

ALASKA LEGISLATURE SPECIAL COMMITTEE / SUBJECT FILES 86/2

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Southeast Struggles to Maintain Employment

by Kristen Tromble

Over the next two years, communities in Southeast Alaska will need to fight to maintain employment levels. Led by a drop in forest product employment, over 10 percent of manufacturing jobs could disappear in '95. A declining harvest may impact seafood employment. On the bright side, construction, buoyed by residential and public works projects, should enjoy a good year. Mining offers another glitter of growth in the goods-producing sector. Despite setbacks for Echo Bay's AJ mine, increased activity at Greens Creek promises to boost employment significantly by the end of '96. (See Table 1.)

Following recent trends, new service-producing jobs should increase as manufacturing employment declines. Tourism will fuel growth in services and retail trade as, once again, a record number of visitors inundate Southeast. Growth in financial services should continue, but at a slower rate. Likely declines in government employment temper these gains. Into '96, increased competition in retail will exert downward pressure on trade's growth rate. Overall, the combination of pressures is projected to hold employment growth under 1%. (See Figure 1.)

Mixed prospects for mining

Greens Creek sees sunny skies ahead as it seeks permits to reopen its mine on Admiralty Island. The future darkened for Echo Bay's quest to reopen the AJ mine when the Environmental Protection Agency refused a permit for tailings disposal. These counter trends should result in stable employment levels for the first part of 1995 with steady growth occurring through 1996 as gains at Greens Creek offset losses at Echo Bay. (See Figure 2.)

Greens Creek continues exploration and drilling work needed to expand onto nearby U.S. Forest Service land. Preliminary work indicates the expansion will result in increased volume and an ore mix more adaptable to market conditions, improving the mine's prof-

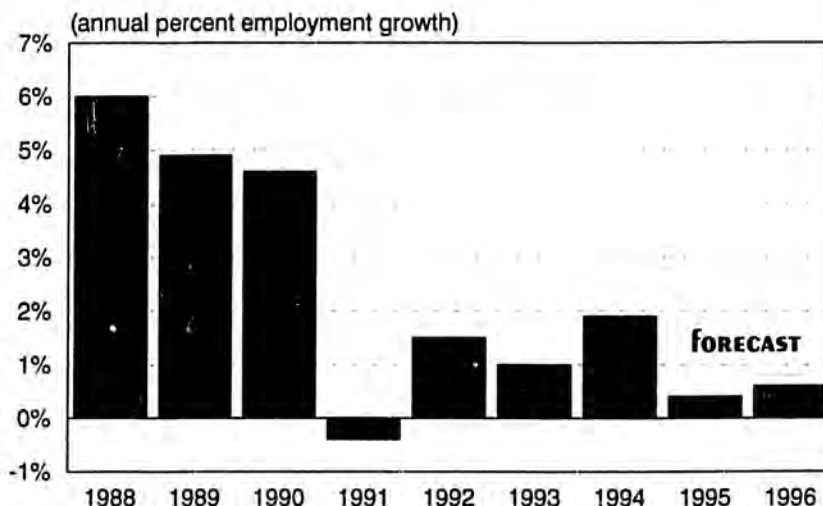
itability. Underground development activity has already increased in '95 and employment will continue to grow steadily through '96. As the new area is deeper than the original mine, 12-18 months of tunneling work are needed after permits are received to prepare the area for production. Employment gains during this forecast period should occur in underground mining, development, and support positions, with mill employment picking up toward the end of '96 or beginning of '97. By this time employment will return to a preclosing level near 250.

As Echo Bay must develop and resubmit alternative tailings disposal plans, the AJ mine is not expected to open during this forecast period. Seventeen people lost jobs in March with further cuts likely. The outlook for Echo Bay's Kensington mine is more hopeful. If some permits are received this year, activity will increase in '96.

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Figure • 1

Southeast's Employment Creeps Upward



Source: Alaska Department of Labor, Research & Analysis Section.

Table • 1

Southeast Alaska Nonagricultural Wage & Salary Employment Forecast 1995-1996

	1993 Annual Average	1994 Annual Average	Percent Change 93-94	1995 Annual Average	Absolute Change 94-95	Percent Change 94-95	1996 Annual Average	Absolute Change 95-96	Percent Change 95-96
Total Nonag. Wage & Salary	34,550	35,200	1.9	35,325	125	0.4	35,550	225	0.6
Goods-producing	6,100	5,850	-4.1	5,500	-350	-6.0	5,550	50	0.9
Mining	150	150	0.0	175	25	16.7	225	50	28.6
Construction	1,550	1,550	0.0	1,600	50	3.2	1,525	-75	-4.7
Manufacturing	4,400	4,150	-5.7	3,725	-425	-10.2	3,800	75	2.0
Seafood Processing	1,550	1,650	6.5	1,500	-150	-9.1	1,525	25	1.7
Forest Products 1/	2,550	2,200	-13.7	1,925	-275	-12.5	1,950	25	1.3
Service-producing	28,450	29,350	3.2	29,825	475	1.6	30,000	175	0.6
Transportation	2,800	2,900	3.6	2,925	25	0.9	2,975	50	1.7
Trade	5,950	6,550	10.1	6,800	250	3.8	6,750	-50	-0.7
Wholesale Trade	550	550	0.0	550	0	0.0	550	0	0.0
Retail Trade	5,400	6,000	10.1	6,250	250	4.2	6,200	-50	-0.8
Finance-Ins. & Real Estate	1,300	1,450	11.5	1,525	75	5.2	1,600	75	4.9
Services & Misc.	5,900	6,200	5.1	6,350	200	3.2	6,575	225	3.5
Government	12,450	12,300	-1.2	12,225	-75	-0.6	12,100	-125	-1.0
Federal	2,050	2,000	-2.4	1,975	-25	-1.3	1,950	-25	-1.3
State	5,450	5,350	-1.8	5,300	-50	-0.9	5,250	50	0.9
Local	4,950	4,950	0.0	4,950	0	0.0	4,900	-50	-1.0

