PERS/other cost increases are hurting municipalities/local taxpayers. AML needs information to present a case to the Governor, Legislature, and public. Please take a few minutes to fill out this survey.

Name of Respondent PETE HALLGREN Title Admin Municipality CITY OF DELTA

1. Is your community facing an economic downturn that is hurting local government revenues?
No Yes If yes, please specify cause and impacts. _____

2. Is your municipality anticipating a revenue shortfall this coming year? No Yes If yes, how much, and what % of your total General Fund budget? Please give specifics.

3. Do you anticipate a need to cut public services? No Yes If yes, which ones and how much? (If possible, please also estimate total probable employee layoffs.)

4. Do you anticipate a need to raise fees or taxes? No Yes If yes, which ones and how much?

5. For small municipalities, without revenue sharing, etc. does your municipality have the financial resources necessary to provide minimum public services/continue as a city or borough? No Yes If No, please explain.

Please FAX TO AML at 907-463-5480 ASAP Thank You!
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Loss of revenue sharing, capital matching grants, STIP 100% match, plus state FERS/other cost increases are hurting municipalities/local taxpayers. AML needs information to present a case to the Governor, Legislature, and public. Please take a few minutes to fill out this survey.

Name of Respondent: Dave Valerico Title Mayor Municipality: Denali Borough

1. Is your community facing an economic downturn that is hurting local government revenues?
No Yes If yes, please specify cause and impacts. No Capital Matching Grants equates to fewer projects and less local employment.

2. Is your municipality anticipating a revenue shortfall this coming year? No Yes If yes, how much, and what % of your total General Fund budget? Please give specifics.

Less coal sales from Usibelli Coal Mine previous 2 yrs.
Tourism down last 3 yrs = approx. \$200,000 or 10% of G.F.

3. Do you anticipate a need to cut public services? No Yes If yes, which ones and how much? (If possible, please also estimate total probable employee layoffs.)

Attempting to streamline all services. We have already reduced our small staff by 1 full time position.

4. Do you anticipate a need to raise fees or taxes? No Yes If yes, which ones and how much?

Possible bed tax increase from 1% to 3%.
May have to create an acceptable sales tax for more revenue.

5. For small municipalities, without revenue sharing, etc. does your municipality have the financial resources necessary to provide minimum public services/continue as a city or borough? No Yes If No, please explain.

We will have to reduce our assistance to 4 Fire/EMS Dept's, Denali Par. School District, etc.

Please FAX TO AML at 907-463-5480 ASAP Thank You!
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Name of Respondent KATY BAGIERE Title FIN. DIR. Municipality DILLINGHAM

1. Is your community facing an economic downturn that is hurting local government revenues? No Yes If yes, please specify cause and impacts. _____

FISH PRICES TOO LOW. DECLINE IN
VALUE OF BOATS. LOSS OF STATE CONTRIBUTIONS

2. Is your municipality anticipating a revenue shortfall this coming year? No Yes If yes, how much, and what % of your total General Fund budget? Please give specifics.

IF CUT POSITIONS WERE FUNDED OUR SHORTFALL WOULD BE
APPROXIMATELY \$500,000. 9 POSITIONS WERE REDUCED OR CUT,
10% OF GEN. F.D.

3. Do you anticipate a need to cut public services? No Yes If yes, which ones and how much? (If possible, please also estimate total probable employee layoffs.)

REDUCED LIBRARY HOURS. REDUCED SENIOR CENTER
ACTIVITIES. PLANNING IS LIMITED. COLLECTIONS REDUCED
LESS BUILD. & GROUNDS ACTIVITY, REDUCED EMTs ACTIVITY, ETC.

4. Do you anticipate a need to raise fees or taxes? No Yes If yes, which ones and how much?

POSSIBLY - PROPERTY TAX MIGHT BE INCREASED

5. For small municipalities, without revenue sharing, etc. does your municipality have the financial resources necessary to provide minimum public services/continue as a city or borough? No Yes If No, please explain.

