

ALASKA LEGISLATURE

2640

HOUSE and SENATE FINANCE COMMITTEE FILES, 2003-2004

206

Betty Svensson

From: Pat Carlson [pcarlson@kib.co.kodiak.ak.us]
Sent: Tuesday, February 25, 2003 1:36 PM
To: betty@akml.org
Subject: RE: Rev sharing alert

Hi Betty and Kevin, this is quick and dirty so let me know if you need more. Thanks Pat Carlson

To: Mayor and Council/Assembly
& Manager/Finance Director/Clerk
From: Kevin Ritchie, Executive Director
Date: February 24, 2003

Re: 2003 Municipal Fiscal Conditions Survey - Please return ASAP

Municipal revenue sharing and other programs to support municipalities are "on the table" for cuts now in the Governor's budget. Cuts could rise to the level of elimination that would have serious financial impacts on every community in the state. Such cuts could be especially devastating to local governments and economies on top of the fiscal crises already facing many communities. Therefore, AML would like to present the Governor with information on the fiscal conditions of municipalities. Please take a few minutes to fill out this survey.

Name of Respondent Pat Carlson Title Manager

Name of Municipality Kodiak Island Borough

1. Is your community facing an economic downturn? No Yes If yes, please discuss the cause and extent. _____

The area has lost over 400 jobs due to fishery declines, school enrollment is down
and 5 of our local processors have gone out of business just in the last two years.

For example only 60% of the salmon fleet fished this year, they


caught more fish than the prior year and yet they were paid 66% less.

2. Is your municipal government or school district anticipating a budget shortfall this coming year? No Yes If yes, please discuss the cause and extent. _____

Next years borough budget is short by .6 million at this time and the preliminary KIBSD
budget is

down in excess of 1.6 million.

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



CITY/BOROUGH OF JUNEAU
ALASKA'S CAPITAL CITY

To: **Mayor and Council/Assembly
& Manager/Finance Director/Clerk**

From: Kevin Ritchie, Executive Director

Date: February 24, 2003

Re: **2003 Municipal Fiscal Conditions Survey - Please return ASAP**

Municipal revenue sharing and other programs to support municipalities are "on the table" for cuts now in the Governor's budget. Cuts could rise to the level of elimination that would have serious financial impacts on every community in the state. Such cuts could be especially devastating to local governments and economies on top of the fiscal crises already facing many communities. Therefore, AML would like to present the Governor with information on the fiscal conditions of municipalities. Please take a few minutes to fill out this survey.

Name of Respondent: John MacKinnon

Title: Interim City Manager

Name of Municipality: City and Borough of Juneau

1. Is your community facing an economic downturn? No Yes If yes, please discuss the cause and extent.

For the past 6 years our community has been on the edge of an economic down turn. Between 1997 and 1998 there has been a significant decline in the per capita income in our community. Between calendar 1993 and 1997 (4 years) our gross business activity expanded at nearly 8% per annum. Between calendar 1997 and 2001 (4 years) our gross business sales growth has averaged just over 1% per annum. This dramatic growth decline, to less than the inflation rate, has placed a significant economic burden on our community. The City and Borough of Juneau, working with the Juneau Economic Development Council and other local business groups, has worked diligently to try and find ways to stimulate economic development. While we have seen significant growth in some sectors such as tourism, the economic value added by this seasonal industry has not offset the economic losses in other year round areas.

It is extremely important for the continued well being our community that we not experience any additional negative economic impacts. Material reductions in year round jobs could spell the difference between economic stability and an economic recession.

2. Is your municipal government or school district anticipating a budget shortfall this coming year? No Yes If yes, please discuss the cause and extent.

This year we are projecting a fairly significant budgetary shortfall. This is due to no material growth in our property assessments and sales tax revenues combined with the increased cost of providing services. Flat economic growth combined with increases in delivering public service, have resulted in continuous pressure to reduce spending levels. This has made it difficult to maintain acceptable levels of critical public service. Each year the Assembly has been forced to make trade-off decisions between basic public service (Streets, Parks and Rec., Libraries, etc), public safety (Police and Fire) and/or educational.

This year the School District and Police Department are requesting significant increases in funding. While our departments have implemented operational efficiencies, they still need some funding increases just to maintain service levels. For example, the cost of heating fuel has risen more than 20% in just the past two months. Unless the Assembly chooses to increase the mill levy (noting we are within 1.6 mills of a 12-mill levy cap) it is likely we will need to reduce service levels. This reduction assumes that the State maintains the FY04 State Shared Revenue and Safe Communities Program at the FY03 funding levels and no cost of living increases are granted for our employees.

If the SSR and Safe Communities programs are eliminated we will be looking at very serious budgetary shortfall. Material reductions in state support will likely result in both service level declines and property tax increases. Service reductions significant enough to absorb the loss in State revenues would no doubt be considered unacceptable. To fully absorb a SSR and Safe Communities reduction it is likely we would need to take significant reductions in funding for both public safety and education.

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

FEB. 25. 2003 12:42PM ALASKA MUNI LEAGUE
TO: MAT-SU BOR

NO. 4645 P. 1/1
FROM: AK MUNICIPAL LEAGUE



217 Second Street, Suite 200 • Juneau, Alaska 99801
Tel (907) 586-1325 • Fax (907) 463-5480 • www.akml.org

RECEIVED
FEB 25 2003
MATANUSKA SUSITNA BOROUGH
ADMINISTRATION/PERSONNEL

To: Mayor and Council/Assembly
& Manager/Finance Director/Clerk
From: Kevin Ritchie, Executive Director
Date: February 24, 2003

Re: 2003 Municipal Fiscal Conditions Survey - Please return ASAP

Municipal revenue sharing and other programs to support municipalities are "on the table" for cuts now in the Governor's budget. Cuts could rise to the level of elimination that would have serious financial impacts on every community in the state. Such cuts could be especially devastating to local governments and economies on top of the fiscal crises already facing many communities. Therefore, AML would like to present the Governor with information on the fiscal conditions of municipalities. Please take a few minutes to fill out this survey.

Name of Respondent John Duff Title Borough Manager

Name of Municipality Matanuska - Susitna Borough

1. Is your community facing an economic downturn? No X Yes If yes, please discuss the cause and extent. _____

2. Is your municipal government or school district anticipating a budget shortfall this coming year? No Yes X If yes, please discuss the cause and extent. _____

\$1.3M due to state's cost allocation formula for schools

\$? Removal cuts to Revenue Sharing / State Communities

\$? Potential failure to adequately fund State Citizens and Veteran tax exemptions.

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

TO: SITKA BOR

FROM: AK MUNICIPAL LEAGUE



217 Second Street, Suite 200 • Juneau, Alaska 99801
Tel (907) 586-1325 • Fax (907) 463-5480 • www.akml.org

To: **Mayor and Council/Assembly
& Manager/Finance Director/Clerk**
From: Kevin Ritchie, Executive Director
Date: February 24, 2003

Re: **2003 Municipal Fiscal Conditions Survey – Please return ASAP**

Municipal revenue sharing and other programs to support municipalities are "on the table" for cuts now in the Governor's budget. Cuts could rise to the level of elimination that would have serious financial impacts on every community in the state. Such cuts could be especially devastating to local governments and economies on top of the fiscal crises already facing many communities. Therefore, AML would like to present the Governor with information on the fiscal conditions of municipalities. Please take a few minutes to fill out this survey

Name of Respondent City & Borough of Sitka Title City Administrator

Name of Municipality SITKA

1. Is your community facing an economic downturn? No Yes If yes, please discuss the cause and extent. NOT EXACTLY - BUT OUR ECONOMY

IS CERTAINLY FLAT COMMERCIAL BUSI. USE IS
DOWN; SCHOOL POPULATION IS DOWN

2. Is your municipal government or school district anticipating a budget shortfall this coming year? No Yes If yes, please discuss the cause and extent. Reduction

in student population

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

FEB. 25. 2003 12:52PM

ALASKA MUNI LEAGUE

TO: NORTHWEST ARCTIC BOR

FROM: AK MUNICIPAL LEAGUE



217 Second Street, Suite 200 • Juneau, Alaska 99801

Tel (907) 586-1325 • Fax (907) 463-5480 • www.akml.org

To: Mayor and Council/Assembly
& Manager/Finance Director/Clerk

From: Kevin Ritchie, Executive Director

Date: February 24, 2003

Re: 2003 Municipal Fiscal Conditions Survey - Please return ASAP

Municipal revenue sharing and other programs to support municipalities are "on the table" for cuts now in the Governor's budget. Cuts could rise to the level of elimination that would have serious financial impacts on every community in the state. Such cuts could be especially devastating to local governments and economies on top of the fiscal crises already facing many communities. Therefore, AML would like to present the Governor with information on the fiscal conditions of municipalities. Please take a few minutes to fill out this survey.

Name of Respondent Roswelle L. Schaeffer Title Mayor

Name of Municipality Northwest Arctic Borough

1. Is your community facing an economic downturn? No Yes If yes, please discuss the cause and extent. Our region depends heavily on

government jobs and the Red Dog Mine. Both
areas show a downturn in appropriation
and mine prices.

2. Is your municipal government or school district anticipating a budget shortfall this coming year? No Yes If yes, please discuss the cause and extent. Maybe if

budget cuts by governor are supported by the
legislature is anticipated a loss of
more than \$1 million dollars for NWABSD
and \$73,000 for villages.

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

FROM :

FAX NO. :

Mar. 04 2003 03:53PM P1

TO: SAXMAN



217 Second Street, Suite 200 • Juneau, Alaska 99801

Tel (907) 586-1325 • Fax (907) 463-5480 • www.akml.org

To: Mayor and Council/Assembly
& Manager/Finance Director/Clerk
From: Kevin Ritchie, Executive Director
Date: February 24, 2003

Re: 2003 Municipal Fiscal Conditions Survey - Please return ASAP

Municipal revenue sharing and other programs to support municipalities are "on the table" for cuts new in the Governor's budget. Cuts could rise to the level of elimination that would have serious financial impacts on every community in the state. Such cuts could be especially devastating to local governments and economies on top of the fiscal crises already facing many communities. Therefore, AML would like to present the Governor with information on the fiscal conditions of municipalities. Please take a few minutes to fill out this survey.

Name of Respondent NORA DeWitt Title City Clerk.

Name of Municipality City of Saxman

1 Is your community facing an economic downturn? No Yes If yes, please discuss the cause and extent. loss of our Saxman Community Hall

has put a severe impact on our opportunity for revenue. The project was started and

needs additional funds to be completed. The required matching funds has put a tremendous

2. Is your municipal government or school district anticipating a budget shortfall this ^{stain on} coming year? No Yes If yes, please discuss the cause and extent. our expenses,

As stated above. We have had to cut expenses to bare bones and eliminate 2 positions with the city.

PLEASE No more cuts.

Please FAX TO AML at 907-463-5480 ASAP

Thank You!

Member of the National League of Cities and the National Association of Counties

C: Mayor Dan Williams



217 Second Street, Suite 200 • Juneau, Alaska 99801
Tel (907) 586-1325 • Fax (907) 463-5480 • www.akml.org

To: Mayor and Council/Assembly
& Manager/Finance Director/Clerk

From: Kevin Ritchie, Executive Director

Date: February 24, 2003

Re: 200's Municipal Fiscal Conditions Survey - Please return ASAP

Municipal revenue sharing and other programs to support municipalities are "on the table" for cuts now in the Governor's budget. Cuts could rise to the level of elimination that would have serious financial impacts on every community in the state. Such cuts could be especially devastating to local governments and economies on top of the fiscal crises already facing many communities. Therefore, AML would like to present the Governor with information on the fiscal conditions of municipalities. Please take a few minutes to fill out this survey.

Name of Respondent LARRY SEMMENS Title Finance Dir.

Name of Municipality City of Kenai

1. Is your community facing an economic downturn? No Yes If yes, please discuss the cause and extent. Due primarily to KMAV

Closing. However sales were declining prior to this announcement. Agrum layoffs, generally poor commercial fishing, and overall uncertainty contribute.

2. Is your municipal government or school district anticipating a budget shortfall this coming year? No Yes If yes, please discuss the cause and extent. _____

All of the above will have negative impact on budget. Costs of services is increasing especially due to health care, PERS & general inflation. Revenue is declining - Interest rate is lowest in 40 years. Sales tax is crashing due to KMAV.

Please FAX TO AML at 907-463-5480 ASAP

Thank You!



217 Second Street, Suite 200 • Juneau, Alaska 99801
 Tel (907) 586-1325 • Fax (907) 463-5480 • www.akml.org

To: **Mayor and Council/Assembly
 & Manager/Finance Director/Clerk**

From: **Kevin Ritchie, Executive Director**

Date: **February 24, 2003**

Re: **2003 Municipal Fiscal Conditions Survey – Please return ASAP**

Municipal revenue sharing and other programs to support municipalities are "on the table" for cuts now in the Governor's budget. Cuts could rise to the level of elimination that would have serious financial impacts on every community in the state. Such cuts could be especially devastating to local governments and economies on top of the fiscal crises already facing many communities. Therefore, AML would like to present the Governor with information on the fiscal conditions of municipalities. Please take a few minutes to fill out this survey.

Name of Respondent Linda L. Snow Title City Manager

Name of Municipality Kenai

1. Is your community facing an economic downturn? No Yes If yes, please discuss the cause and extent. K-mart closure represents \$800K

sales tax loss to the General Fund of 40+ jobs out of the community; reductions of jobs in fishing and oil industries.

2. Is your municipal government or school district anticipating a budget shortfall this coming year? No Yes If yes, please discuss the cause and extent. see

above re: K-mart. In addition, we have seen huge reductions in interest earnings, and our fund balance is topped more than desirable.

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

TO: SEWARD

FROM: AK MUNICIPAL LEAGUE



217 Second Street, Suite 200 • Juneau, Alaska 99801

Tel (907) 586-1325 • Fax (907) 463-5480 • www.akml.org

RECEIVED

FEB 25 2003

OFFICE OF THE CITY CLERK

To: Mayor and Council/Assembly & Manager/Finance Director/Clerk
From: Kevin Ritchie, Executive Director
Date: February 24, 2003

Re: 2003 Municipal Fiscal Conditions Survey - Please return ASAP

Municipal revenue sharing and other programs to support municipalities are "on the table" for cuts now in the Governor's budget. Cuts could rise to the level of elimination that would have serious financial impacts on every community in the state. Such cuts could be especially devastating to local governments and economies on top of the fiscal crises already facing many communities. Therefore, AML would like to present the Governor with information on the fiscal conditions of municipalities. Please take a few minutes to fill out this survey.

Name of Respondent KRISTIN ERCHINGER Title ACTING CITY MANAGER

Name of Municipality CITY OF SEWARD

1. Is your community facing an economic downturn? No Yes If yes, please discuss the cause and extent. _____

please see attached

2. Is your municipal government or school district anticipating a budget shortfall this coming year? No Yes If yes, please discuss the cause and extent. _____

please see attached

Please FAX TO AML at 907-463-5480 ASAP

Thank You!