1/ Includes Pulp Mills as well as Lumber & Wood Products.

Note: Numbers may not total due to rounding.

Source: Alaska Department of Labor, Research and Analysis Section.

Public works and housing projects underpin construction

Road projects should pump up public construction in '95. Juneau drivers will contend with repairs to Egan Highway, Douglas Highway, and the Mendenhall Loop Road as well as several smaller projects. Crews will also undertake major work in Sitka, Ketchikan, Petersburg, Gustavus and Prince of Wales Island. Other projects include a new ferry terminal in Ketchikan, upgrades to ferry terminals in Sitka and Juneau, port improvements in Sitka and Wrangell, and trail work in Juneau.

A surge of activity in Juneau will boost residential construction as the market finally responds to a severe housing shortage. Permits or proposals are in process for nearly 350 additional housing units and 50 apartments in Cedar Park may be rebuilt. In the first half of '95, workers will complete new senior citizen housing and two apartment projects. The University of Alaska Southeast is ready to break ground for new student housing when funding is confirmed. Surprisingly, building permit activity in Sitka looks strong compared to last year. In the rest of Southeast, residential construction levels should remain flat.

Commercial construction will fall from recent high levels as major retail expansions are completed. However, activity continues with several projects proposed or underway throughout Southeast. Petersburg gains a new grocery store and retail space, a convenience store and an expanded hardware store opening in late spring. Also, owners of the Scandia House hotel which burned last year aim to rebuild by mid-summer. Projects planned for this forecast period include a downtown development in Ketchikan with proposed hotel, restaurants and retail shops, and a tram with restaurant and retail space in Juneau. If plans are approved, golfers will tee off on a golf course in Juneau.

Changes afoot for seafood

Seafood harvests in Southeast will dive from last year's record levels with declines in the '95 salmon, halibut and herring roe fisheries. The effects of 1993's dry weather are expected to severely impact this summer's salmon stock. Forecasters predict drops from last year levels of 56% in salmon, 55% in Sitka Sound herring roe, and at least 12 percent in halibut. As seafood processing employment depends on the timing of the

catch more than the volume, a correspondingly large drop in employment is not expected.

Positive factors influencing seafood employment include expansion of the cannery and smokery in Kake, and a processor in Petersburg. Processors anticipate the new IFQ system for halibut will help stabilize prices and employment. The net effect could be steadier employment for residents but fewer short term seasonal processing jobs and fishing crew positions. Development of new products such as salmon sausage and salad sprinkles promises to stimulate demand.

Forest products jobs felled

The closure of the sawmill in Wrangell insures that forest product employment will fall, but at least no other major shutdowns in this industry are expected. Long term, logging employment will continue to drop unless more trees become available. For this year, the outlook for logging in the Sitka area is good. By '96, new small specialty operations may add a few jobs, but nothing in sight replaces the jobs lost in the Sitka and Wrangell closures. Pulp mill employment should hold steady as demand for pulp puts upward pressure on prices.

While Sitka is weathering the loss of its pulp mill with expanding opportunities in tourism and health care, Wrangell's immediate future looks bleak. As severance pay ends, residents are reluctantly leaving town and local businesses are feeling pinched. Several ideas are afloat to replace the city's economic base but none promise a quick recovery.

This forecast assumes no major long-term disruptions in the timber supply. However, court action continues to introduce uncertainty in the stability of the timber supply from the Tongass National Forest. A limitation on logging would impact jobs. At best, a short term event might shift work from the beginning to the end of the season. The loss of an entire logging season could cost not only logging jobs but cut sawmill employment and force a temporary closure of the Ketchikan Pulp Mill in late '95 or early '96.