Please FAX TO AML at 907-463-5480 ASAP Thank You!
(Feel free to attach additional sheets. Call Kevin 1-877-636-1325 with questions.)

Feb 2004 Municipal Fiscal Conditions Survey - Please return ASAP

Loss of revenue sharing, capital matching grants, STIP roads match, plus state PERS/other cost increases are hurting municipalities/local taxpayers. AML needs information to present a case to the Governor, Legislature, and public. Please take a few minutes to fill out this survey.

Name of Respondent Jerry P. Nelson Title Mayor Municipality Eagle City

1. Is your community facing an economic downturn that is hurting local government revenues? No Yes If yes, please specify cause and impacts. _____

2. Is your municipality anticipating a revenue shortfall this coming year? No Yes If yes, how much, and what % of your total General Fund budget? Please give specifics. _____

3. Do you anticipate a need to cut public services? No Yes If yes, which ones and how much? (If possible, please also estimate total probable employee layoffs.) _____

4. Do you anticipate a need to raise fees or taxes? No Yes If yes, which ones and how much? _____

5. For small municipalities, without revenue sharing, etc. does your municipality have the financial resources necessary to provide minimum public services/continue as a city or borough? No Yes If No, please explain. _____

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CITY OF ELIM
ELIM CITY COUNCIL
P.O. BOX 39009
ELIM, ALASKA 99739

PH: (907)890-3441
FAX: (907)890-3811

To: Kevin Ritchie, Executive Director
Alaska Municipal League

March 4, 2004
Fax: 9070463-5480
2 pages -

From: Luther Nagaruk, City Clerk

Re: 2004 Municipal Fiscal Conditions Survey

The Revenue Sharing and Municipal Capital Matching Grants have kept our City operating. We understand that some of the Municipal Governments will desolve without Funding... The Cities in Rural Alaska are the only entities that represent everyone in the community. Some members in our communities will no longer be represented or have a voice. If the City Governments were desolved there would only be certain entities represented involved in the IRA Tribal Councils and the State incorporated Native Corporations. The loss of equal representation would close the doors to some members in the community. Its important that the wealth of Alaska received from the oil fields be shared with the Municipal Governments... this I think should be the responsibility of our State Legislatures and our Governor as the Number One Priority.

The Bering Straits Region does not have a good Tax Base nor are there any Progressive Economic Development Programs.

Enclosed is the 2004 Municipal Fiscal Conditions Survey.

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Name of Respondent LUTHER NAGAWATILE CITY CLARK Municipality City of ELIUM

1. Is your community facing an economic downturn that is hurting local government revenues?
No Yes If yes, please specify cause and impacts. Lack of Funding - Local

Street & Roads - With More Snow This Winter We
Will have to take Funding from Other Important
City Services.

2. Is your municipality anticipating a revenue shortfall this coming year? No Yes If yes, how much, and what % of your total General Fund budget? Please give specifics.

① Fuel Purchase - We may come up short - 30%
② Warranien. Comp Insurance, & Property - 25%

3. Do you anticipate a need to cut public services? No Yes If yes, which ones and how much? (If possible, please also estimate total probable employee layoffs.)

WE DO NOT EXPECT ANY LAYOFFS - We may reduce
Expected work time - It's a little too early
to predict.

4. Do you anticipate a need to raise fees or taxes? No Yes If yes, which ones and how much?

WE HAVE TRIED TO RAISE TAXES - TO REINSTATE
Our Village Police Officer - We were NOT Success
ful in raising our taxes by an additional 2%

5. For small municipalities, without revenue sharing, etc. does your municipality have the financial resources necessary to provide minimum public services/continue as a city or borough? No Yes If No, please explain.

Revenue sharing has been a good part of our
Operating Cost. - We will try to make ends meet
using Rental Services. - This will also depend on
Summer Projects.

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Name of Respondent John Nickels Title Mayor Municipality Falsic Falls

1. Is your community facing an economic downturn that is hurting local government revenues? No Yes If yes, please specify cause and impacts. Demolition in fisheries has resulted in far less tax revenue. This has also caused closure of only grocery hardware & fuel store & numerous closures which will mean even less tax revenue; and next F.Y. we won't have revenue sharing either.