City of Seward - Municipal Fiscal Conditions Survey**Page Two****Is your community facing an economic downturn?**

Seward has seen a decline in the economy over the past two years, especially during the winter months. A number of local businesses are closing during the winter season, which has had an adverse impact on local jobs and has resulted in reduced taxable sales and reduced sales tax revenues. The threatened closure of the coal export facility will have an impact on year-round jobs and a negative impact on the export of Alaska's natural resources. Rising fuel costs and the poor condition of portions of the Seward Highway are causing some cruise ships to consider moving their operations outside of Seward, which will have a serious impact on the summer economy of Seward, in terms of jobs, taxable sales, and spinoff business.

Is your municipal government anticipating a budget shortfall this coming year? If Yes, please discuss the cause and extent

The City of Seward has requested an increase in the local sales tax rate from 3% to 4% to address this year's budget shortfall of approximately \$1.5 million. The sales tax will generate approximately half of the \$1.5 million shortfall, with the remaining shortfall addressed through cost cutting measures. The 1% sales tax increase is being challenged by a referendum vote to be held on April 8. The budget shortfall is the result of a combination of substantial cuts to State funding, fixed cost increases which the City cannot avoid (such as fuel and insurance), and the overall condition of the economy which has resulted in a considerable decline in annual investment income, as well as a leveling off of revenue growth.

Since 1991, State reductions in revenue sharing and safe communities funding amount to a loss of 0.51% of a local sales tax, or 1.77 mills of property tax. Annual increases in insurance costs over the last 3 years alone, amount to 0.78% of a local sales tax, or 2.7 mills of property tax. The loss of interest earnings amounts to 0.27% of local sales tax or 1 mill of property tax.

To: **Mayor and Council/Assembly
& Manager/Finance Director/Clerk**

From: Kevin Ritchie, Executive Director

Date: February 24, 2003

Re: **2003 Municipal Fiscal Conditions Survey – Please return ASAP**

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Name of Respondent Mary L. Calhoun Title City Clerk

Name of Municipality City of Homer

1. Is your community facing an economic downturn? No__ Yes__ If yes, please discuss the cause and extent. _____

2. Is your municipal government or school district anticipating a budget shortfall this coming year? No__ Yes X If yes, please discuss the cause and extent. School district cut of 55 teachers, classroom activities, particularly spanish

Resolution 03-30 attached.

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

**CITY OF HOMER
HOMER, ALASKA**

LADD

RESOLUTION 03-30

A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA, ENCOURAGING THE STATE OF ALASKA TO PROPERLY SUPPORT THE KENAI PENINSULA BOROUGH SCHOOL DISTRICT THROUGH CHANGING THE STATE FOUNDATION FORMULA TO MORE FAIRLY REFLECT THE PENINSULA'S UNIQUE GEOGRAPHY. CULTURAL NEEDS, AND RESULTING IN KENAI PENINSULA STUDENTS HAVING THE SAME OPPORTUNITY AS OTHER ALASKA STUDENTS TO MEET CONTENT AND PERFORMANCE STANDARDS.

WHEREAS, the State of Alaska has adopted content and performance standards that represent what Alaskans want students to know and be able to do as a result of their public schooling, and

WHEREAS, standards adopted in December, 1995 have shifted educational emphasis from what goes into our education system to what comes out of it, and

WHEREAS, the opportunity for a student to successfully achieve an Alaska educational standard is dependent upon his or her time and energy dedicated toward learning as well as support from family, educators, community, the Kenai Peninsula Borough, and the State of Alaska, and

WHEREAS, students within the Kenai Peninsula Borough School District, including all public students in the Homer area are placed at a distinct disadvantage due to an unfair State of Alaska foundation formula used to calculate the distribution of funds to schools throughout the Kenai Peninsula, and

WHEREAS, Peninsula schools are costly to operate, staff, and maintain due to the Kenai Peninsula Borough's unique geography encompassing remote locations and schools accessible only by water or air, and

WHEREAS, the cost differential within the State of Alaska educational foundation formula only slightly recognizes this difference from Anchorage at a ratio of 1.004, and

WHEREAS, projected revenue based upon the 1.004 ratio provides about 39.8 million from the State and limits the Borough's local share to about 31.1 million, and

Page Two
Resolution 03-30
City of Homer

WHEREAS, the Kenai Peninsula Borough School District has a FY 04 budget shortfall of 2.9 million after laying off 52 teachers across the district, raising the teacher/pupil ration by three in every grade over third grade, and staffing reductions will negatively impact curriculum offerings such as the reduction of Spanish at Homer High School, and

WHEREAS, the loss of the Spanish program at Homer High School is in direct conflict with the State of Alaska content standard stating that, "a student should be able to communicated in two or more languages, one of which is English," and

WHEREAS, "a student should possess the language skills and cultural knowledge necessary to participate successfully in multilingual communities and the international market place," and

NOW, THEREFORE, THE CITY OF HOMER RESOLVES THAT:

1. The City of Homer supports recent legislative fact finding in the American Institutes for Research report advancing the position that the educational foundation formula cost ratio for the Kenai Peninsula Borough School District be changed from 1.004 to 1.03, and
2. This resolution in support of a changed educational foundation formula as identified by the American Institutes for Research be adopted to provide relief to public education and approximately a 1.4 million dollar increase to the KPBSD's state portion and about a \$300,000 increase to the local effort portion, and
3. The City of Homer initiate dialog with Homer High School/ Kenai Peninsula Borough School District, UAA – Kachemak Bay Branch, Kachemak City. Anchor Point, and local nonprofit organizations to explore other alternatives to maintaining curriculum at Homer High School should this legislature not take the necessary and basic measures necessary to insure equal funding for education on the Kenai Peninsula, and
4. The City of Homer encourages other Kenai Peninsula Borough communities to enact similar resolutions of support of education and to submit approved resolutions to the Legislature for consideration.

PASSED AND ADOPTED BY THE HOMER CITY COUNCIL this 24th day of February, 2003.

CITY OF HOMER

Jack Cushing

Jack Cushing, Mayor

ATTEST:

Mary L. Calhoun

Mary L. Calhoun, City Clerk
Fiscal Impact: Not identified.



To: **Mayor and Council/Assembly
& Manager/Finance Director/Clerk**

From: Kevin Ritchie, Executive Director

Date: February 24, 2003

Re: **2003 Municipal Fiscal Conditions Survey - Please return ASAP**

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Name of Respondent LINDA FLEED Title CITY MANAGER

Name of Municipality CITY OF KODIAK

1. Is your community facing an economic downturn? No Yes If yes, please discuss the cause and extent. _____

THE CAUSE IS THE CRISIS IN THE FISHING INDUSTRY!

INCLUDING: LACK OF ACCESS TO THE RESOURCE (REGULATORY

ENVIRONMENTAL LIMITATIONS); LACK OF MARKETS + LOW PRICES (PREDOMINANTLY SALMON); CHANGING NATURE OF THE INDUSTRY.

2. Is your municipal government or school district anticipating a budget shortfall this coming year? No Yes If yes, please discuss the cause and extent. _____

DUE TO DIFFICULTIES IN THE FISHING INDUSTRY

OUR SALES TAX REVENUES ARE DOWN. THESE

REVENUES MAKE UP APPROX. 60% OF OUR MUNICIPAL FUND REVENUES.

Please FAX TO AML at 907-463-5480 ASAP

Thank You!

NO. 4645
FROM: AK MUNICIPAL LEAGUE



217 Second Street, Suite 200 • Juneau, Alaska 99801
Tel (907) 586-1325 • Fax (907) 463-5480 • www.akml.org

To: **Mayor and Council/Assembly
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From: Kevin Ritchie, Executive Director
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Name of Respondent _____ Title _____

Name of Municipality Wasilla

1. Is your community facing an economic downturn? No ___ Yes If yes, please discuss the cause and extent. _____

(see attached)

2. Is your municipal government or school district anticipating a budget shortfall this coming year? No ___ Yes If yes, please discuss the cause and extent. _____

(see attached)

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



CITY OF WASILLA

290 East Herning Avenue • Wasilla • Alaska • 99654-7091
• Telephone 907-373-9070 • Fax 907-373-9085

1. Is your community facing an economic downturn. YES
Explanation: The downturn in collections of sales tax in Fiscal Year 2003 indicates that economic downturn that is affecting the lower 48 and Alaska is affecting the City of Wasilla's economy.
2. Is your municipal government or School district anticipating a budget shortfall this coming year? YES
Explanations: The City of Wasilla has experience tremendous population growth over the past two years (15%). This growth has placed substantial demands on the City of Wasilla in the areas of public safety, utilities and infrastructure demands. The growth in sales tax has nearly flatten out this year so that the City of Wasilla's revenue will not allow the City of Wasilla to meet the demands placed on it by the population growth. The budget snortfall wil great affect the ability of the City of Wasilla to invest in infrastructure needed (road, water and sewer) and its ability to meet the public safcty concerns of its citizens.



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To: **Mayor and Council/Assembly
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From: Kevin Ritchie, Executive Director
Date: February 24, 2003

Re: **2003 Municipal Fiscal Conditions Survey – Please return ASAP**

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Name of Respondent Roger Clark Title Administrator

Name of Municipality City of Selawik

1. Is your community facing an economic downturn? No ___ Yes If yes, please discuss the cause and extent Our ^{city} community has hit rock bottom and there seems to be no relief in the horizon. The cuts that the Governor is proposing will have a critical impact on the very basic services we are meagerly providing. We may have to go without Police Protection, and other essential services.

2. Is your municipal government or school district anticipating a budget shortfall this coming year? No ___ Yes If yes, please discuss the cause and extent. _____

Our municipal government & school district are expecting to receive cuts in funding and lower the effectiveness of the services we provide. The Governor's cuts will have a very negative impact in the lives of the people living in rural areas.

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

To: **Mayor and Council/Assembly**
& Manager/Finance Director/Clerk
From: Kevin Ritchie, Executive Director
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Name of Respondent Robert S. Prunella Title City Manager

Name of Municipality Wrangell

1. Is your community facing an economic downturn? No Yes If yes, please discuss the cause and extent. See Attached

2. Is your municipal government or school district anticipating a budget shortfall this coming year? No Yes If yes, please discuss the cause and extent. _____

See Attached

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

2003 Municipal Fiscal Conditions Survey

1. Wrangell's economy has been in a downward spiral since 1994 when Alaska Pulp Corp. closed its doors. At that time, the community lost, not only its latest direct employer -- 250 jobs, but also all associated support service jobs. The community's payroll earnings have dropped over 30% which translates to 10-12 million dollars. Our population, since 1995, has declined approximately 22%. The community is continuing to see business closures, lost revenues, and family departures. The loss of the timber industry, Silver Bays' bankruptcy, and the uncertainties of the seafood industry will have further negative implications for Wrangell.
2. A. FY04 School budget begins with a \$736,000 deficit and does not take into account these certified/tenured staff are being paid from grant funds (Title I, Title V, Quality Schools, Comprehensive School Reform). This deficit is due to a decline in student enrollment (below 425) resulting in decreasing from a 3-school to 2-school site and anticipated increased insurance costs.

To meet this deficit, the district will be reducing programs and staff by nine (9) certified teaching positions plus one middle school principal/teacher from the FY03 certified staff of 34. That is a reduction of 26.4% of the certified staff. There are also reductions in classified staff, travel, student supplies, and equipment.

B. In the City of Wrangell's draft 2003-2004 budget we show a deficit budget of \$548,000 in the General Fund, which represents 14% of the total General Fund Budget. This is equivalent to 5.65 mills. We have had big increases to costs for Insurance (110%), Group Health (14%), our PERS rate (71%), and fuel prices. At the same time our sawmill is filing a Chapter 11 bankruptcy owing the city over \$165,000 and may not open for some time. In addition, our second largest non-government employer, Wrangell Seafood's is trying to reorganize so they can continue to operate. Wrangell has a 10 mill property tax rate and the largest sales tax rate in the state at 7%. Any additional reductions in State funding will drastically add to the dilemma of maintaining existing services without tax increases. Our utilities (Water, Sewer, Sanitation, and Electricity) are also struggling. Wrangell recently has constructed both a Water Treatment Plant and a Wastewater Treatment Plant to comply with current regulations. Unfortunately, our population is declining because of lack of jobs and that fixed cost is now spread over fewer people, which drives up the cost per person. We also have the problem of people without jobs that can not pay their utility bills.



217 Second Street, Suite 200 • Juneau, Alaska 99901

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To: Mayor and Council/Assembly & Manager/Finance Director/Clerk

From: Kevin Ritchie, Executive Director

Date: February 24, 2003

Re: 2003 Municipal Fiscal Conditions Survey - Please return ASAP

Municipal revenue sharing and other programs to support municipalities are "on the table" for cuts now in the Governor's budget. Cuts could rise to the level of elimination that would have serious financial impacts on every community in the state. Such cuts could be especially devastating to local governments and economies on top of the fiscal crises already facing many communities. Therefore, AML would like to present the Governor with information on the fiscal conditions of municipalities. Please take a few minutes to fill out this survey.

Name of Respondent Grace L. Hill Title Mayor

Name of Municipality City of Quinhagak

1. Is your community facing an economic downturn? No Yes [checked] If yes, please discuss the cause and extent. Fish prices are low Village jobs are scarce especially in the winter.

2. Is your municipal government or school district anticipating a budget shortfall this coming year? No Yes [checked] If yes, please discuss the cause and extent. Water and Sewer, and police are short of funds every year.

Please FAX TO AML at 907-463-5480 ASAP

Thank You! we got this fax today

FEB 27, 2003

It was in my Box

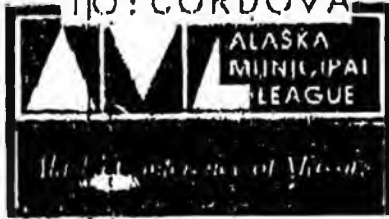
FEB. 25. 2003 1:30PM

ALASKA MUNI LEAGUE

NO. 4645 P. 1/1

FROM: AK MUNICIPAL LEAGUE

TO: CORDOVA



217 Second Street, Suite 200 • Juneau, Alaska 99801

Tel (907) 586-1325 • Fax (907) 463-5480 • www.akml.org

To: Mayor and Council/Assembly
& Manager/Finance Director/Clerk

From: Kevin Ritchie, Executive Director

Date: February 24, 2003

Re: 2003 Municipal Fiscal Conditions Survey - Please return ASAP

Municipal revenue sharing and other programs to support municipalities are "on the table" for cuts now in the Governor's budget. Cuts could rise to the level of elimination that would have serious financial impacts on every community in the state. Such cuts could be especially devastating to local governments and economies on top of the fiscal crises already facing many communities. Therefore, AML would like to present the Governor with information on the fiscal conditions of municipalities. Please take a few minutes to fill out this survey.