Transportation: Steady as she goes

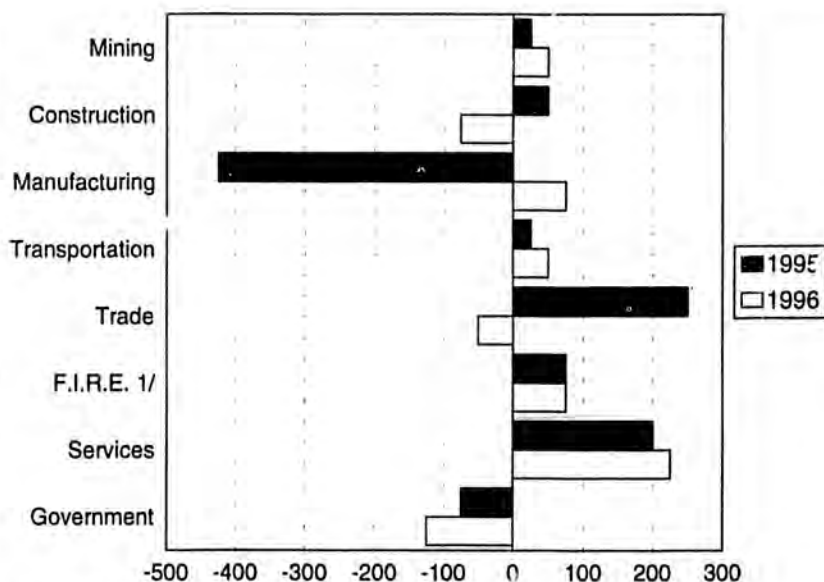
Cruise ship capacity will rise nearly 10 percent in each year. The numbers of ships, port calls and bookings will all increase from last year. Smaller charter boat and land tour operations will also expand along with new businesses catering to the increasing numbers of independent, nature-exploring and family travelers. These factors should nudge employment in water and land transportation upward. On the other hand, material moving activity related to the timber industry may decline. While air-passenger traffic is projected to rise in '95, airlines expect current employment levels to continue. Mark Air's withdrawal from Juneau will not noticeably impact employment in Southeast, but could affect air-passenger traffic in '96 if capacity declines and rates rise. Overall, transportation employment should closely follow last year's level.

Trade tags tourists

Major retailers' expansion ended this spring with the opening of Carr-Gottstein's 65,000 square foot grocery and liquor store in Ju-

Figure • 2

Job Gains and Losses in Southeast, 1995-96



1/ Finance, Insurance & Real Estate.

Source: Alaska Department of Labor, Research & Analysis Section.

neau. This store employs 170 people. Future retail growth may occur in smaller shops located to benefit from the larger stores' traffic. By the end of '96, the bite of increased competition may sting retail sectors such as grocery and general merchandise. Tourism related trade is forecast to grow in both years. Growth in eating & drinking places will continue, though not at last year's run-away rate. Wholesale trade should hold steady.

Services continue growth

Growth in financial services, recently driven by Native corporation employment, is expected to moderate. Rising interest rates may slow loan activity. On the plus side, Bank of America recently opened a branch in Juneau's new Carr's store. Tourist related services, such as hotels and lodging places, should continue to prosper. Sitka's Super 8 is expanding and lodges offering access to wilderness adventures are opening throughout Southeast. Health care services will grow with Sitka based Southeast Alaska Regional Health Corporation adding 40 to 50 employees in each of the forecast years.

Governments diet, workers trimmed

Federal and state government employment will continue to fall. Assuming the Forest Service office stays in Juneau, attrition rather than large program cuts should account for most of the decrease. Conflicting pressures on local government may eventually lead to a drop in employment. Recently the demands of rising school enrollments has sustained local employment levels. With projected tight budgets, cuts in state aid, and new federal rules lowering the maximum level of local contributions to education, employment levels may suffer.

Summary: Slight increases expected

Despite setbacks in some of the area's most prominent industries, Southeast employment should manage slight increases over the next two years. Good years in the construction, mining, service, and tourist related industries will counter declines in forest products, seafood processing and government. Longer term, the outlook could well be less promising as government employment continues to decline and construction activity levels off. Communities in Southeast will need to encourage diversification and expanded entrepreneurial activity in order to maintain employment levels.

February Statistics Signal Seasonal Turnaround

by Kristen Tromble

Alaska's unemployment rate fell to 8.9% in February, a drop of one-half of one percentage point from January. The drop ended a string of five consecutive months of unemployment rate increases and signaled the beginning of the seasonal upturn in Alaska's economy.

Sharp drop viewed with caution

Typically, Alaska's statewide unemployment rate changes very little from January to February. The one-half of one percentage point drop this February was over twice the size of the next largest January to February drop. However, when the seasonally adjusted rates are considered, the drop, while still large, falls into the expected range. Since the rate drop is somewhat larger than usual and no other indicator pointed to a dramatic improvement, it wouldn't be too surprising to see the rate flatten or regress in March before rebuilding momentum for the seasonal upturn.

Despite the cautionary note, February's unemployment statistics do offer reason for optimism. This February's rate tied as the second lowest rate since the current series began in 1978. February 1990 had the lowest rate of 8.0%. Last year's rate was 9.8%. (See Table 4.)

Increased activity in Alaska's winter fishery has been an important factor in changing economic expectations for Alaska in February. Since 1988, the expected unemployment in February has fallen sharply. Prior to 1988 the rate ranged from 10.7% to 13.1%. Since 1988, the rate has ranged between 8.0% and 9.8% with the exception of 1992 when it hit 11.5%. Much of the improvement is attributable to an increase in seafood processing employment resulting from growth in the bottomfish fishery and increased onshore processing.