2. Is your municipality anticipating a revenue shortfall this coming year? No Yes If yes, how much, and what % of your total General Fund budget? Please give specifics. We may fall short this F.Y. by 10% which we can cover with savings; next FY I expect more shortfall, but not sure yet how much.

3. Do you anticipate a need to cut public services? No Yes If yes, which ones and how much? (If possible, please also estimate total probable employee layoffs.) Probably - we have already frozen employee salaries and reduced some benefits, but may need to cut a part time librarian position & operate with volunteers.

4. Do you anticipate a need to raise fees or taxes? No Yes If yes, which ones and how much? We just started a bed tax, but it isn't expected to raise much - We need to raise sales tax from 2% to 3%, but it was defeated in the public election. We are going to try again this year.

5. For small municipalities, without revenue sharing, etc. does your municipality have the financial resources necessary to provide minimum public services/continue as a city or borough? No Yes If No, please explain. Not sure, - without revenue sharing, and with less tax revenue it is becoming very difficult to provide services and pay our expenses.

Please **FAX TO AML** at 907-463-5480 ASAP Thank You!
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Name of Respondent Ron Wolf Title CFO Municipality City of Fairbanks

1. Is your community facing an economic downturn that is hurting local government revenues? No Yes If yes, please specify cause and impacts. State revenue sharing cut and
Per increases.

2. Is your municipality anticipating a revenue shortfall this coming year? No Yes If yes, how much, and what % of your total General Fund budget? Please give specifics.

Between the per increases and loss of state support
we are looking about \$2M or roughly 10% of operations

3. Do you anticipate a need to cut public services? No Yes If yes, which ones and how much? (If possible, please also estimate total probable employee layoffs.)

No, but we are ~~at~~ at odds w/all bargaining
unions because of this.

4. Do you anticipate a need to raise fees or taxes? No Yes If yes, which ones and how much?

There is a need but we are limited to
a revenue cap that did not include revenue sharing.
There is need, but we can not do it.

5. For small municipalities, without revenue sharing, etc. does your municipality have the financial resources necessary to provide minimum public services/continue as a city or borough? No Yes If No, please explain.

N/A

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Loss of revenue sharing, capital matching grants, STP roads match, plus state PERS/other cost increases are hurting municipalities/local taxpayers. AML needs information to present a case to the Governor, Legislature, and public. Please take a few minutes to fill out this survey.

Name of Respondent APANGALOOK, P. Title ADMINSTRATOR Municipality GAMBELL

1. Is your community facing an economic downturn that is hurting local government revenues? No Yes If yes, please specify cause and impacts. heavy equipment repairs, 966, backhoe, tractor, building repairs, streets & roads.

2. Is your municipality anticipating a revenue shortfall this coming year? No Yes If yes, how much, and what % of your total General Fund budget? Please give specifics.

Estimated at \$156,00.00 which is about 20% of our locally generated revenues that is used to repair our, facilities, heavy equipment for the winter as our heavy equipment also provides revenues on rental.

3. Do you anticipate a need to cut public services? No Yes If yes, which ones and how much? (If possible, please also estimate total probable employee layoffs.)

At this time there is a good possibility of laying off 1 or 2 employees.

4. Do you anticipate a need to raise fees or taxes? No Yes If yes, which ones and how much?

local sales tax to 5% from 3% and bed tax of about 10%

5. For small municipalities, without revenue sharing, etc. does your municipality have the financial resources necessary to provide minimum public services/continue as a city or borough? No Yes, If No, please explain.

REVENUE SHARING, CAPITOL MATCHING GRANT'S PLAYS A MAJOR ROLE IN OUR BUDGET FOR WINTER PREPARATION, INSURANCE PAYMENTS. THE DENALI COMMISSION RECOGNIZES THIS COMMUNITY AS A FINANCIALLY DISTRESSED COMMUNITY.