Name of Respondent Scott A. Hahn Title City Manager

Name of Municipality City of Cordova

1. Is your community facing an economic downturn? No Yes If yes, please discuss the cause and extent. Facing downturn, state revenue sharing, lower interest earnings on reserves

2. Is your municipal government or school district anticipating a budget shortfall this coming year? No Yes If yes, please discuss the cause and extent. See above! Estimate maybe 3% shortfall

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

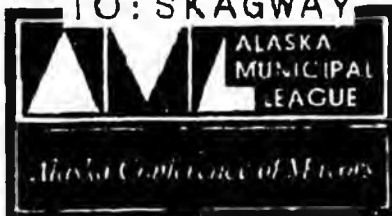
FEB. 25. 2003 4:55PM

ALASKA MUNI LEAGUE

NO. 4645 P. 1/1

FROM: AK MUNICIPAL LEAGUE

TO: SKAGWAY



217 Second Street, Suite 200 • Juneau, Alaska 99801
Tel (907) 586-1325 • Fax (907) 463-5480 • www.akml.org

To: **Mayor and Council/Assembly
& Manager/Finance Director/Clerk**

From: Kevin Ritchie, Executive Director

Date: February 24, 2003

Re: **2003 Municipal Fiscal Conditions Survey - Please return ASAP**

Municipal revenue sharing and other programs to support municipalities are "on the table" for cuts now in the Governor's budget. Cuts could rise to the level of elimination that would have serious financial impacts on every community in the state. Such cuts could be especially devastating to local governments and economies on top of the fiscal crises already facing many communities. Therefore, AML would like to present the Governor with information on the fiscal conditions of municipalities. Please take a few minutes to fill out this survey.

Name of Respondent BOB WARD Title CITY MANAGER

Name of Municipality SKAGWAY

1. Is your community facing an economic downturn? No Yes If yes, please discuss the cause and extent. OUR COMMUNITY IS EXPERIENCING INCREASINGLY

SEASONAL - YEAR ROUND EMPLOYMENT AND POPULATION
ARE DECREASING

2. Is your municipal government or school district anticipating a budget shortfall this coming year? No Yes If yes, please discuss the cause and extent. THE SCHOOL

IS FACING DECLINING ENROLLMENT. THE RESULTING DECREASE
IN STATE FUNDING RESULTS IN A BUDGET GAP THAT MUST
BE MET THROUGH MUNICIPAL FUNDING SOURCES. ADDITIONALLY,
THIS WILL GET DIFFERENTIAL STUDY MAY IMPACT STATE FUNDING AS WELL.

Please FAX TO AML at 907-463-5480 ASAP

Thank You!

FEB. 25. 2003 1:46PM ALASKA MUNI LEAGUE

NO. 4645 P. 1/1

TO: FALSE PASS

FROM: AK MUNICIPAL LEAGUE



217 Second Street, Suite 200 • Juneau, Alaska 99801
Tel (907) 586-1325 • Fax (907) 463-5480 • www.akml.org

To: **Mayor and Council/Assembly**
& **Manager/Finance Director/Clerk**
From: Kevin Ritchie, Executive Director
Date: February 24, 2003

Re: **2003 Municipal Fiscal Conditions Survey - Please return ASAP**

Municipal revenue sharing and other programs to support municipalities are "on the table" for cuts now in the Governor's budget. Cuts could rise to the level of elimination that would have serious financial impacts on every community in the state. Such cuts could be especially devastating to local governments and economies on top of the fiscal crises already facing many communities. Therefore, AML would like to present the Governor with information on the fiscal conditions of municipalities. Please take a few minutes to fill out this survey.

Name of Respondent John Nickels Title Mayor/City Administrator

Name of Municipality City of False Pass

1. Is your community facing an economic downturn? No Yes If yes, please discuss the cause and extent. Our community historically relied on

the salmon industry for jobs + community tax base. Since the value of salmon has dropped, people are having a hard time earning a living, and the City has far less revenue to operate.

2. Is your municipal government or school district anticipating a budget shortfall this coming year? No Yes If yes, please discuss the cause and extent. As the value

of Salmon declined, a small processor started up that helped generate revenue to the City. They have closed, so those revenues are gone now as well. Impact in 2003 is more than \$103,000 lost revenue. Budget shortfall expected to exceed \$60,000 at end of Fiscal year.

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

See attached 2 pg. memo



City of False Pass

P.O. Box 50 • False Pass, Alaska 99583-0050
 Telephone (907) 548-2319 • Fax (907) 548-2214

Date: February 12, 2003

To: Bering Pacific Seafood Board of Directors

From: John Nickels, Mayor

Subject: Impacts of BPS closure to False Pass

The closure of Bering Pacific Seafood has had a very significant impact on the community of False Pass, particularly in revenues received by the City. The following figures represent annual losses of revenue that until recently have come to the City from BPS activities. To put this loss of revenue into perspective, the City expects to finish this fiscal year with expenditures totaling approximately \$519,500 and income totaling \$456,400, resulting in a \$63,000 deficit, which will be covered with reserves. This is after significant cuts have already been made to our budget, and next fiscal year will probably require reduction in the services and benefits provided, and perhaps an increase in some rates to avoid a similar deficit.

Electric Utility. Sales of electric power have averaged \$5,218 per month, or approximately \$62,000 per year. Approximately \$23,000 of this revenue would pay for fuel, leaving a \$39,000 loss of revenue to the City. \$39,000

Water Utility. The commercial rate for water is \$400 per month, or \$4,800 per year. This is adjusted using the residential rate now being paid by BPS 4,632

Landfill. The commercial rate for use of the landfill is \$400 per month while operating, and \$100 per month when temporarily closed. Eight months operating and four months closed would total \$3,900. This is adjusted using the residential rate now being paid. 3,840

Wharfage. Revenue from BPS freight and product crossing the City dock over the last year. 20,047

Moorage. Assuming the Dipper is in False Pass only four months in 2003, eight months of the 2003 fee will not be realized. 8,517

Fish Tax (local). For the last four quarters, BPS paid \$18,760 collected from fishermen selling raw fish to the processor. 18,760

State Fish Tax. Estimated using above sales volume. Does not include State Shared Fisheries Tax that would result from these fish sales. 7,035

Sales Tax. Based on the estimated reduction in local store sales and fuel purchased by BPS. 1,680

Total **\$103,511**

There are numerous other impacts to our community resulting from the closure of BPS. The Tribal Council will no longer receive rent from their warehouse, and will have to find other uses, or renters for the building. At least two individuals will have to find other renters for their houses. One has been shut down and winterized for lack of a tenant, and the other is rented, but at a reduced rate. One local family that depended on BPS for employment has left the community because of the closure. The nearest market for cod fishermen is now King Cove. The availability of marine freight and air transportation service that increased because of BPS has returned to former levels. The expertise of BPS engineering staff to help residents troubleshoot problems with boat engines, generators, refrigeration and other equipment will no longer be available.

It is understandable that as BPS reconfigures to a shore based operation that the business will be far different than what it has been. Revenues received by the City from a "new" BPS may well not look like the above list, but clearly there will be economic benefit that our community desperately needs. The point I would like to impress on BPS board members is that the City of False Pass has lost a large portion of its normal operating revenues as the value of wild salmon has declined. Bering Pacific Seafood has been filling that gap, but no longer is. It is imperative that economic development takes place soon to avoid problems maintaining the viability of our community. While it is important to plan future BPS development carefully, for our community time is critical.

FEB. 25, 2003 3:44PM

ALASKA MUNI LEAGUE

NO. 4615 P. 1/1
FROM: AK MUNICIPAL LEAGUE



217 Second Street, Suite 200 • Juneau, Alaska 99801
Tel (907) 586-1925 • Fax (907) 463-5480 • www.akml.org

To: **Mayor and Council/Assembly
& Manager/Finance Director/Clerk**

From: Kevin Ritchie, Executive Director

Date: February 24, 2003

Re: **2003 Municipal Fiscal Conditions Survey - Please return ASAP**

Municipal revenue sharing and other programs to support municipalities are "on the table" for cuts now in the Governor's budget. Cuts could rise to the level of elimination that would have serious financial impacts on every community in the state. Such cuts could be especially devastating to local governments and economies on top of the fiscal crises already facing many communities. Therefore, AML would like to present the Governor with information on the fiscal conditions of municipalities. Please take a few minutes to fill out this survey.

Name of Respondent Ken Hughes Title Mayor

Name of Municipality Teller

1. Is your community facing an economic downturn If yes, please discuss the cause and extent.

We have a new school, clinic, and head start to build this summer.

2. Is your municipal government or school district anticipating a budget shortfall this coming year? No Yes If yes, please discuss the cause and extent.

Unlike some others, we plan to spend only what we have. Services provided by the city however are at an all time low.

Please FAX TO AML at 907-463-5480 ASAP

Thank You!

TO: SHAGELUK



217 Second Street, Suite 200 • Juneau, Alaska 99801

Tel (907) 586-1325 • Fax (907) 463-5480 • www.akml.org

To: Mayor and Council/Assembly
& Manager/Finance Director/Clerk

From: Kevin Ritchie, Executive Director

Date: February 24, 2003

Re: 2003 Municipal Fiscal Conditions Survey - Please return ASAP

Municipal revenue sharing and other programs to support municipalities are "on the table" for cuts now in the Governor's budget. Cuts could rise to the level of elimination that would have serious financial impacts on every community in the state. Such cuts could be especially devastating to local governments and economies on top of the fiscal crises already facing many communities. Therefore, AML would like to present the Governor with information on the fiscal conditions of municipalities. Please take a few minutes to fill out this survey.

Name of Respondent Maranda Burkett Title City Clerk

Name of Municipality Shageluk

1. Is your community facing an economic downturn? No Yes If yes, please discuss the cause and extent.

2. Is your municipal government or school district anticipating a budget shortfall this coming year? No Yes If yes, please discuss the cause and extent.

School District - Iditarood Area School District.
They spend too much money when they don't need to. Don't know specifics -
call 524-3599.

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

12/16/2001 00:04 19075275127

ROBERTNICK

PAGE 01

FEB. 25. 2003 2:56PM ALASKA MUNI LEAGUE

NO. 4645 P. 1/1

TO: NUNAPITCHUK

FROM: AK MUNICIPAL LEAGUE



217 Second Street, Suite 200 • Juneau, Alaska 99801

Tel (907) 586-1325 • Fax (907) 463-5480 • www.akml.org

To: Mayor and Council/Assembly

& Manager/Finance Director/Clerk

From: svr Ritchie, Executive Director

Date: February 24, 2003

Re: 2003 Municipal Fiscal Conditions Survey - Please return ASAP

Municipal revenue sharing and other programs to support municipalities are "on the table" for cuts now in the Governor's budget. Cuts could rise to the level of elimination that would have serious financial impact on every community in the state. Such cuts could be especially devastating to local governments and economies on top of the fiscal crisis already facing many communities. Therefore, AML would like to present the Governor with information on the fiscal conditions of municipalities. Please take a few minutes to fill out this survey.

Name of Respondent Robert; Nick Title MayorName of Municipality Nunapitchuk

1. Is your community facing an economic downturn? No Yes ✓ If yes, please discuss the cause and extent. 1) lack of commercial fisheries, - lack of disaster assistance for fuel and electricity and sanitation. 2) rising cost of goods and services, 3) reduction in revenue sharing and municipal assistance, 4) no tax base 5) lack of jobs, except for school, stores & local projects, 6) locally 2 major projects nearing completion.
2. Is your municipal government or school district anticipating a budget shortfall this coming year? No Yes ✓ If yes, please discuss the cause and extent. Municipal, 1) maintenance and upgrade needs of city equipment & facilities, 2) need to raise salaries due to increase in minimum wage, 3) cost-sharing with tribal government → tribal funds will see major reduction in coming FY.

School district → about a 4 million deficit will be shared by local school. Potential reduction in Para-professional staff due
 Please FAX TO AML at 907-463-5480 ASAP due new Education Laws
 Thank You!

FEB. 25, 2003 2:23PM ALASKA MUNI LEAGUE
TO: KOTZEBUE

NO. 4645 P. 1/1
FROM: AK MUNICIPAL LEAGUE



217 Second Street, Suite 200 • Juneau, Alaska 99801
Tel (907) 586-1325 • Fax (907) 463-5480 • www.akmnl.org

To: **Mayor and Council/Assembly
& Manager/Finance Director/Clerk**

From: Kevin Ritchie, Executive Director

Date: February 24, 2003

Re: **2003 Municipal Fiscal Conditions Survey - Please return ASAP**

Municipal revenue sharing and other programs to support municipalities are "on the table" for cuts now in the Governor's budget. Cuts could rise to the level of elimination that would have serious financial impacts on every community in the state. Such cuts could be especially devastating to local governments and economies on top of the fiscal crises already facing many communities. Therefore, AML would like to present the Governor with information on the fiscal conditions of municipalities. Please take a few minutes to fill out this survey.

Name of Respondent Herman T. Reich, Sr. Title City Manager

Name of Municipality City of Kotzebue

1. Is your community facing an economic downturn? No Yes If yes, please discuss the cause and extent.

2. Is your municipal government or school district anticipating a budget shortfall this coming year? No Yes If yes, please discuss the cause and extent. Our Regional Jail is actually a facility supported by the residents of Kotzebue with our

contract with the State Corrections of \$589,506.00 per year and expenses projected at \$918,169.00 will have a loss of (\$328,663.00). With the talk of eliminating the revenue sharing and the non-support of the Borough, the impact falls on the tax paying residents of Kotzebue.

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

FEB. 25. 2003 3:12PM

ALASKA MUNI LEAGUE

NO. 4645 P. 1/1

TO: PORT LIONS

FROM: AK MUNICIPAL LEAGUE



217 Second Street, Suite 200 • Juneau, Alaska 99801

Tel (907) 586-1326 • Fax (907) 463-5480 • www.akml.org

To: Mayor and Council/Assembly
& Manager/Finance Director/Clerk

From: Kevin Ritchie, Executive Director

Date: February 24, 2003

Re: 2003 Municipal Fiscal Conditions Survey - Please return ASAP

Municipal revenue sharing and other programs to support municipalities are "on the table" for cuts now in the Governor's budget. Cuts could rise to the level of elimination that would have serious financial impacts on every community in the state. Such cuts could be especially devastating to local governments and economies on top of the fiscal crises already facing many communities. Therefore, AML would like to present the Governor with information on the fiscal conditions of municipalities. Please take a few minutes to fill out this survey.

Name of Respondent Evelyn Mellon Title Mayor

Name of Municipality City of Port Lions

1. Is your community facing an economic downturn? No Yes If yes, please discuss the cause and extent. The majority of our citizens worked as fishermen and for the timber industry, on Afognak Island. Both fishing and timber are on the down side, they face our economic base is low. People have been moving out of the community to find work in the larger municipalities.

2. Is your municipal government or school district anticipating a budget shortfall this coming year? No Yes If yes, please discuss the cause and extent. our Budget will be cut this year due to fewer land sales, they were helping to make up the shortfall of our past cuts in Revenue Sharing and Self Communities Funding. Without State assistance our Fire - Police - Clinic / Roads Departments will suffer tremendously.