Largest unemployment drops in Anchorage, Kodiak

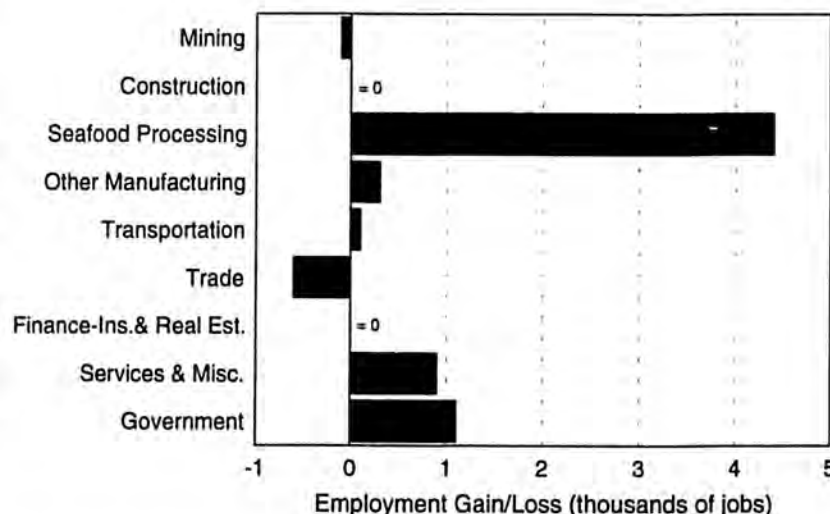
Anchorage and Kodiak were the primary contributors to lower unemployment in February. Winter fisheries-related activity dropped Kodiak's unemployment while Anchorage's drop was due to a more broad-based employment expansion. Most other areas of the state had relatively small changes in unemployment. The rate varied widely by area from a high of 19.6% in the Yukon-Koyukuk census area to a low of 1.7% in the Aleutians West census area.

Also in February, Alaska's wage and salary employment rose by 6,100 jobs. Processing activity in Western Alaska and Kodiak added 4,400 new seafood jobs. (See Figure 1 and Table 3.) Average weekly hours worked in this industry increased 91.2% from January, but fell short of last year's level. (See Table 2.) Financially, fishers fared well. High prices for opilio crab more than offset the effects

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Figure • 1

Fish Fuel February Employment Gain January 1995—February 1995



Source: Alaska Department of Labor, Research & Analysis Section.

Table • 1

Nonagricultural Wage and Salary Employment by Place of Work

Alaska	p/	r/	Changes from			Municipality of Anchorage	p/	r/	Changes from		
	2/95	1/95	2/94	1/95	2/94		2/95	1/95	2/94	1/95	2/94
Total Nonag. Wage & Salary	251,300	245,200	246,700	6,100	4,600	Total Nonag. Wage & Salary	118,000	117,100	116,000	900	2,000
Goods-producing	35,800	31,200	36,600	4,600	-800	Goods-producing	10,300	10,000	10,400	300	-100
Mining	9,400	9,500	10,500	-100	-1,100	Mining	3,000	2,900	3,500	100	-500
Construction	9,800	9,800	9,600	0	200	Construction	5,500	5,400	5,200	100	300
Manufacturing	16,600	11,900	16,500	4,700	100	Manufacturing	1,800	1,700	1,700	100	100
Durable Goods	2,000	1,700	2,300	300	-300	Service-producing	107,700	107,100	105,600	600	2,100
Lumber & Wood Products	1,300	1,000	1,600	300	-300	Transportation	12,200	12,200	11,900	0	300
Nondurable Goods	14,600	10,200	14,200	4,400	400	Air Transportation	4,500	4,500	4,500	0	0
Seafood Processing	11,300	6,900	11,100	4,400	200	Communications	2,400	2,400	2,400	0	0
Pulp Mills	500	500	500	0	0	Trade	27,800	28,000	27,100	-200	700
Service-producing	215,500	214,000	210,100	1,500	5,400	Wholesale Trade	6,000	5,900	5,900	100	100
Transportation	22,100	22,000	21,400	100	700	Retail Trade	21,800	22,100	21,200	-300	600
Trucking & Warehousing	2,800	2,800	2,600	0	200	Gen. Merch. & Apparel	4,300	4,500	4,000	-200	300
Water Transportation	1,800	1,600	1,600	200	200	Food Stores	3,300	3,300	3,300	0	0
Air Transportation	7,200	7,100	7,000	100	200	Eating & Drinking Places	7,500	7,400	7,300	100	200
Communications	3,700	3,700	3,700	0	0	Finance-Ins. & Real Estate	7,200	7,200	7,200	0	0
Trade	50,400	51,000	48,000	-600	2,400	Services & Misc.	31,600	31,000	30,200	600	1,400
Wholesale Trade	8,100	8,000	7,300	100	200	Hotels & Lodging Places	2,700	2,700	2,200	0	500
Retail Trade	42,300	43,000	40,100	-700	2,200	Health Services	6,500	6,600	6,300	-100	200
Gen. Merch. & Apparel	8,700	9,100	7,600	-400	1,100	Government	28,900	28,700	29,200	200	-300
Food Stores	7,000	7,100	6,800	-100	200	Federal	10,800	11,000	11,200	-200	-400
Eating & Drinking Places	13,600	13,600	13,100	0	500	State	8,500	8,200	8,400	300	100
Finance-Ins. & Real Estate	11,600	11,600	11,500	0	100	Local	9,600	9,500	9,600	100	0
Services & Misc.	57,000	56,100	54,400	900	2,600						
Hotels & Lodging Places	5,200	5,200	700	0	500						
Health Services	12,900	12,800	12,400	100	500						
Government	74,400	73,300	74,800	1,100	-400						
Federal	17,900	18,000	18,600	-100	-700						
State	22,100	21,400	22,100	700	0						
Local	34,400	33,900	34,100	500	300						