Please **FAX TO AML at 907-463-5480 ASAP Thank You!**
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Feb 2004 Municipal Fiscal Conditions Survey - Please return ASAP

Loss of revenue sharing, capital matching, grants, STIF needs match, plus state PER. Another cost increases are hurting municipalities/local taxpayers. AML needs information to present a case to the Governor, Legislature, and public. Please take a few minutes to fill out this survey.

Name of Respondent Charlotte West Title City Clerk Municipality Grayling

1. Is your community facing an economic downturn that is hurting local government activities? No Yes If yes, please specify cause and impacts.

Almost all our monies to run the city comes from the revenue sharing. Without that we wonder what will happen in the next few months

2. Is your municipality anticipating a revenue shortfall this coming year? No Yes If yes, how much and what % of your total General Fund budget? Please give specifics.

At least 80% more

3. Do you anticipate a need to cut public services? No Yes If yes, which ones and how much? (If possible, please also estimate total probable employee layoffs.)

We had to turn our water/sewer services over to RUC a program out of Bethel. We don't have the monies to run it properly

4. Do you anticipate a need to raise fees or taxes? No Yes If yes, which ones and how much?

5. For small municipalities, without revenue sharing, etc. does your municipality have the financial resources necessary to provide minimum public services/continue as a city or borough? No Yes If No, please explain.

Yes But for how long

Please FAX TO AML at 907-463-5480 ASAP Thank You!

(Feel free to attach additional sheets. Call Kevin 1-877-636-1324 with questions.)

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Name of Respondent Jerry Medina Title City Administrator Municipality City of Hoonah

1. Is your community facing an economic downturn that is hurting local government revenues? No Yes If yes, please specify cause and impacts. Major Employer Whitestone

Logging shutdown and moved to Afognak. Sales tax revenues have declined steadily since the year 2000

2. Is your municipality anticipating a revenue shortfall this coming year? No Yes If yes, how much, and what % of your total General Fund budget? Please give specifics.

\$70,000 or 32% of our General Fund. Shared revenues have decreased by 5% since the year 2000.

3. Do you anticipate a need to cut public services? No Yes If yes, which ones and how much? (If possible, please also estimate total probable employee layoffs.)

Unless we come up with new revenue sources, we may have to lay off two public works employees and one police officer.

4. Do you anticipate a need to raise fees or taxes? No Yes If yes, which ones and how much?

We just raised our utility rates in October to \$68.69 a month for water, sewer and garbage.

5. For small municipalities, without revenue sharing, etc. does your municipality have the financial resources necessary to provide minimum public services/continue as a city or borough? No Yes If No, please explain.

The City of Hoonah has been in a deficit position since 1998 with a negative fund balance over \$297,000. The water & sewer fund have been in a deficit balance for the past 3 years \$156,116.

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(Fee) free to attach additional sheets Call Kevin 1-877-636-1325 with questions.)

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Name of Respondent R S Murren Title City Admin Municipality City of Homer, AK

1. Is your community facing an economic downturn that is hurting local government revenues?

No Yes If yes, please specify cause and impacts. collapse of commercial

herring fishing, failure of halibut fishing, City is
hurting financially & is unable to meet some payroll obligations.

2. Is your municipality anticipating a revenue shortfall this coming year? No Yes If yes, how much, and what % of your total General Fund budget? Please give specifics.

\$40,000 RS, \$25,000 aids to municipalities, COPS grant
(Federal)
3.9%, 2.1%

3. Do you anticipate a need to cut public services? No Yes If yes, which ones and how much? (If possible, please also estimate total probable employee layoffs.)

1 cop \$24,000 annual
1 dispatcher 19,000 annual

4. Do you anticipate a need to raise fees or taxes? No Yes If yes, which ones and how much?

5. For small municipalities, without revenue sharing, etc. does your municipality have the financial resources necessary to provide minimum public services/continue as a city or borough? No Yes If No, please explain.

Please FAX TO AML at 907-463-5480 ASAP Thank You!
(Feel free to attach additional sheets. Call Kevin 1-877-636-1375 with questions.)