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

TO: TOKSOOK BAY



217 Second Street, Suite 200 - Juneau, Alaska 99801
Tel (907) 586-1325 • Fax (907) 463-5480 • www.akml.org

To: **Mayer and Council/Assembly
& Manager/Finance Director/Clerk**
From: Kevin Ritchie, Executive Director
Date: February 24, 2003

Re: **2003 Municipal Fiscal Conditions Survey - Please return ASAP**

Municipal revenue sharing and other programs to support municipalities are "on the table" for cuts now in the Governor's budget. Cuts could rise to the level of elimination that would have serious financial impacts on every community in the state. Such cuts could be especially devastating to local governments and economies on top of the fiscal crises already facing many communities. Therefore, AML would like to present the Governor with information on the fiscal conditions of municipalities. Please take a few minutes to fill out this survey.

Name of Respondent Fela Lincoln Title Mayor

Name of Municipality City of Toksook Bay

1. Is your community facing an economic downturn? No Yes If yes, please discuss the cause and extent. When commercial fishing turned disaster

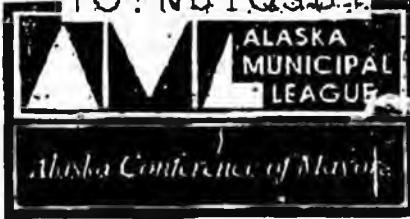
our municipality has to depend on revenue sharing and other programs to support our city service such as water & sewer, animal control, landfill, refuse collectors and etc.... If there are cuts or elimination on state programs it will cripple our community.

2. Is your municipal government or school district anticipating a budget shortfall this coming year? No Yes If yes, please discuss the cause and extent. _____

We are seriously considering about eliminating some employees and reducing or eliminating some city services.

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

TO: NUJQSUIT



217 Second Street, Suite 200 • Juneau, Alaska 99801
Tel (907) 586-1325 • Fax (907) 463-5480 • www.akml.org

To: Mayor and Council/Assembly
& Manager/Finance Director/Clerk

From: Kevin Ritchie, Executive Director
Date: February 24, 2003

Re: 2003 Municipal Fiscal Conditions Survey - Please return ASAP

Municipal revenue sharing and other programs to support municipalities are "on the table" for cuts now in the Governor's budget. Cuts could rise to the level of elimination that would have serious financial impacts on every community in the state. Such cuts could be especially devastating to local governments and economies on top of the fiscal crises already facing many communities. Therefore, AMIL would like to present the Governor with information on the fiscal conditions of municipalities. Please take a few minutes to fill out this survey.

Name of Respondent Rosemary Ahtuanguwah Title Mayor

Name of Municipality City of Nuqsuit

1. Is your community facing an economic downturn? No Yes If yes, please discuss the cause and extent. The community has multiple jobs as the mainstay of employment. We have lost 20 jobs in the last 2-3 yrs. This downturn is related to the decreased spending through oil dev. and the loss of revenues.

2. Is your municipal government or school district anticipating a budget shortfall this coming year? No Yes If yes, please discuss the cause and extent. The NSB has needs of \$2-3 million more this yr which equates to loss of jobs for the village. The village has essentially no other economic revenue said the corp which is in its infancy to oil dev on corp lands & the huge task that involves.

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

TO: PETERSBURG



217 Second Street, Suite 200 • Juneau, Alaska 99801

Tel (907) 586-1325 • Fax (907) 463-5460 • www.akml.org

To: Mayor and Council/Assembly
& Manager/Finance Director/Clerk
From: Kevin Ritchie, Executive Director
Date: February 24, 2003

Re: 2003 Municipal Fiscal Conditions Survey - Please return ASAP

Municipal revenue sharing and other programs to support municipalities are "on the table" for cuts now in the Governor's budget. Cuts could rise to the level of elimination that would have serious financial impacts on every community in the state. Such cuts could be especially devastating to local governments and economies on top of the fiscal crises already facing many communities. Therefore, AML would like to present the Governor with information on the fiscal conditions of municipalities. Please take a few minutes to fill out this survey.

Name of Respondent JEAN MACK Title FINANCE DIRECTOR

Name of Municipality CITY OF PETERSBURG

1. Is your community facing an economic downturn? No Yes If yes, please discuss the cause and extent. At the present we are experience a slight decrease in sales tax collections, transient room tax, and property tax.

This will effect the revenue projects for the coming year

2. Is your municipal government or school district anticipating a budget shortfall this coming year? No Yes If yes, please discuss the cause and extent. _____

As a result of the above there will be a decrease in the funds

available for budgeting.

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



217 Second Street, Suite 200 • Juneau, Alaska 99801

Tel (907) 586-1325 • Fax (907) 463-5480 • www.akml.org

To: **Mayor and Council/Assembly
& Manager/Finance Director/Clerk**

From: Kevin Ritchie, Executive Director

Date: February 24, 2003

Re: **2003 Municipal Fiscal Conditions Survey – Please return ASAP**

Municipal revenue sharing and other programs to support municipalities are "on the table" for cuts now in the Governor's budget. Cuts could rise to the level of elimination that would have serious financial impacts on every community in the state. Such cuts could be especially devastating to local governments and economies on top of the fiscal crises already facing many communities. Therefore, AML would like to present the Governor with information on the fiscal conditions of municipalities. Please take a few minutes to fill out this survey.

Name of Respondent Gwen Emel Title City Administrator

Name of Municipality City of Alakanuk

1. Is your community facing an economic downturn? No Yes X If yes, please discuss the cause and extent. Lack of commercial fishing has been devastating for our community. The City government relies on taxes, water/sewer income and building and equipment rentals. With no income coming into the community everyone suffers.

2. Is your municipal government or school district anticipating a budget shortfall this coming year? No Yes X If yes, please discuss the cause and extent. With unemployment at a crises high residents cannot afford to buy locally, therefore lower tax revenues, & unpaid bills to the city government.

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

Member of the National League of Cities and the National Association of Counties

TO: SAVOONGA



217 Second Street, Suite 200 • Juneau, Alaska 99801
Tel (907) 596-1325 • Fax (907) 463-5480 • www.akml.org

To: **Mayor and Council/Assembly
& Manager/Finance Director/Clerk**
From: Kevin Ritchie, Executive Director
Date: February 24, 2003

Re: **2003 Municipal Fiscal Conditions Survey - Please return ASAP**

Municipal revenue sharing and other programs to support municipalities are "on the table" for cuts now in the Governor's budget. Cuts could rise to the level of elimination that would have serious financial impacts on every community in the state. Such cuts could be especially devastating to local governments and economies on top of the fiscal crises already facing many communities. Therefore, AML would like to present the Governor with information on the fiscal conditions of municipalities. Please take a few minutes to fill out this survey.

Name of Respondent Iana Kaur Title Clerk

Name of Municipality City of Savoonga

1. Is your community facing an economic downturn? No Yes If yes, please discuss the cause and extent. _____

2. Is your municipal government or school district anticipating a budget shortfall this coming year? No Yes If yes, please discuss the cause and extent. _____

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

FEB. 25. 2003 4:46PM ALASKA MUNI LEAGUE
TO: NEW STUYAHOK

NO. 4645 P. 1/1
FROM: AK MUNICIPAL LEAGUE



217 Second Street, Suite 200 • Juneau, Alaska 99801
Tel (907) 586-1325 • Fax (907) 463-5480 • www.akml.org

To: **Mayor and Council/Assembly
& Manager/Finance Director/Clerk**

From: Kevin Ritchie, Executive Director

Date: February 24, 2003

Re: **2003 Municipal Fiscal Conditions Survey - Please return ASAP**

Municipal revenue sharing and other programs to support municipalities are "on the table" for cuts now in the Governor's budget. Cuts could rise to the level of elimination that would have serious financial impacts on every community in the state. Such cuts could be especially devastating to local governments and economies on top of the fiscal crises already facing many communities. Therefore, AML would like to present the Governor with information on the fiscal conditions of municipalities. Please take a few minutes to fill out this survey.

Name of Respondent Chuck Peterson Title Mayor

Name of Municipality City of New Stuyahok

1. Is your community facing an economic downturn? No Yes If yes, please discuss the cause and extent. Due to the Bristol Bay Fisheries

Declining, local economy is needed here in New Stuyahok to create jobs for local fishermen & residents

2. Is your municipal government or school district anticipating a budget shortfall this coming year? No Yes If yes, please discuss the cause and extent. The City of

New Stuyahok is in need of heavy equipment to maintain roadways. Funding to keep up with doing repair on heavy equipment - equipment too old.

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

FEB 25 2003 2:01PM

ALASKA MUNI LEAGUE

NO. 4645 P. 101

FROM: AK MUNICIPAL LEAGUE



217 Second Street, Suite 200 • Juneau, Alaska 99801
Tel (907) 586-1325 • Fax (907) 463-5480 • www.akml.org

To: **Mayor and Council/Assembly
& Manager/Finance Director/Clerk**

From: Kevin Ritchie, Executive Director

Date: February 24, 2003

Re: **2003 Municipal Fiscal Conditions Survey - Please return ASAP**

Municipal revenue sharing and other programs to support municipalities are "on the table" for cuts now in the Governor's budget. Cuts could rise to the level of elimination that would have serious financial impacts on every community in the state. Such cuts could be especially devastating to local governments and economies on top of the fiscal crises already facing many communities. Therefore, AML would like to present the Governor with information on the fiscal conditions of municipalities. Please take a few minutes to fill out this survey.

Name of Respondent DALE ADAMS Title MAYOR

Name of Municipality CITY OF HOUSTON

1. Is your community facing an economic downturn? No Yes If yes, please discuss the cause and extent. _____

We are a very small city with limited revenue. If the state were to decrease or eliminate our revenue sharing it would have a serious financial impact on our city as we just barely make it with what we receive.

2. Is your municipal government or school district anticipating a budget shortfall this coming year? No Yes If yes, please discuss the cause and extent. _____

Yes, if our portion of revenue sharing is decreased or eliminated

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

FEB. 25. 2003 4:46PM ALASKA MUNI LEAGUE
TO: NEW STUYAHOK

NO. 4645 P. 1/1
FROM: AK MUNICIPAL LEAGUE



217 Second Street, Suite 200 • Juneau, Alaska 99801
Tel (907) 586-1325 • Fax (907) 463-5480 • www.akml.org

To: **Mayor and Council/Assembly**
& **Manager/Finance Director/Clerk**
From: Kevin Ritchie, Executive Director
Date: February 24, 2003

Re: **2003 Municipal Fiscal Conditions Survey - Please return ASAP**

Municipal revenue sharing and other programs to support municipalities are "on the table" for cuts now in the Governor's budget. Cuts could rise to the level of elimination that would have serious financial impacts on every community in the state. Such cuts could be especially devastating to local governments and economies on top of the fiscal crises already facing many communities. Therefore, AML would like to present the Governor with information on the fiscal conditions of municipalities. Please take a few minutes to fill out this survey.

Name of Respondent Chuck Peterson Title Mayor

Name of Municipality City of New Stuyahok

1. Is your community facing an economic downturn? No Yes If yes, please discuss the cause and extent. Due to the Bristol Bay Fisheries

Declining, Local economy is needed here in
New Stuyahok to create jobs for local fishermen
+ residents

2. Is your municipal government or school district anticipating a budget shortfall this coming year? No Yes If yes, please discuss the cause and extent. The City of

New Stuyahok is in need of heavy equipment to
maintain road ways. Funding to keep up with doing
repairson heavy equipment ~~parts~~ - equipment to
old.

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

TO: NORTH POLE



217 Second Street, Suite 200 • Juneau, Alaska 99801

Tel (907) 586-1325 • Fax (907) 463-5480 • www.akml.org

To: Mayor and Council/Assembly & Manager/Finance Director/Clerk

From: Kevin Ritchie, Executive Director

Date: February 24, 2003

Re: 2003 Municipal Fiscal Conditions Survey - Please return ASAP

Municipal revenue sharing and other programs to support municipalities are "on the table" for cuts now in the Governor's budget. Cuts could rise to the level of elimination that would have serious financial impacts on every community in the state. Such cuts could be especially devastating to local governments and economies on top of the fiscal crises already facing many communities. Therefore, AML would like to present the Governor with information on the fiscal conditions of municipalities. Please take a few minutes to fill out this survey.

Name of Respondent Jeff Jacobson Title Mayor

Name of Municipality City of North Pole

1. Is your community facing an economic downturn? No Yes X if yes, please discuss the cause and extent

Possibly - Economic tax base needs to be diversified.

2. Is your municipal government or school district anticipating a budget shortfall this coming year? No Yes X If yes, please discuss the cause and extent

Insurance costs and operational expenses are exceeding projected revenues. Employees may have to be laid off & services curtailed if revenues are not increased somehow. Property taxes were raised 2 years ago to close fiscal gap.

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

TO: KASAAAN



217 Second Street, Suite 200 • Juneau, Alaska 99801

Tel (907) 586-1325 • Fax (907) 463-5480 • www.akml.org

To: Mayor and Council/Assembly
& Manager/Finance Director/Clerk

From: Kevin Ritchie, Executive Director

Date: February 24, 2003

Re: 2003 Municipal Fiscal Conditions Survey - Please return ASAP

Municipal revenue sharing and other programs to support municipalities are "on the table" for cuts now in the Governor's budget. Cuts could rise to the level of elimination that would have serious financial impacts on every community in the state. Such cuts could be especially devastating to local governments and economies on top of the fiscal crises already facing many communities. Therefore, AML would like to present the Governor with information on the fiscal conditions of municipalities. Please take a few minutes to fill out this survey.

Name of Respondent Michael S. Queen Title Administrator

Name of Municipality City of Kasaaan

1. Is your community facing an economic downturn? No Yes If yes, please discuss the cause and extent. WORLD WIDE HAS SHUT DOWN AND THE LARGEST

TIMBER CONCERN ON THE ISLAND HAS FILED FOR BANKRUPTCY. OUTMIGRATION

DUKE 40 JOBS LOSS CATASTROPHICALLY AFFECTS OUR COMMUNITY AND

ALL OF PEOPLE OF WALES ISLAND.

2. Is your municipal government or school district anticipating a budget shortfall this coming year? No Yes If yes, please discuss the cause and extent. _____

DUKE TO OUTMIGRATION, THE KASAAAN SCHOOL FALLS BELOW THE

MINIMUM PUPIL CENSUS REQUIREMENTS AND OUR SCHOOLCHILDREN

WILL HAVE TO BE BUSSED 25 MILES ONE WAY DAILY OVER A ONE LANE

IMPROVED LOGGING ROAD TO SCHOOL IN THORNE BAY.

Please FAX TO AML at 907-463-5480 ASAP

Thank You!

FROM: AK MUNICIPAL LEAGUE



217 Second Street, Suite 200 • Juneau, Alaska 99801
Tel (907) 586-1325 • Fax (907) 463-5480 • www.akml.org

To: **Mayor and Council/Assembly**
& Manager/Finance Director/Clerk
From: Kevin Ritchie, Executive Director
Date: February 24, 2003
Re: **2003 Municipal Fiscal Conditions Survey – Please return ASAP**

Municipal revenue sharing and other programs to support municipalities are "on the table" for cuts now in the Governor's budget. Cuts could rise to the level of elimination that would have serious financial impacts on every community in the state. Such cuts could be especially devastating to local governments and economies on top of the fiscal crises already facing many communities. Therefore, AML would like to present the Governor with information on the fiscal conditions of municipalities. Please take a few minutes to fill out this survey.