Table • 2

Alaska Hours and Earnings for Selected Industries

	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
	p/	r/		p/	r/		p/	r/	
	2/95	1/95	2/94	2/95	1/95	2/94	2/95	1/95	2/94
Mining	\$1,253.39	\$1,152.70	\$1,307.69	51.9	47.3	52.9	\$24.15	\$24.37	\$24.72
Construction	939.14	1,052.08	967.20	40.1	42.1	41.6	23.42	24.99	23.25
Manufacturing	551.99	403.04	570.70	59.1	35.2	63.2	9.34	11.45	9.03
Seafood Processing	510.25	278.46	559.21	65.0	34.0	73.1	7.85	8.19	7.65
Trans., Comm. & Utilities	645.69	673.66	626.96	34.4	34.6	34.0	18.77	19.47	18.44
Trade	388.78	392.78	367.90	33.4	33.4	32.5	11.64	11.76	11.32
Wholesale Trade	646.18	661.30	597.41	38.1	38.9	38.1	16.96	17.00	15.68
Retail Trade	340.27	343.44	323.11	32.5	32.4	31.4	10.47	10.60	10.29
Finance-Ins. & R.E.	465.16	475.53	466.00	35.4	36.3	35.6	13.14	13.10	13.09

Notes to Tables 1-3:

Tables 1&2- Prepared in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics.

Table 3- Prepared in part with funding from the Employment Security Division.

p/ denotes preliminary estimates.

r/ denotes revised estimates.

Government includes employees of public school systems and the University of Alaska.

Average hours and earnings estimates are based on data for full- and part-time production workers (manufacturing) and nonsupervisory workers (nonmanufacturing). Averages are for gross earnings and hours paid, including overtime pay and hours.

Benchmark: March 1994

Nonagricultural Wage and Salary Employment by Place of Work

Southeast Region						Interior Region					
	p/ 2/95	r/ 1/95	Changes from				p/ 2/95	r/ 1/95	Changes from		
			2/94	1/95	2/94				2/94	1/95	2/94
Total Nonag. Wage & Salary	31,900	31,700	30,850	200	1,050	Total Nonag. Wage & Salary	33,250	33,100	32,200	150	1,050
Goods-producing	3,850	3,750	3,850	100	0	Goods-producing	2,250	2,350	2,250	-100	0
Mining	200	200	150	0	50	Mining	700	750	700	-50	0
Construction	1,200	1,250	1,150	-50	50	Construction	1,050	1,100	1,050	-50	0
Manufacturing	2,450	2,300	2,550	150	-100	Manufacturing	500	500	500	0	0
Durable Goods	900	750	1,200	150	-300	Service-producing	31,000	30,750	29,950	250	1,050
Lumber & Woods Products	850	700	1,150	150	-300	Transportation	2,500	2,450	2,300	50	200
Nondurable Goods	1,550	1,550	1,350	0	200	Trade	7,200	7,350	6,700	-150	500
Seafood Processing	800	800	650	0	150	Finance-Ins. & Real Estate	1,050	1,100	1,050	-50	0
Pulp Mills	500	500	500	0	0	Services & Misc.	7,300	7,250	7,150	50	150
Service-producing	28,050	27,950	27,000	100	1,050	Government	12,950	12,600	12,750	350	200
Transportation	2,350	2,400	2,250	-50	100	Federal	3,600	3,600	3,600	0	0
Trade	6,100	6,250	5,350	-150	750	State	4,850	4,550	4,750	300	100
Wholesale Trade	500	500	500	0	0	Local	4,500	4,450	4,400	50	100
Retail Trade	5,600	5,750	4,850	-150	750	Fairbanks North Star Borough					
Finance-Ins. & Real Estate	1,400	1,400	1,250	0	150	Total Nonag. Wage & Salary	29,300	29,050	28,350	250	950
Services & Misc.	5,900	5,800	5,600	100	300	Goods-producing	2,100	2,150	2,050	-50	50
Government	12,300	12,100	12,550	200	-250	Mining	600	600	550	0	50
Federal	1,800	1,800	1,900	0	-100	Construction	1,000	1,050	1,000	-50	0
State	5,500	5,450	5,500	50	0	Manufacturing	500	500	500	0	0
Local	5,000	4,850	5,150	150	-150	Service-producing	27,200	26,900	26,300	300	900
Anchorage/Mat-Su Region						Transportation	2,100	2,050	1,900	50	200
Total Nonag. Wage & Salary	127,450	126,650	125,000	800	2,450	Trucking & Warehousing	450	450	400	0	50
Goods-producing	10,850	10,600	11,000	250	-150	Air Transportation	650	650	550	0	100
Mining	3,100	2,950	3,700	150	-600	Communications	250	250	250	0	0
Construction	5,850	5,850	5,500	0	350	Trade	6,700	6,800	6,300	-100	400
Manufacturing	1,900	1,800	1,800	100	100	Wholesale Trade	750	750	750	0	0
Service-producing	116,600	116,050	114,000	550	2,600	Retail Trade	5,950	6,050	5,550	-100	400
Transportation	13,050	13,000	12,800	50	250	Gen. Merch. & Apparel	1,250	1,250	1,200	0	50
Trade	30,150	30,500	29,300	-350	850	Food Stores	700	700	700	0	0
Finance-Ins. & Real Estate	7,600	7,600	7,550	0	50	Eating & Drinking Places	2,100	2,200	1,950	-100	150
Services & Misc.	33,850	33,300	32,250	550	1,600	Finance-Ins. & Real Estate	1,000	1,000	1,000	0	0
Government	31,950	31,650	32,100	300	-150	Services & Misc.	6,900	6,850	6,700	50	200
Federal	10,950	11,050	11,300	-100	-350	Government	10,500	10,200	10,400	300	100
State	9,300	9,050	9,200	250	100	Federal	3,000	3,050	3,000	-50	0
Local	11,700	11,550	11,600	150	100	State	4,600	4,350	4,500	250	100
Gulf Coast Region						Local	2,900	2,800	2,900	100	0
Total Nonag. Wage & Salary	24,900	23,100	24,400	1,800	500	Southwest Region					
Goods-producing	6,400	4,650	6,500	1,750	-100	Total Nonag. Wage & Salary	18,950	16,150	18,900	2,800	50
Mining	950	950	1,000	0	-50	Goods-producing	7,250	4,550	7,150	2,700	100
Construction	900	850	800	50	100	Seafood Processing	6,950	4,250	6,850	2,700	100
Manufacturing	4,550	2,850	4,700	1,700	-150	Service-producing	11,700	11,600	11,750	100	-50
Seafood Processing	3,450	1,850	3,500	1,600	-50	Government	5,900	5,800	6,100	100	-200
Service-producing	18,500	18,450	17,900	50	600	Federal	850	850	1,000	0	-150
Transportation	2,050	2,050	1,950	0	100	State	500	500	500	0	0
Trade	4,400	4,400	4,050	0	350	Local	4,550	4,450	4,600	100	-50
Wholesale Trade	550	550	550	0	0	Northern Region					
Retail Trade	3,850	3,850	3,500	0	350	Total Nonag. Wage & Salary	14,750	14,850	15,200	-100	-450
Finance-Ins. & Real Estate	650	650	650	0	0	Goods-producing	5,000	5,150	5,850	-150	-850
Services & Misc.	4,800	4,800	4,650	0	150	Mining	4,450	4,650	4,500	-200	-500
Government	6,600	6,550	6,600	50	0	Service-producing	9,750	9,700	9,350	50	400
Federal	600	600	600	0	0	Government	4,900	4,850	4,600	50	300
State	1,700	1,700	1,750	0	-50	Federal	250	250	200	0	50
Local	4,300	4,250	4,250	50	50	State	300	300	350	0	-50
						Local	4,350	4,300	4,050	50	300

of a smaller quota and severe weather. A high roe content boosted pollock prices and cod prices were also good. In spite of high U.S. prices, demand will remain strong as the dollar's fall against the yen keeps products competitive in the Japanese market.

Employment numbers reflected other seasonal changes with an increase in education-related government jobs and a decrease in retail trade employment. Overall, the statewide job count was up 4,600, or 1.8% from last February. Services and retail trade added the most jobs over the year; mining and government lost the most jobs. (See Table 1.)

Airline, oil industries cut jobs

This month, the Alaska Industrial Development and Export Authority turned down MarkAir's request for a \$40 million loan guarantee. MarkAir immediately announced plans to lay off as many as 300 workers, reduce the wages of nonunion staff, and eliminate service in Juneau, Prudhoe Bay and Deadhorse. MarkAir's main competitor in these areas, Alaska Airlines, reports hiring for the busy summer season is underway. They expect to add some positions in response to MarkAir's cuts and will likely hire some of the MarkAir workers.

More layoffs lie ahead in the oil industry, as production on the North Slope continues to drop. ARCO and Alyeska announced combined cuts of 50 positions with additional cuts likely to occur by the end of the year. Anchorage and the North Slope will suffer the majority of these losses.

Base closures to hit Delta, Adak?

The federal Defense Base Closure and Realignment Commission's latest recommendations target operations at Fort Greely and Adak. The proposed changes would severely impact employment in the surrounding areas. The area around Delta Junction could lose 300 civilian jobs and more than 400 military personnel. Some of these positions would shift to Ft. Wainwright in Fairbanks. Another 130 civilian and 540 military personnel will be lost if the Adak Naval Station closes.

Summary

Alaska's economy turned in a good performance in February with a drop in the unem-