Name of Respondent DELBERT KADAKE Title CITY ADMINISTRATOR

Name of Municipality CITY OF KAKE

1. Is your community facing an economic downturn? No Yes If yes, please discuss the cause and extent. DUE TO LIMITED LOGGING, BAD PRICING OF FISH, LIMITED AMOUNT OF GRANTS FOR STATE AND FEDERAL FUNDING TO PROVIDE JOBS, HIGH COST OF LIVING EXPENSES.

2. Is your municipal government or school district anticipating a budget shortfall this coming year? No Yes If yes, please discuss the cause and extent. _____

Forest Receipts are expected to be approximately \$20,000 less than FY'03 due to a drop in enrollment. At this time, we have heard rumors of a further enrollment drop in FY'04, but we won't know until October 2003.
Please FAX TO AML at 907-463-5480 ASAP
Thank You!

FEB. 25. 2003 2:26PM

ALASKA MUNI LEAGUE

NO. 4645 P. 1/1

FROM: AK MUNICIPAL LEAGUE

TO: KOYUKUK



217 Second Street, Suite 200 • Juneau, Alaska 99801
Tel (907) 586-1325 • Fax (907) 463-6480 • www.akml.org

To: Mayor and Council/Assembly
& Manager/Finance Director/Clerk

From: Kevin Ritchie, Executive Director

Date: February 24, 2003

Re: 2003 Municipal Fiscal Conditions Survey - Please return ASAP

Municipal revenue sharing and other programs to support municipalities are "on the table" for cuts now in the Governor's budget. Cuts could rise to the level of elimination that would have serious financial impacts on every community in the state. Such cuts could be especially devastating to local governments and economies on top of the fiscal crises already facing many communities. Therefore, AML would like to present the Governor with information on the fiscal conditions of municipalities. Please take a few minutes to fill out this survey.

Name of Respondent Vera C. Hestenkof Title City Administrator

Name of Municipality City of Koyukuk

1. Is your community facing an economic downturn? No Yes If yes, please discuss the cause and extent. State funding is a

vital resource for the City of Koyukuk.
It provides funding for Employer wages, grants
and the PCE program.

2. Is your municipal government or school district anticipating a budget shortfall this coming year? No Yes If yes, please discuss the cause and extent. IF the

State makes cuts for Revenue Sharing program,
the City Staff wages are covered by
the State Revenue Sharing program. Please do
not jeopardize our jobs.

Please FAX TO AML at 907-463-5480 ASAP

Thank You!

FEB. 25. 2003 2:08PM ALASKA MUNI LEAGUE

NO. 4645 P. 1/1

FROM: AK MUNICIPAL LEAGUE

TO: KAKTOVIK



217 Second Street, Suite 200 • Juneau, Alaska 99801

Tel (907) 586-1325 • Fax (907) 463-5480 • www.akml.org

To: Mayor and Council/Assembly

& Manager/Finance Director/Clerk

From: Kevin Ritchie, Executive Director

Date: February 24, 2003

Re: 2003 Municipal Fiscal Conditions Survey - Please return ASAP

Municipal revenue sharing and other programs to support municipalities are "on the table" for cuts now in the Governor's budget. Cuts could rise to the level of elimination that would have serious financial impacts on every community in the state. Such cuts could be especially devastating to local governments and economies on top of the fiscal crises already facing many communities. Therefore, AML would like to present the Governor with information on the fiscal conditions of municipalities. Please take a few minutes to fill out this survey.

Name of Respondent LON SENSALLA Title MAYOR

Name of Municipality CITY OF KAKTOVIK

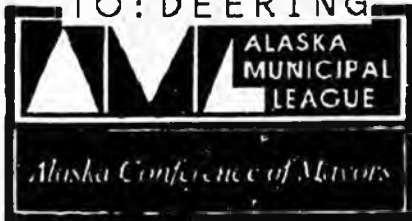
1. Is your community facing an economic downturn? No Yes If yes, please discuss the cause and extent.

TAX Dollars from Prudhoe are declining and the North Slope Borough's budget is in decline which affects all North Slope communities.

2. Is your municipal government or school district anticipating a budget shortfall this coming year? No Yes If yes, please discuss the cause and extent.

The North Slope Borough has been and will continue to cut 5 to 6 million from its budget for the next 5 to 6 years. The school district is cutting approximately 1 million per year during that time.

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



217 Second Street, Suite 200 • Juneau, Alaska 99801
Tel (907) 586-1325 • Fax (907) 463-5480 • www.akml.org

To: **Mayor and Council/Assembly
& Manager/Finance Director/Clerk**
From: Kevin Ritchie, Executive Director
Date: February 24, 2003

Re: **2003 Municipal Fiscal Conditions Survey – Please return ASAP**

Municipal revenue sharing and other programs to support municipalities are “on the table” for cuts now in the Governor’s budget. Cuts could rise to the level of elimination that would have serious financial impacts on every community in the state. Such cuts could be especially devastating to local governments and economies on top of the fiscal crises already facing many communities. Therefore, AML would like to present the Governor with information on the fiscal conditions of municipalities. Please take a few minutes to fill out this survey.

Name of Respondent Ben Moto Title Clerk

Name of Municipality City of Deering

1. Is your community facing an economic downturn? No Yes If yes, please discuss the cause and extent. _____

2. Is your municipal government or school district anticipating a budget shortfall this coming year? No Yes If yes, please discuss the cause and extent. _____

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

FROM : CITY OF OUZINKIE
FEB. 24. 2003 2:09PM

PHONE NO. : 907 680 2223

Feb. 28 2003 02:44PM P1
FROM: AK MUNICIPAL LEAGUE



217 Second Street, Suite 200 • Juneau, Alaska 99801
Tel (907) 586-1325 • Fax (907) 463-5480 • www.akml.org

To: **Mayor and Council/Assembly
& Manager/Finance Director/Clerk**
From: Kevin Ritchie, Executive Director
Date: February 24, 2003

Re: **2003 Municipal Fiscal Conditions Survey - Please return ASAP**

Municipal revenue sharing and other programs to support municipalities are "on the table" for cuts now in the Governor's budget. Cuts could rise to the level of elimination that would have serious financial impacts on every community in the state. Such cuts could be especially devastating to local governments and economies on top of the fiscal crises already facing many communities. Therefore, AML would like to present the Governor with information on the fiscal conditions of municipalities. Please take a few minutes to fill out this survey.

Name of Respondent Dave Campfield Title Vice-Mayor

Name of Municipality City of Ouzinkie

1. Is your community facing an economic downturn? No Yes If yes, please discuss the cause and extent. _____

The Major Cause for a Downturn
is the fishing industry problems.
Ouzinkie is a fishing village.

2. Is your municipal government or school district anticipating a budget shortfall this coming year? No Yes If yes, please discuss the cause and extent. _____

Both the city and the School are
facing cut backs. Each year the City has
to use reserves.

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



217 Second Street, Suite 200 • Juneau, Alaska 99801
Tel (907) 586-1325 • Fax (907) 463-5480 • www.akml.org

To: **Mayor and Council/Assembly
& Manager/Finance Director/Clerk**
From: Kevin Ritchie, Executive Director
Date: February 24, 2003

Re: **2003 Municipal Fiscal Conditions Survey - Please return ASAP**

Municipal revenue sharing and other programs to support municipalities are "on the table" for cuts now in the Governor's budget. Cuts could rise to the level of elimination that would have serious financial impacts on every community in the state. Such cuts could be especially devastating to local governments and economies on top of the fiscal crises already facing many communities. Therefore, AML would like to present the Governor with information on the fiscal conditions of municipalities. Please take a few minutes to fill out this survey.

Name of Respondent City of Pilot Point / Dennis Griechen Title Mayor

Name of Municipality City of Pilot Point

1. Is your community facing an economic downturn? No Yes If yes, please discuss the cause and extent. Due to the decline in the commercial fishing pricing as well as the returning stocks, the City has seen a steady decline in revenue.

2. Is your municipal government or school district anticipating a budget shortfall this coming year? No Yes If yes, please discuss the cause and extent. As mentioned above, the City's budget was comprised of a 3% sales tax off of the fish catch in our bay. Without the fish tax monies, we need other revenues to help complete our budgets.

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

TO: SAINT MARY S

FROM: AK MUNICIPAL LEAGUE



217 Second Street, Suite 200 • Juneau, Alaska 99801
Tel (907) 586-1325 • Fax (907) 463-5480 • www.akml.org

To: **Mayor and Council/Assembly
& Manager/Finance Director/Clerk**
From: Kevin Ritchie, Executive Director
Date: February 24, 2003

Re: **2003 Municipal Fiscal Conditions Survey - Please return ASAP**

Municipal revenue sharing and other programs to support municipalities are "on the table" for cuts now in the Governor's budget. Cuts could rise to the level of elimination that would have serious financial impacts on every community in the state. Such cuts could be especially devastating to local governments and economies on top of the fiscal crises already facing many communities. Therefore, AML would like to present the Governor with information on the fiscal conditions of municipalities. Please take a few minutes to fill out this survey.

Name of Respondent WATSON Smith Title CITY MANAGER
Name of Municipality ST. MARY'S

1. Is your community facing an economic downturn? No Yes If yes, please discuss the cause and extent. We are dependent upon grant funding - both directly to us as well as for neighboring villages who buy gravel from us. I must supplement our general fund activities with \$50,000 per year to maintain minimal services.

2. Is your municipal government or school district anticipating a budget shortfall this coming year? No Yes If yes, please discuss the cause and extent. I am always facing a shortfall. As the state reduces funding and services I have to provide more services locally with less money.

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

TO: ALEKNAGIK



217 Second Street, Suite 200 • Juneau, Alaska 99801
Tel (907) 586-1325 • Fax (907) 463-5480 • www.akml.org

To: **Mayor and Council/Assembly
& Manager/Finance Director/Clerk**

From: Kevin Ritchie, Executive Director

Date: February 24, 2003

Re: **2003 Municipal Fiscal Conditions Survey – Please return ASAP**

Municipal revenue sharing and other programs to support municipalities are "on the table" for cuts now in the Governor's budget. Cuts could rise to the level of elimination that would have serious financial impacts on every community in the state. Such cuts could be especially devastating to local governments and economies on top of the fiscal crises already facing many communities. Therefore, AML would like to present the Governor with information on the fiscal conditions of municipalities. Please take a few minutes to fill out this survey.

Name of Respondent Patricia Heyano Title City Administrator

Name of Municipality City of Aleknagik

1. Is your community facing an economic downturn? No Yes If yes, please discuss the cause and extent. _____

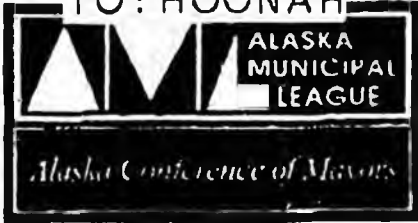
The commercial fishing industry has been hit hard by poor salmon returns and reduced demand for salmon due to farmed fish. Bristol Bay has had 5 disaster years out of the past 6. Approximately 36 permit holders in Aleknagik.

2. Is your municipal government or school district anticipating a budget shortfall this coming year? No Yes If yes, please discuss the cause and extent. _____

The City offers services, such as heavy equipment services, boat hauling, barge service, septic pumping services, and snow removal. People are unable to pay their bills with the City. Approximately \$36,000 outstanding in Accounts Receivable at the City.

Please FAX TO AML at 907-463-5480 ASAP

Thank You!



217 Second Street, Suite 200 • Juneau, Alaska 99801
Tel (907) 586-1325 • Fax (907) 463-5480 • www.akml.org

To: **Mayor and Council/Assembly
& Manager/Finance Director/Clerk**

From: Kevin Ritchie, Executive Director

Date: February 24, 2003

Re: **2003 Municipal Fiscal Conditions Survey – Please return ASAP**

Municipal revenue sharing and other programs to support municipalities are "on the table" for cuts now in the Governor's budget. Cuts could rise to the level of elimination that would have serious financial impacts on every community in the state. Such cuts could be especially devastating to local governments and economies on top of the fiscal crises already facing many communities. Therefore, AML would like to present the Governor with information on the fiscal conditions of municipalities. Please take a few minutes to fill out this survey.

Name of Respondent Alf R. (Windy) Skaflestad Title Mayor

Name of Municipality City of Hoonah, Alaska

1. Is your community facing an economic downturn? No Yes If yes, please discuss the cause and extent. _____

SEE ATTACHMENT

2. Is your municipal government or school district anticipating a budget shortfall this coming year? No Yes If yes, please discuss the cause and extent. _____

SEE ATTACHMENT

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

1. Hoonah is small Tlingit Village which has primarily relied on the seasonal industries of timber and fishing. As you are aware, both of these industries have taken a severe downturn. We are struggling to obtain what benefits are available from them, plus searching for other economic possibilities. Commercial businesses are required to pay approximately 37 cent per kilowatt hour, a big detriment to encourage more and new business to broaden our economic base.

2. With the closure of Glacier Bay, the reduction in timber and fishing the City has experienced losses in both fish tax and sales tax. The decrease of timber and fishing also causes a drop in student enrollment which lowers funds. Additional, what funds the City has managed to set aside to assist us through this difficult period has been severely effected, by a low return on those investments, particularly after the September 11th crisis. During all this the cost of living continues to increase, affecting the City's expense budget as we continue with operation maintenance and safety issues.

CITY OF ANGOON

PO. BOX 189 • ANGOON, ALASKA 99820 • (907) 788-3653 • FAX: (907) 788-3821

To: Kevin Ritchie, Executive Director

From: Walter Jack, Mayor *WJ*
City of Angoon

Date: February 25, 2003

Re: 2003 Municipal Fiscal Conditions Survey

Name of Respondent: Walter Jack

Title: Mayor

1. Is your community facing an economic downturn? No__ Yes x If yes, please discuss the cause and extent. Angoon lacks an economic base, therefore, cannot offer any job opportunities to community members. Although fishing has been the historic economic base for years, that area is experiencing a decline due to the low prices and lack of market. A domestic market could be a part of the solution, with community-based sales in all local stores through-out Alaska.

2. Is your municipal government or school district anticipating a budget shortfall this coming year? No__ Yes x If yes, please discuss the cause and extent. We seem to be getting more unfunded mandates on facilities owned and operated by municipalities, ie., water and sewer plants with a more stringent regulation, which means more monitoring. Homeland security, more hours for departments with-out the necessary funding. Whether a police department or VPSO program, I recommended to establish an endowment fund.

TO: LARSEN BAY

FROM: AK MUNICIPAL LEAGUE



217 Second Street, Suite 200 • Juneau, Alaska 99801
Tel (907) 586-1325 • Fax (907) 463-5480 • www.akml.org

To: **Mayor and Council/Assembly
& Manager/Finance Director/Clerk**
From: Kevin Ritchie, Executive Director
Date: February 24, 2003

Re: **2003 Municipal Fiscal Conditions Survey - Please return ASAP**

Municipal revenue sharing and other programs to support municipalities are "on the table" for cuts now in the Governor's budget. Cuts could rise to the level of elimination that would have serious financial impacts on every community in the state. Such cuts could be especially devastating to local governments and economies on top of the fiscal crises already facing many communities. Therefore, AML would like to present the Governor with information on the fiscal conditions of municipalities. Please take a few minutes to fill out this survey.