Table 4

Unemployment Rates by Region & Census Area

	Percent Unemployed		
	p/ 2/95	r/ 1/95	2/94
Not Seasonally Adjusted			
United States	5.9	6.2	7.1
Alaska Statewide	8.9	9.4	9.8
Anch.-MatSu Region	7.2	7.6	8.1
Municipality of Anchorage	6.2	6.8	7.1
MatSu Borough	12.3	12.2	13.8
Gulf Coast Region	13.5	14.8	14.2
Kenai Peninsula Borough	16.6	17.5	16.8
Kodiak Island Borough	5.4	7.9	6.9
Valdez-Cordova	11.1	13.3	13.2
Interior Region	10.3	10.4	11.2
Denali Borough	15.1	17.6	17.9
Fairbanks North Star Bor.	9.3	9.2	10.3
Southeast Fairbanks	17.4	18.4	17.4
Yukon-Koyukuk	19.6	18.7	17.6
Northern Region	11.5	11.1	11.4
Nome	14.0	13.6	14.0
North Slope Borough	4.4	4.4	4.0
Northwest Arctic Borough	17.1	16.5	17.7
Southeast Region	10.6	11.3	12.1
Haines Borough	18.2	18.3	17.1
Juneau Borough	6.8	7.0	7.8
Ketchikan Gateway Borough	11.9	11.9	12.5
Pr. of Wales-Outer Ketch.	18.1	21.1	19.3
Sitka Borough	8.5	8.4	13.5
Skagway-Hoonah-Angoon	16.0	18.5	19.0
Wrangell-Petersburg	14.8	16.4	15.4
Yakutat Borough	15.5	15.6	24.7
Southwest Region	7.0	7.7	6.3
Aleutians East Borough	2.1	2.4	2.2
Aleutians West	1.7	2.7	1.4
Bethel	9.6	10.1	7.8
Bristol Bay Borough	7.5	10.1	10.0
Dillingham	10.4	10.4	10.2
Lake & Peninsula Borough	8.3	9.4	8.0
Wade Hampton	12.9	14.1	12.4
Seasonally Adjusted			
United States	5.4	5.7	7.0
Alaska Statewide	7.3	7.6	8.0

p/ denotes preliminary estimates r/ denotes revised estimates
Benchmark: March 1994

- Comparisons between different time periods are not as meaningful as other time series published by the Alaska Department of Labor.
- The official definition of unemployment currently in place excludes anyone who has made no attempt to find work in the four-week period up to and including the week that includes the 12th of each month. Most Alaska economists believe that Alaska's rural localities have proportionately more of these discouraged workers.

Source: Alaska Department of Labor, Research & Analysis Section.

ployment rate. Despite uncertainties in some key industries, the immediate outlook for Alaska's economy looks promising. Large job cuts are unlikely to affect employment numbers before summer when strong seasonal gains in construction, seafood processing and tourism-related employment should minimize their impact.

Alaska Employment Service

Anchorage: Phone 269-4800

Glennallen: Phone 822-3350

Homer: Phone 235-7791

Bethel: Phone 543-2210

Kotzebue: Phone 442-3280

Kodiak: Phone 486-3105

Dillingham: Phone 842-5579

Nome: Phone 443-2626/2460

Seward: Phone 224-5276

Eagle River: Phone 694-6904/07

Tok: Phone 883-5629

Juneau: Phone 465-4562

Mat-Su: Phone 376-2407/08

Valdez: Phone 835-4910

Petersburg: Phone 772-3791

Fairbanks: Phone 451-2871

Kenai: Phone 283-4304/4377/4319

Sitka: Phone 747-3347/3423/6921

Ketchikan: Phone 225-3181/82/83



The mission of the Alaska Employment Service is to promote employment and economic stability by responding to the needs of employers and job seekers.

ALASKA ECONOMIC TRENDS
ALASKA DEPARTMENT OF LABOR
Alaska Employment Service
P.O. Box 25509
Juneau, Alaska 99802-5509

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ANNUAL REPORT
1993



1993 Annual Report

550 West Seventh Avenue, Suite 1325
Anchorage, Alaska 99501

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Forwarding Letter



ALASKA MUNICIPAL BOND BANK AUTHORITY

550 West Seventh Avenue, Suite 1325 • Anchorage, Alaska 99501
(907) 274-7366 • FAX (907) 276-1691

August 31, 1993

The Honorable Walter J. Hickel
Governor of the State of Alaska

Dear Governor Hickel:

The FY93 report of the activities and financial condition of the Alaska Municipal Bond Bank Authority (Bond Bank) is submitted in accordance with Alaska Statute 44.85.100.

In June 1993 the Bond Bank sold \$39,000,000 in General Obligation Refunding Bonds and \$7,695,000 in Revenue Refunding Bonds which were issued in July 1993. These sales affected communities throughout Alaska by producing substantial debt service savings.

Our financial position remains strong. The Bond Bank will remit \$1,007,077 to the State of Alaska General Fund from its Fiscal Year 93 operations. Since 1977 the Bond Bank will have paid \$17,806,604 to the State which represents over 96% of the original State of Alaska capital appropriation of \$18,601,413.

We are proud of the Bond Bank's accomplishments in FY93 and we are pleased to share them with you.

Sincerely,

Norman J. Levesque
Norman J. Levesque
Chairman of the Board

The Bond Bank Authority

Assisting Alaskan Communities

The Bond Bank was established to assist small Alaska municipalities that have difficulty financing capital improvement projects such as schools, water and sewer systems, public buildings, harbors and docks.

It was created because these communities often are at a disadvantage in the financial markets. They may have low bond ratings or, although credit worthy, have not issued bonds or notes, have little outstanding debt, and lack investor familiarity.

Generally, the Bond Bank sells its bonds on the national bond market and utilizes the proceeds of its sales to purchase the bonds of Alaskan municipalities thereby providing these municipalities with the funds for the construction or purchase of their capital projects.

Because the Bond Bank has received an "A" rating from both Moody's and Standard & Poor's, it is able to borrow money at lower interest rates.