Name of Respondent Allen Panamaroff Sr. Title Mayor

Name of Municipality City of Larsen Bay

1. Is your community facing an economic downturn? No Yes If yes, please discuss the cause and extent. Municipal funds from state diminishing, Cannery not operating, Higher price for fuel and groceries. All these play a major role in how the municipality conducts services to the community.

2. Is your municipal government or school district anticipating a budget shortfall this coming year? No Yes If yes, please discuss the cause and extent. Lack of Raw Fish Tax to the community, Cut down on PGE, Higher price on fuel and other commodities

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



To: **Mayor and Council/Assembly
& Manager/Finance Director/Clerk**

From: Kevin Ritchie, Executive Director

Date: February 24, 2003

DATE 2-28-2003

Rc: 2003 Municipal Fiscal Conditions Survey - Please return ASAP

Municipal revenue sharing and other programs to support municipalities are "on the table" for cuts now in the Governor's budget. Cuts could rise to the level of elimination that would have serious financial impacts on every community in the state. Such cuts could be especially devastating to local governments and economies on top of the fiscal crises already facing many communities. Therefore, AML would like to present the Governor with information on the fiscal conditions of municipalities. Please take a few minutes to fill out this survey.

Name of Respondent MARTIN B MOORE Title MANAGER

Name of Municipality City of Emmonak

1. Is your community facing an economic downturn? No Yes If yes, please discuss the cause and extent. _____

If I explain Fishery disaster to one in the State Govt seems to Listen - I know community municipalities are impacted Lacking commercial fishing

Disasters 1999-2000-2001 and 2002 9 million Less dollars For each year For individuals. Plus the unaccounted fish

2. Is your municipal government or school district anticipating a budget shortfall this coming year? No Yes If yes, please discuss the cause and extent. _____ Processor losses in millions of \$\$\$.

The City is revisiting its budget and Plans of employment Reduction is at hand. Community Rejected Sale Tax increases

3 to 5% unpaid w/s bills \$65,000 Cable TV* 21,000

Please FAX TO AML at 907-463-5480 ASAP - It is not feasible Thank You! For the State to Eliminate revenue sharing it will cost The State more at the end.

Member of the National League of Cities and the National Association of Counties

Martin B Moore

In-behalf the Community Council Members -

TO: BREVIG MISSION



217 Second Street, Suite 200 • Juneau, Alaska 99801

Tel (907) 586-1325 • Fax (907) 463-5480 • www.akml.org

To: **Mayor and Council/Assembly
& Manager/Finance Director/Clerk**

From: Kevin Ritchie, Executive Director

Date: February 24, 2003

Re: **2003 Municipal Fiscal Conditions Survey – Please return ASAP**

Municipal revenue sharing and other programs to support municipalities are "on the table" for cuts now in the Governor's budget. Cuts could rise to the level of elimination that would have serious financial impacts on every community in the state. Such cuts could be especially devastating to local governments and economies on top of the fiscal crises already facing many communities. Therefore, AML would like to present the Governor with information on the fiscal conditions of municipalities. Please take a few minutes to fill out this survey.

Name of Respondent Brian Crockett Title Mayor - City of Brevig Mission

Name of Municipality City of Brevig Mission

1. Is your community facing an economic downturn? No Yes If yes, please discuss the cause and extent. The residents have run out with

major portions of the local reindeer herds. The water & sewer project is almost done. We are already taxing at a 3% sales tax rate.

2. Is your municipal government or school district anticipating a budget shortfall this coming year? No Yes If yes, please discuss the cause and extent. We are

expecting a short fall because we are shouldering more responsibilities and we also are trying to compete with local entities for qualified personnel.

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

TO: DELTA JUNCTION



217 Second Street, Suite 200 • Juneau, Alaska 99801

Tel (907) 586-1325 • Fax (907) 463-5480 • www.akml.org

To: **Mayor and Council/Assembly
& Manager/Finance Director/Clerk**

From: Kevin Ritchie, Executive Director

Date: February 24, 2003

Re: **2003 Municipal Fiscal Conditions Survey - Please return ASAP**

Municipal revenue sharing and other programs to support municipalities are "on the table" for cuts new in the Governor's budget. Cuts could rise to the level of elimination that would have serious financial impacts on every community in the state. Such cuts could be especially devastating to local governments and economies on top of the fiscal crises already facing many communities. Therefore, AML would like to present the Governor with information on the fiscal conditions of municipalities. Please take a few minutes to fill out this survey.

Name of Respondent Patricia White Title City Clerk

Name of Municipality City of Delta Junction

1. Is your community facing an economic downturn? No Yes If yes, please discuss the cause and extent. _____

2. Is your municipal government ~~anticipating~~ anticipating a budget shortfall this coming year? No Yes If yes, please discuss the cause and extent. _____

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

FEB. 25. 2003 3:14PM

ALASKA MUNI LEAGUE

NO. 4645 P. 1/1

TO: RUBY

FROM: AK MUNICIPAL LEAGUE



217 Second Street, Suite 200 • Juneau, Alaska 99801

Tel (907) 586-1325 • Fax (907) 463-5480 • www.akml.org

To: Mayor and Council/Assembly
& Manager/Finance Director/Clerk
From: Kevin Ritchie, Executive Director
Date: February 24, 2003

Re: 2003 Municipal Fiscal Conditions Survey - Please return ASAP

Municipal revenue sharing and other programs to support municipalities are "on the table" for cuts now in the Governor's budget. Cuts could rise to the level of elimination that would have serious financial impacts on every community in the state. Such cuts could be especially devastating to local governments and economies on top of the fiscal crises already facing many communities. Therefore, AML would like to present the Governor with information on the fiscal conditions of municipalities. Please take a few minutes to fill out this survey.

Name of Respondent Lucy Williamson Title City Clerk/Treas

Name of Municipality City of Ruby

1. Is your community facing an economic downturn? No Yes If yes, please discuss the cause and extent. There is no revenue generation that would support a city. State assistance is critical to providing basic municipal services at a minimal level.

School losing population, all basic services are increasing in costs (insurance, fuel, etc).

See below.

2. Is your municipal government or school district anticipating a budget shortfall this coming year? No Yes If yes, please discuss the cause and extent. Increases

in basic insurance for the City, increased fuel costs,

increased transportation costs, etc all lend to larger expenditures,

less revenue. School (YKSD) has serious financial challenges, and

as student population decreases (students going to charter school, etc) Ruby faces the possibility of losing its school and ultimately its population.

Please FAX TO AML at 907-463-5480 ASAP

Thank You!

FROM : CITY OF COLD BAY ALASKA

FAX NO. : 9075322671

Mar. 02 2003 01:16PM P1

FEB. 25 2003 1:29PM

ALASKA MUNI LEAGUE

NO. 4645 P. 1/1

FROM: AK MUNICIPAL LEAGUE



217 Second Street, Suite 200 • Juneau, Alaska 99801

Tel (907) 585-1325 • Fax (907) 483-5480 • www.akml.org

To: Mayor and Council/Assembly
& Manager/Finance Director/Clerk
From: Kevin Ritchie, Executive Director
Date: February 24, 2003

Re: 2003 Municipal Fiscal Conditions Survey - Please return ASAP

Municipal revenue sharing and other programs to support municipalities are "on the table" for cuts now in the Governor's budget. Cuts could rise to the level of elimination that would have serious financial impacts on every community in the state. Such cuts could be especially devastating to local governments and economies on top of the fiscal crises already facing many communities. Therefore, AML would like to present the Governor with information on the fiscal conditions of municipalities. Please take a few minutes to fill out this survey.

Name of Respondent John T. Maxwell Title MAYOR

Name of Municipality Cold Bay

1. Is your community facing an economic downturn? No Yes If yes, please discuss the cause and extent. FUEL PRICES KEEP INCREASING,

this RAISES THE CITY'S UTILITIES, CURRENTLY \$80,000⁰⁰

A YEAR. Reduction in Fish taxes and state grants puts higher cost on our residents, WATER + SEWER IS OUR MAIN LOCAL INCOME.

2. Is your municipal government or school district anticipating a budget shortfall this coming year? No Yes If yes, please discuss the cause and extent. Potential

\$ 100,000⁰⁰ REPLACEMENT WATER WELL.

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

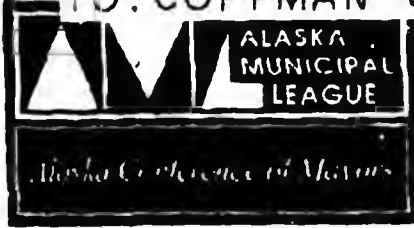
FROM : RIGGIN SHACK

FEB. 25. 2003 1:28PM

ALASKA MUNICIPAL LEAGUE PHONE NO. : 907 329 2260

Mar. 03 2003 04:06PM P1
FROM: AK MUNICIPAL LEAGUE

TO: COFFMAN COVE



217 Second Street, Suite 200 • Juneau, Alaska 99801

Tel (907) 586-1325 • Fax (907) 463-5480 • www.akml.org

To: **Mayor and Council/Assembly
& Manager/Finance Director/Clerk**
From: Kevin Ritchie, Executive Director
Date: February 24, 2003

Re: **2003 Municipal Fiscal Conditions Survey - Please return ASAP**

Municipal revenue sharing and other programs to support municipalities are "on the table" for cuts now in the Governor's budget. Cuts could rise to the level of elimination that would have serious financial impacts on every community in the state. Such cuts could be especially devastating to local governments and economies on top of the fiscal crises already facing many communities. Therefore, AML would like to present the Governor with information on the fiscal conditions of municipalities. Please take a few minutes to fill out this survey.

Name of Respondent John Willis Title Treasurer

Name of Municipality Coffman Cove

1. Is your community facing an economic downturn? No Yes If yes, please discuss the cause and extent. Lack of year round / decent wage jobs due to timber industry declines. Difficult to attract new industry/business to area due to high cost of development & operating cost - i.e. electricity / internet / freight

2. Is your municipal government or school district anticipating a budget shortfall this coming year? No Yes If yes, please discuss the cause and extent. INCREASES !!
operating expenses - insurance, utilities, employee related cost. Difficult to keep projects moving forward & within budget due to slow, cumbersome & over regulated permitting process - / extent - we've been tapping our land sales reserve acct to meet operating expenses

Please FAX TO AML at 907-463-5480 ASAP earlier each year - Thank You!
Last FY was March - this FY was late Jan.



217 Second Street, Suite 200 • Juneau, Alaska 99801
Tel (907) 586-1926 • Fax (907) 463-5480 • www.akml.org

To: **Mayor and Council/Assembly
& Manager/Finance Director/Clerk**

From: Kevin Ritchie, Executive Director

Date: February 24, 2003

Re: **2003 Municipal Fiscal Conditions Survey - Please return ASAP**

Municipal revenue sharing and other programs to support municipalities are "on the table" for cuts now in the Governor's budget. Cuts could rise to the level of elimination that would have serious financial impacts on every community in the state. Such cuts could be especially devastating to local governments and economies on top of the fiscal crises already facing many communities. Therefore, AML would like to present the Governor with information on the fiscal conditions of municipalities. Please take a few minutes to fill out this survey.

Name of Respondent Fannie Carroll Title City Manager

Name of Municipality FORT YUKON, City of

1. Is your community facing an economic downturn? No Yes If yes, please discuss the cause and extent.

Our community is rural, we are in the later phases of a water/sewer system... this must not be cut at this stage as we would not be able to complete this program without assistance. Also, for further building concerning transportation here is detrimental to our cost of living.

2. Is your municipal government or school district anticipating a budget shortfall this coming year? No Yes If yes, please discuss the cause and extent.

It appears that our local, Regional - Yukon Flats School District is facing cuts of 543,469., which means 3 teachers will not be returning, classes are going to have to be combined with multiple levels. Our cost of fuel is x2 of urban areas, to keep up high standards, rural communities cannot

Please FAX TO AML at 907-463-5480 ASAP

Thank You!

survive with such cuts.

To: **Mayor and Council/Assembly
& Manager/Finance Director/Clerk**
 From: Kevin Ritchie, Executive Director
 Date: February 24, 2003

Re: **2003 Municipal Fiscal Conditions Survey - Please return ASAP**

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Name of Respondent: ~~RL~~ RL ROMENESKO Title CITY MGR.

Name of Municipality CITY OF NOME

1. Is your community facing an economic downturn? No Yes - If yes, please discuss the cause and extent. NOME HAS EXPERIENCED FLAT OR
NOMINAL GROWTH OVER PAST 5 YRS. WE EXPECT
THIS ZERO GROWTH TO CONTINUE.

2. Is your municipal government or school district anticipating a budget shortfall this coming year? No Yes If yes, please discuss the cause and extent. _____

SCHOOL DISTRICT IS CHRONICALLY UNDERFUNDED & WILL
BE SERIOUSLY IMPACTED (NEGATIVELY) IF "DISTRICT
COST FACTOR STUDY" IMPLEMENTED.

Please FAX TO AML at 907-463-5480 ASAP

Thank You!



CITY OF UNALAKLEET

BOX 28
UNALAKLEET, ALASKA
99834
(907) 624-3531
FAX (907) 624-3130

March 4, 2003

The Honorable Donald C. Olson
Alaska State Senate
State Capitol
Room 510
Juneau, Alaska 99801-1182

RE: Revenue Sharing/Safe Communities Funding

Dear Senator Olson,

As the time nears for Governor Murkowski to unveil his proposed FY04 operating budget, stories of reduced funding to municipalities have begun to circulate naturally causing concern to the communities within the State and in your region including Unalakleet.

With the spot market of oil prices just out of sight, our community and all who are so dependent upon bulk fuel shipments, this item alone will have a devastating impact upon our FY04 Budget. In fact, Yukon Fuel is hesitant in providing the City of Unalakleet with a quote so we can submit our annual bulk fuel revolving loan fund application. Just this single item will have a major impact upon the City from reduced heating consumption which in turn results in lower sales tax revenues which in turn results in less operating revenue for police, streets, library and building maintenance.

Last year our insurance costs went up 66% and premiums are scheduled for another 10% to 20% increase again this year. The cost of providing insurance other than Workers Compensation is making communities to think twice of carrying any coverage at all. In fact, the philosophy is that if the water plant or electric plant is destroyed by fire, an emergency exists and the State will build a new one for us. The same holds true in differing maintenance until it is inoperable and an emergency exists.

We struggle to provide our citizens with the basics within the limited resources available. The continued erosion of State Shared Revenues has caused the City Council to reflect upon hard choices of what is important in maintaining the quality of life in our community within a limited income. We have been diligent in collecting utility payments with over 60% paying in full every month. Collection of sales tax, alcohol tax and bed tax is current with all the vendors. Yet we live hand to mouth.

With the large increase in operating costs looming in our FY04 Budget, we can ill afford any reduction in State Shared revenues. Current State mandated requirements such as having two (2) certified water plant operators for wages and fringe benefits alone results in nearly 10% of the total operating budget. Without the operators, we are in non-compliance.

When the issue of reducing or eliminating State Shared Revenues is discussed or even voted upon, consideration of the long-term impact upon the local communities should be paramount in the deliberations. Municipalities have taken more than their fair share of reduced revenues in the past ten to fifteen years and we continue to be the "fall guy" when it comes to reducing State spending.

The City of Unalakleet asks that you seriously look upon the impact of reduced State Shared revenues to the communities within your election district, but the entire State as well.

Should you have any questions please feel free to contact me.

Yours truly,



Henry Ivanoff, Sr.
Mayor

TO: HUSLIA

FROM: AK MUNICIPAL LEAGUE



217 Second Street, Suite 200 • Juneau, Alaska 99801
Tel (907) 586-1325 • Fax (907) 463-5480 • www.akml.org

To: **Mayor and Council/Assembly
& Manager/Finance Director/Clerk**
From: Kevin Ritchie, Executive Director
Date: February 24, 2003

Re: **2003 Municipal Fiscal Conditions Survey – Please return ASAP**

Municipal revenue sharing and other programs to support municipalities are "on the table" for cuts now in the Governor's budget. Cuts could rise to the level of elimination that would have serious financial impacts on every community in the state. Such cuts could be especially devastating to local governments and economies on top of the fiscal crises already facing many communities. Therefore, AML would like to present the Governor with information on the fiscal conditions of municipalities. Please take a few minutes to fill out this survey.

Name of Respondent Elsie Vent Title City Administrator
Name of Municipality Huslia

1. Is your community facing an economic downturn? No Yes If yes, please discuss the cause and extent. _____

with costs of services going up it is tough to keep up with the state cutting back on revenues.

2. Is your municipal government or school district anticipating a budget shortfall this coming year? No Yes If yes, please discuss the cause and extent. _____

Every year there is a cut back from the state ^{in revenues} so the people suffer the consequences.

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

TO: PORT ALEXANDER



217 Second Street, Suite 200 • Juneau, Alaska 99801
Tel (907) 598-1325 • Fax (907) 463-5480 • www.akml.org

To: **Mayor and Council/Assembly
& Manager/Finance Director/Clerk**

From: Kevin Ritchie, Executive Director

Date: February 24, 2003

Re: **2003 Municipal Fiscal Conditions Survey - Please return ASAP**

Municipal revenue sharing and other programs to support municipalities are "on the table" for cuts now in the Governor's budget. Cuts could rise to the level of abomination that would have serious financial impacts on every community in the state. Such cuts could be especially devastating to local governments and economies on top of the fiscal crises already facing many communities. Therefore, AML would like to present the Governor with information on the fiscal conditions of municipalities. Please take a few minutes to fill out this survey.

Name of Respondent DAVID WALLER Title MAYOR

Name of Municipality PORT ALEXANDER

1. Is your community facing an economic downturn? No Yes If yes, please discuss the cause and extent. _____

FAIRLY NORMAL - NOT A LOT OF SURPLUS
BUT FAMILIES HERE BALANCE / NO
MATTER HOW PRECARIOUSLY.

2. Is your municipal government or school district anticipating a budget shortfall this coming year? No Yes If yes, please discuss the cause and extent. _____

THE MUNICIPALITY WILL BE OK NO MATTER
HOW TIGHT THE BELT. WE OPERATE ON A LOT
OF VOLUNTEERISM. THE SCHOOL WILL PROBABLY
BE SHORT BUT THERE ARE ALWAYS BAKE SALES.

Please FAX TO AML at 907-463-5480 ASAP

Thank You!



CITY OF BETHEL

P.O. Box 388 Bethel, Alaska 99559
907-543-2297
FAX # 543-4171

Alaska Municipal League
Kevin Ritchie
217 Second Street, Suite 200
Juneau, AK. 99801

Dear Mr. Ritchie,

In response to your 2003 Municipal Fiscal Condition Survey, please see below. Our community fiscal picture is moving from gray to black due to the unknowns (war with Iraq, state/federal funding, oil prices, etc.). It will be a wild ride and until the community gets around some corners, we will not know the direction Bethel's community is heading. However, a silver lining (jobs) is coming over the horizon which will help develop the community within eighteen months to two years with the building of the Yuut Elitnaurviat-People's Learning Center, Inc. The City of Bethel has already been hammered with deficit spending (need City water/sewer rate increases, developing new City revenue streams, etc.).

1. Bethel's community is at a cross-road that could go either way. On one hand, the community will incur growth and development due to the recently approved City Ordinance #02-33 authorizing the disposal of a donated 10.3 acre parcel to build the Yuut Elitnaurviat-People's Learning Center, Inc. Some major businesses have donated money and time as well. This will create jobs within eighteen months to two years. On the other hand, if war with Iraq comes about, this could hurt our community. Approximately fifty percent of jobs are state and federal funded. Possible cut backs from the state and federal government could have a major impact with people losing their jobs.
2. City budget shortfall of \$467,000 has already happened as of February 2003 (fiscal year end is June 2003). This trend could increase up to ~\$700,000. The City requires additional revenue for the Water, Sewer and Sanitation fund. Over the past five years revenue has slowly declined. The latest rate increase was in April 2001 for an adjustment of 20 percent. The rate increase had no effect in slowing the losses. An additional rate analysis will be reviewed this year. Also, the City is reviewing additional revenue streams, such as, a City owned liquor store, increase in sales tax or establishment of a property tax.

Sincerely yours,

A handwritten signature in black ink, appearing to read "R. Strahan", with a long horizontal stroke extending to the right.

Robert B. Strahan

FEB. 25. 2003 1:16PM

ALASKA MUNI LEAGUE

NO. 4645 P. 1/1

FROM: AK MUNICIPAL LEAGUE

TO: BETHEL



217 Second Street, Suite 200 • Juneau, Alaska 99801

Tel (907) 586-1325 • Fax (907) 463-5480 • www.akml.org

To: **Mayor and Council/Assembly
& Manager/Finance Director/Clerk**

From: Kevin Ritchie, Executive Director

Date: February 24, 2003

Re: **2003 Municipal Fiscal Conditions Survey - Please return ASAP**

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Name of Respondent Robert B. Strahan Title Finance Director

Name of Municipality City of Bethel

1. Is your community facing an economic downturn? No Yes If yes, please discuss the cause and extent. _____

See letter

2. Is your municipal government or school district anticipating a budget shortfall this coming year? No Yes If yes, please discuss the cause and extent. _____

See letter

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

Please add to public testimony

The Honorable Senator Gary Wilken
State Capitol
Juneau, AK

Paul Bryner
626 "N" Street
Anchorage, AK 99501

17 April 2003

Dear Senator Wilken,

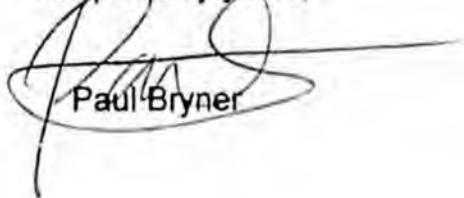
I am a teacher with the Anchorage Literacy Project. I work overtime to help teach undereducated and developmentally disabled adults who are starting to learn English from the ground level. I also help coordinate the many volunteers who give generously of their time to help strengthen our program. The Anchorage Literacy Project uses money from the Human Services Matching Grant to pay four part time staff members to coordinate almost two hundred volunteers. These two hundred volunteers in turn provide services for a thousand adult students in need. This program exemplifies the sort of volunteerism that the Governor has called for this year. If the Human Services Matching Grant is cut, as has been proposed, Alaska voters will recognize that the Senate is taking shortcuts and easy solutions, using alarmist, gloom-and-doom rhetoric to justify cuts which will do nothing but hurt our state.

Basic Literacy training is the most cost effective human service this state provides. I would urge you to review the materials I have enclosed in order to confirm that this is the case. Having a more literate adult population reduces the number of dependants on the state. It reduces the crime rate and reduces medical costs incurred by those incapable of reading simple medical instructions. No one could argue that these are not basic state needs. Through running our volunteer program, we work hard to minimize costs, to recruit, train, and support those who have an undeniable commitment to keeping this state great.

The bottom line is: if the HSMG is cut, hundreds of undereducated adults will have no alternative to illiteracy do you, personally, think this is a desirable, responsible option? Will your constituents think so?

The House Finance Committee saw fit, after an intensive review process, to restore HSMG funding in full. I hope that the Senate Committee will confirm the wisdom of this decision.

Respectfully yours,


Paul Bryner



Anchorage
Literacy Project

Legislative
Informational
Packet

2003

ALP Fact Sheet

FY 2003

WHO: Anchorage Literacy Project is a private nonprofit community based organization serving the undereducated and new English language learners for over 27 years. We have a staff of 11.1 and are governed by a Board of Directors.

WHAT: Mission: Changing Lives Through Literacy

Goals:

- Provide adult learners with opportunities to meet their educational goals.
- Recruit, train, certify and support volunteers to teach adults.
- Recruit, train, certify and support volunteer tutor trainers.
- Collaborate with other agencies to better serve the needs of adult learners
- Promote community awareness of literacy issues

WHERE: Main site is 1345 Rudakof; occupy 11 condo units, over 10,000 sq. ft. of office and classroom space. Other sites are Fairview Recreation Center, Success By 6, Chugach Manor, Senior Citizen Center and individual homes.

HOW: Tutor Training Workshops – train 365 new tutors over the past 5 years

Volunteer Program: 153 active one-to-one tutors

4 Small Group Tutors

18 Classroom Teachers

14 Tutor trainers

189 Active Instructional Volunteers served 800 adults with 38,000 instructional hours

53 countries, predominant languages – Spanish, Korean, Laotian, Thai

Volunteer instructors do 66% of the teaching. The remainder is done by grant funded program staff.

Multi-Sensory Instruction: 239 adults taught by two staff teachers, nationally recognized program for beginning level readers

IMPACT Family Literacy Program: served 150 family members, parents and children with comprehensive literacy and parent education.

Average yearly number of classes offered by ALP, on and off site is 40.

Budget: Approximately \$500,000
322,000 from federal, state, municipality grants
130,000 from United Way of Anchorage 20% of total
100,000 from contracts, fundraising, individual, group and corporate contributions

In-kind contributions: \$1,177,417 Labor, goods, and services

Total Budget \$2,169,417

United Way funds are critical to ALP's success because they are unrestricted dollars. We pay our insurance, utility bills, building maintenance and other overhead administrative costs not allowed by grant funding with United Way dollars. We couldn't do it without them.

Anchorage Literacy Project

Year-End Summary FY/PY 2002

INDIVIDUAL PROGRAM DATA					
	AHFC	IMPACT	MSI	MSI-EL	Volunteer
Basic Students	2	0	239	0	12
ESL Students	9	150	0	64	786
Total Students	11	150	239	64	798
Total Hours	668	8,404	9,655	1,116	37,961

HOURS	
AHFC	668
IMPACT	8,404
MSI	9,655
MSI-EL	1,116
Volunteer	37,961
Total Instructional Hours	57,804

STUDENTS	
Basic Students	247
English Literacy Students	945
Total Students*	1,192

* This is an unduplicated number of students served by ALP, many of the students participated in more than one of the individual programs offered.

VOLUNTEERS	
One-on-One Tutor	153
Small Group Tutor	4
Class Room Teacher	18
Tutor Trainer	14
Total Instructional Volunteers	189

Anchorage Literacy Project

Program Comparison FY 1995---FY 2002

FY	VOLUNTEER PROGRAM						GRANT FUNDED PROGRAMS										Grand Total	
	TUTORING & ON-SITE CLASSES						AHFC		ATAP/JOBS		MSI		CDBG		IMPACT			
	FT	PT	BASIC	ESL	TOT HRS	TOT STUDS	HRS	STUDS	HRS	STUDS	HRS	STUDS	HRS	STUDS	HRS	FAMILY MEM	HRS	STUDS
2002	X	X	12	786	37,961	798	668	11	X	X	9,655	239	1,116	64	8,404	150	57,804	1,192
2001	366	643	250	759	21,880	1,009	634	16	X	X	8,340	243	1,589	57	8,043	115	40,486	1,440
2000	441	360	76	725	22,822	801	713	20	X	X	7,156	200	3,938	88	5,454	55	38,356	1,146
1999	423	258	124	557	22,754	681	371	25	1,028	26	5,459	99	4,891	72	NO INFO		34,503	903
1998	393	240	116	517	20,696	633	591	43	3,366	35	2,974	56	2,760	23	NO INFO		30,387	790
1997	390	159	155	492	18,562	549	X	X	5,696	37	976	26	X	X	NO INFO		25,479	647
1996	396	298	X	X	22,166	694	1,177	53	5,746	51	X	X	X	X	NO INFO		29,089	789
1995	427	319	X	X	25,274	746	1,653	46	5,379	42	X	X	X	X	NO INFO		37,969	991

Anchorage Literacy Project

Tutor Comparison FY 1995--FY 2002

FY	TUTORS TRAINED					TRAINERS		
	BASIC	ESL	BASIC/ESL	TOTAL	ACTIVE TUTORS	BASIC	ESL	TOTAL
2002	X	X	57	57	172	5	9	14
2001	X	X	94	94	204	6	8	14
2000	26	65	X	91	193	7	8	15
1999	29	26	X	55	173	6	10	16
1998	27	50	X	77	182	6	9	15
1997	28	57	X	85	152	6	9	15
1996	X	X	X	X	186	X	X	0
1995	X	X	X	X	178	X	X	0

Anchorage Literacy Project

HSMG is one of three funding sources that support the Anchorage Literacy Project Volunteer Program.

HSMG	\$50,023	38%
DOL/ABE	\$37,000	26%
United Way	\$53,000	36%
Total cost of Volunteer Program	\$140,000	
Total ALP budget	\$657,000	HSMG 7%

ALP Volunteers provided 63% of the total 57,804 instructional hours

ALP Volunteers teach 66% of the total 1,192 adults served by the agency

The cost per instructional hour for the Volunteer Program is \$3.68.

The two state grants provide 99.5% of the salaries for the volunteer coordinator, the training coordinator, the site coordinator, and the intake specialist. United Way funds cover the administrative and overhead costs to provide literacy instruction to 800 adults. The state Department of Labor/Adult Basic Education faces a 10% across the board cut in funding. It is assumed that this would decrease our grant by 10% but we do not know for sure how the ABE program administrators will apply the reductions.

Anchorage Literacy Project is a community based volunteer organization, committed to its mission of *changing lives through literacy*. The volunteer program is its volunteers and the people funded by these grants. ALP limits its service to the beginning level learner in collaboration with the other major adult education providers in the community. We refer all intermediate and advanced learners to Nine Star or the UAA Adult Learning Center. They in turn refer all beginning learners to ALP. We have done this in order to reduce the duplication of services and provide a continuum of educational opportunities for all adults.

Without funding for these critical positions, more than 800 beginning level English learners will have no place to go for instruction with the following consequences:

- Remain locked in an entry level job position
- Pose safety threats to selves and others if English language is insufficient
- Be unable to communicate with their child's teacher

- Be unable to understand medical instructions or read directions for medication
- Increase the need for interpretative services in all areas
- Be subject to victimization by others - economically, physically and mentally

When adults are given the opportunity to learn English in a structured and coherent program they will:

- Develop economic self-sufficiency
- Buy a home
- Increase the local tax base
- Advance in their jobs
- Contribute their skills to strengthen the community
- Become involved in their child's education

The Board of Directors and staff have not defined how these funding losses will reshape our agency. It will be impossible to provide the services at our current level.

We would:

- Decrease the number of tutor trainings to one
- Not communicate with or support current tutors
- Limit students to one class a week, total 3 hours
- Not assess or intake new students
- Offer fewer classes with no teacher support
- Not post-test for achievement measurement
- Serve far fewer than 800 learners, 10%

Adult Basic Education Information

Adult Basic Education (ABE) is a program that provides students with assistance in math, reading, and writing skills. Most students who enter our programs need to complete a high school diploma and/or improve their basic skills so they can enter the workforce or postsecondary education. ABE also teaches English to the immigrant population. GED stands for General Educational Development. A GED graduate is a student who has earned a high school diploma by examination. Our adult education centers administer these exams.

Adult Basic Education is funded under Title II of the Workforce Investment Act. ABE programs have a direct connection to Alaska's workforce development.

There are **18** agencies providing regional services and programs in Alaska. Many hubs serve remote villages whenever possible. Local area contacts include:

1. Nine Star Enterprises, **Anchorage**, David Alexander, 279-7827
2. **Anchorage** Literacy Project, Polly Smith, 337-1981
3. **Aleutian-Pribilof Islands** Association, Karen Gonne-Harrell, 222-4231
4. **Alaska Department of Corrections**, Roseann Munafo, 269-7416
5. Illisagvik College, **Barrow**, Barbara Struble, 852-1742
6. University of Alaska, Kuskokwim Campus, **Bethel**, Kathy Hanson, 543-4570
7. University of Alaska, Bristol Bay Campus, **Dillingham**, Kim Govig, 842-3505
8. Adult Learning Programs of Alaska, **Fairbanks**, Traci Nero, 452-6434
9. Literacy Council of Alaska, **Fairbanks**, Mike Donaldson, 456-6212
10. University of Alaska/Kenai Peninsula College, **Homer**, Carol Swartz, 235-1656
11. Southeast Regional Resource Center, **Juneau/SE**, Carin Smolin, 586-5718
12. University of Alaska, **Kodiak**, John Mahoney, 486-1215
13. Alaska Technical Center, **Kotzebue**, Jerry Vick, 442-3733
14. Kawerak Inc., **Nome**, Ron Huffman, 443-4468
15. Prince William Sound College, **Valdez**, Angela Corcoran, 834-1671
16. Human Resources Company, **Wasilla**, Laura Kelley, 373-5872
17. Alaska Vocational Technical Center, **Seward**, Lisa Rininger, 224-4164
18. University of Alaska/Kenai Peninsula College, **Soldotna**, Diane Taylor, 262-0328

Facts

- The measure of ABE programs is the record of GED graduates each year. GED graduates account for approximately 25% of the high school graduates each year. The most record breaking year was 2001, when 29% of all high school diplomas in Alaska were GEDs.
- In FY02, 8,795 students (5,272 full-time and 3,523 part-time) received 291,526 hours of direct instruction at a total cost of \$7.66 per hour. This per hour figure includes expenditures for administrative overhead, teachers, and instructional materials. Of the full time students,
 - 42% were 25-44 years of age
 - 25% were 19-24 years of age
 - 29% were Alaska Native or American Indian
 - 67% were unemployed or not in the labor force

- **Attainment of Goals:** All students are asked to identify their goals when they enter ABE programs. The following identifies the full-time students who achieved their stated goals in 2002:

- 44% Entered Employment
- 54% Retained Employment
- 54% Obtained GED
- 37% Entered Postsecondary Education

Need for Services

- The 1990 US Census reported 53,827 adult Alaskans without a high school diploma or equivalency (GED). The 2000 US Census reported 58,070 adult Alaskans without a high school diploma, an 8% increase over 1990 levels.
- Currently, adult Alaskans without a high school diploma account for approximately 13% of the total adult Alaskan population.
- Because adult education program funding is so very low, only 10% of adults in need in Alaska are served by these programs.
- Within the 18 program grantees, there are only 54 full-time personnel. Most instruction is provided by 151 part-time staff. Often, this part-time money only pays for someone to teach 2-6 hours per week for six or seven months. Adults with low basic skills learn and progress very little with such scanty help. They are not likely to be productive, wage earning Alaskans if they do not improve their skills. ABE programs help teach job search skills along with basic skills to prepare adults for employment and further education and training.

Program Impact of Reduction in General Fund

- For a program that pushes nearly all its money into direct instructional service, a reduction in general funds impacts the amount of direct instructional activities and GED testing services available to adult Alaskan students.
- **Don't let the program in the state as cost-effective as ABE. Please reflect carefully when considering budgetary matters and adult basic education. Call up the ABE program director in your area. Ask for specific information on help provided to your constituents. Visit an ABE program if you can make the time.**

Thank you for your valued assistance.

Carin Smolin, President, Alaska Adult Education Association
Contact: SERRC-Alaska's Educational Resource Center
210 Ferry Way, Juneau, AK 99801
work phone: 586-5718 email: carins@serrc.org

*Alaska Adult Education Association
A Professional Organization for Alaska's Adult Educators
March 2003*

Talking Points:

A reduction means less students served, 10% less, and also reduction in hours that learning centers and testing centers are open.

We do a great service for so very little money. 10% reduction is equivalent to taking away two small grantees of our 18 regional programs that serve the entire state.

Most of the centers are open entry/exit with evening hours and weekends. Many are open year round.

Served 8,795 students last fiscal year who received 291,526 hours of direct instruction at a total cost of \$7.66/hr.

There are 53,827 adults without a high school diploma in Alaska, 8% increase over 1990 census, which is 13 % of our population.

On average, 25% of high school diplomas issued in our state are GEDs.



April 15, 2003

Anchorage, Alaska

To the Members of the Senate Committee,

Please accept this written correspondence as part of the record for my testimony on the DHSS section of the State of Alaska FY '04 operating budget.

Our community association is alarmed at the depth and intensity of cuts to our base grant. If what we are told comes to fruition, the effects of the attached budgetary reductions dramatically eliminate critical services; significantly reduce core service plans; and eradicate any semblance of a safety net left in urban and rural Alaska.

We are justifiably proud of our long history of quality and excellence in service delivery in developmental disabilities. With the closure of all public and private institutions, community is all that we have left for thousands of our families who experience disabilities. Such reductions jeopardize the very foundations of our system and are a sure scenario for disaster in the very near future.

We ask your assistance in restoring at least 2.2 million dollars back into our base grants. Even with that level of restoration, if what we are told is accurate, there would still be in excess of two million dollars reduced from that BRU.

We are willing to take our fair share of cuts in such ambiguous fiscal times, but the amount of reductions now planned will serve no purpose but to injure and severely compromise the quality of life of so many of our most vulnerable and innocent citizens.

Thank you for your time and consideration of our most urgent plea for a reasonable restoration in the very heart of our Alaskan service delivery system for families and individuals who experience disabilities.

Respectfully,

Stephen P. Lesko

President:

*Alaska Association on
Developmental Disabilities*

The Developmental Disabilities Community Grant BRU
And Infant Learning Program

- Recently, we have been informed of the following reductions in the community DD base grant:
(\$1,200,000 reduction)--- from "unexpended" grant funds.
(\$1,000,000 reduction)--- from non-direct community supports.

TOTAL reductions— \$2,200,000 reduction

(This effectively eliminates any safety net available to community programs across rural and urban Alaska; offers no funding to any crisis/emergency situation that may occur during the new fiscal year; and eliminates critical components of our service delivery system that have effectively been in place for over a decade.)

- At a teleconference on 4/11/03, we were then informed of other reductions and/or alterations in the base grant structure:

(\$2,000,000+ reduction)--- \$450 reduced from every CORE services plan. The remainder to come from reductions to providers in the base grant BRU.

(This severely reduces minimal services under CORE jeopardizing families and establishes realistic scenarios for crisis; the remainder of cuts, coupled with the above mentioned 2.2 million dollar reduction, reflects OVER a 20% decrease to our base grants; this, in turn, eliminates all flexibility to address emergencies and eradicates our community safety net.)

- Approximately 45 individuals now funded through the base grant would be re-financed through Medicaid Waivers, effective July 1, 2003. This amount, over \$1,500,000 is already subtracted from the base grants

(Unless there are dramatic changes in the waiver system, it is impossible to process this transition before July 1st. Without a doubt, many agencies will NOT be able to maintain a sufficient cash flow to continue business.)

- For a majority of providers, millions of dollars are being transferred to hospitals for payment to agencies under the Pro-Share concept. This is effective in the fourth and final quarter of the current fiscal year.

(Already 4th quarter payments are late and may not be received until the end of April exacerbating an already untenable cash flow situation.)

- There is a likelihood of a Code-F in Medicaid Waiver billing before the end of FY'03.

(A code-f stands for "out of money, will reimburse early next fiscal year. Coupled with the refinanc.e strategy, Pro-share payments, customary cash flow concerns under the waiver, this is a true disaster scenario for community programs. Aligned to severe budgetary reductions, this is a plan that will culminate in the elimination of significant lifelines for our families and does place our community agencies in a direct collision path with the inability to continue to operate.)

- \$250,000 has been eliminated from the BRU of our Infant Learning programs.

(This reduction further restrains assisting young children, age: 0-3, from receiving critical early intervention that reduces the long term costs in the future. If anything, more children should be served under this funding stream as an investment in both our children who experience disabilities, AND, in the best interests of fiscal accountability.)



FRANK H. MURKOWSKI, GOVERNOR
State of Alaska

GOVERNOR'S COUNCIL ON DISABILITIES AND SPECIAL EDUCATION

P.O. Box 240249 • Anchorage, Alaska 99524-0249 • Phone: 907-269-8990 • Fax: 907-269-8995 • Toll Free 800-709-8990

Tuesday, April 15, 2003

The Honorable Senator Lyda Green,
The Honorable Senator Gary Wilken,
Senate Finance Committee
State Capitol, Room 516
Juneau, AK 99801-1182

Dear Senate Finance Committee

On behalf of the Governor's Council on Disabilities and Special Education, I am requesting that the Senate Finance Committee restore \$250,000 to the Early Intervention/Infant Learning Program (EI/ILP) and \$2,158,300 to Developmental Disabilities (DD) community grants. Both of these programs provide essential services to Alaska residents and reduce costs over the long run. A small amount of money at the right time contains costs, forestalls crisis and/or prevents or reduces the need for more comprehensive services.

Alaska receives federal funding specifically to provide Part C early intervention services to children under the Individuals with Disabilities Education Act, which requires that all children potentially eligible for part C services be provided screening, assessment and evaluation services for the purpose of determining Part C eligibility. Part C law also lists those functions that must be carried out at public expense and for which parents may not be billed; these include core services (assessment and case management), child find activities, family service coordination, Individual Family Service Plan development and the implementation of procedural safeguards. These services must be maintained to remain compliant with federal law and Alaska statute.

Currently, 75 percent of all children enrolled in EI/ILP services qualify under Part C. The remaining 25 percent of enrolled children experience developmental delays of 15 to 49% and are at risk of delays. Part C funds and the majority of state general funds support the delivery of those required Part C services to children and families. A reduction of \$250,000 means that approximately 60 infants and toddlers who experience developmental delays of 15 percent to 49 percent or who are at risk for delays will lose needed services.

Alaska has implemented a fee-for-service policy for those services that can be billed to third party payers and families; these services include physical, occupational and speech/language therapy. Additionally, a mechanism is being developed to use Medicaid

funds to support the cost of early intervention services provided to Medicaid-eligible children (screening, special instruction and family service coordination) that are not reimbursable by other third party payers; 59 percent of all children enrolled in EI/ILP on December 31, 2002 qualified for Medicaid. Payment for other services by families who have "sufficient means" would require development and implementation of a fee schedule and guidance for its use.

The Governor's proposed budget reduces DD community grants by approximately \$2.2 million. These cuts to base grants fall into two distinct categories: 1) "reduction of underutilized grants" and 2) "elimination of non-habilitative grants."

\$1.2 million of DD community grants that have not been spent will be transferred to Medicaid to offset costs of Home and Community Based Waiver Services. The State of Alaska has not had a good system in place to regularly review and re-allocate unspent funds to communities with large numbers of people on the Wait List. This has resulted in people waiting longer to get needed services. The vast majority of these funds are used for low-cost services, which help contain Medicaid costs and ensure that Medicaid is a payer of last resort as required by federal law.

Approximately 25% of people on the Wait List who are eligible for DD services are not eligible for Medicaid Home and Community Based Waiver Services because they don't 1) meet income guidelines, 2) have a diagnosis of mental retardation, autism, cerebral palsy, epilepsy or related conditions and/or 3) need services once provided in institutions like Harborview Developmental Center. If these funds are transferred to Medicaid, individuals not eligible for the Waiver will have even less access to services and face discrimination based on funding eligibility.

The vast majority (79%) of persons on the Wait List are under age 22 and live at home with their parents; if these funds are used to increase supports in the family's home with the flexibility to use them in ways unique to the family, the Wait List can be reduced at less cost to the State. General fund and Medicaid costs accelerate if families are no longer able to care for their family member with a developmental disability at home.

Almost \$1.0 million of DD base grants will be reduced or eliminated because they are seen as having the least impact on maintaining programs that provide direct services to individuals and families. Although these services are not tied to specific individuals, they meet the needs of individuals and families who are waiting for services and help contain costs. Many of the programs fill gaps while individuals wait for services; for example, over the past 8 years, the Family Resource Project has provided ongoing long-term support to link over 643 families on the Wait List to generic services and faith-based services. Another program, Special Olympics has offered weekly sports programs that reduce or eliminate the need for respite services.

Initially the Department of Health and Human Services indicated there would be no reductions to the services currently being received by individuals and families. On Friday April the 11th, the department announced there would be a reduction of \$450.00 to

each Core Plan. As families only receive up to \$3000.00 annually in services to meet a broad array of needs, this cut represents 15% reductions and will create a hard ship for many individuals and families.

While some programs *may* be able to supplant grant funds with other funding mechanisms, it takes time to secure alternate sources of revenues. A one-year "hold harmless" period is needed to secure alternate funds and determine the mix of direct services and indirect supports that are required elements of any cost-effective system.

Thanks for providing me with the opportunity to provide input. Please feel free to contact the Council's Executive Director, Millie Ryan or me at 269-8990 if you have any questions.

Sincerely,

A handwritten signature in black ink that reads "Arthur L. Walters". The signature is written in a cursive, slightly slanted style.

Arthur L. Walters, Chair



Alaska State Legislature

Please enter into the record my testimony to the Senate Finance Committee
Committee name

Committee on Operating Budget, dated 4/15/03
Bill/Subject

see attached 2 pages

Signed: John Cannon (JOHN CANNON)
Testifier

Developmental Disabilities
Representing (Optional)

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