As municipalities pay principal and interest to the Bond Bank to liquidate their debt, the Bond Bank utilizes these payments to liquidate its debt to its bondholders.

Getting the Most Out of Every Dollar

Between 1976 and 1986 the State of Alaska has invested \$18,601,413 in the Bond Bank. This appropriation, by law, is utilized solely to establish debt reserve funds for the Bank's issues thereby enhancing the security of the bonds outstanding. In return the Bond Bank has:

- Purchased over \$235 million in General Obligation Bonds and \$48 million in Revenue Bonds for construction of sewers, schools, roads, docks and other projects throughout Alaska;
- Paid \$17.8 million to the State of Alaska General Fund from investment earnings;
- and,
- Established an 11 to 1 leveraging ratio giving the Bond Bank the ability to issue over \$100 million in additional capital financing.

The Bond Bank Authority

Specializing in Individual Service

The Bond Bank is organized to work with all Alaska municipalities and especially new and infrequent issuers of debt for capital projects. From the time a municipality contacts the Bond Bank, legal and financial professionals with extensive experience in Alaska financing begin working with municipal managers to develop the most advantageous financing program for the community.

If it becomes clear that debt financing through the Bond Bank is neither possible nor appropriate, for any particular municipality, the Bond Bank will continue to work with the municipality's administration to find other means or ways of meeting its financial objectives.

In some instances the Bond Bank is also able to relieve municipalities from paying certain costs of issuing bonds, such as official statement printing, trustee and paying agency fees.

The Bond Bank is proud of the individual service it offers to municipalities and believes this service is the primary reason the Bond Bank has been so successful.

Organized as a Public/Private Partnership

The Bond Bank is a public corporation created by State Law. Bonds issued by the Bond Bank are obligations of the Bond Bank and are payable solely from Bond Bank funds. It has a legal existence independent of and separate from the State; the full faith and credit of the State is not pledged to secure bonds issued by the Bond Bank. The State has pledged its moral obligation for the maintenance of a debt service reserve for the majority of the Bond Bank's bonds.

The powers of the Bond Bank are vested in its Board of Directors. The membership of the Bond Bank Board consists of five Directors representing both the public and private sector. The three private sector Board members are appointed by the Governor and serve four-year terms. They are joined on the Board by the Commissioner of Revenue and the Commissioner of Community and Regional Affairs.

The Board of Directors operate in accordance with the Bond Bank Act (AS 44.85), its published regulations and its by-laws.

The Board of Directors appoint an Executive Director to manage the business of the Bond Bank.

Introducing the Board

The Board of Directors

Norman Levesque - Chairman. Term expires July 15, 1995. Mr. Levesque was named to the Board of the Bond Bank when it was established in 1975 and served until 1980. He is an Assemblyman for the Matanuska-Susitna Borough in his second term and is also an elected Board member of the Alaska Municipal League. Mr. Levesque has held numerous management and administrative positions including Chief Fiscal Officer of the Municipality of Anchorage, Deputy Director of Bonding for the Alaska Industrial Development Authority, and Manager of the Matanuska-Susitna Borough. Mr. Levesque was appointed Executive Director of the Bond Bank effective September 1, 1993.

Robert Nelson - Vice Chairman. Term expires July 15, 1994. Mr. Nelson was appointed to the Board August 5, 1992. A life-long Alaskan, Mr. Nelson has more than 25 years of financial management in Alaska State and local government. He served 18 years as Chief Financial Officer, Director of Finance and Controller for the Municipality of Anchorage. He directed the Municipalities Capital financing program involving approximately 75 issues totaling in excess of \$1.5 billion. He has served on the Board of Directors of the Alaska Municipal Finance Officers Association, the Anchorage Police and Retirement System and the Anchorage Parking Authority.

Perry Eaton - Term expires July 15, 1993. Mr. Eaton has served on the Board since 1989. He is President and CEO, Community Enterprise Development Corporation, and Chairman of the Board, Alaska Rural Investments, the ninth largest Alaska-owned company in the State. A life-long Alaskan, Mr. Eaton serves on several state and national boards, including the National Rural Development Finance Corporation. He has served as Chairman of the Alaska Housing Finance Corporation and Alaska Renewable Resources.

Darrel Rexwinkel - Commissioner, Department of Revenue, ex-officio Director. Mr. Rexwinkel was appointed Commissioner February 15, 1991. He served as Chief Fiscal Officer with the Municipality of Anchorage and Controller of the Alaska International Airport System. Prior to entering public service, Mr. Rexwinkel was Vice President, Finance and Administration, for Frontier Company of Alaska and Calista Corporation.

Edgar Blatchford - Commissioner, Department of Community and Regional Affairs, ex-officio Director. Mr. Blatchford was appointed Commissioner on December 21, 1990. He previously served as the elected chairman of the Board of Chugach Alaska Corporation. A life-long Alaskan, Mr. Blatchford is from Seward and is currently on leave as editor and publisher of several rural Alaska newspapers.

Introducing the Management

The Professional Staff

The Bond Bank employs an Executive Director, Judith Brady, and an Administrative Assistant, Toni Phillips. All other professional work is contracted for on an "as needed" basis.

Judith Brady - Executive Director. Ms. Brady was appointed by the Directors effective January 6, 1989. She also serves as Secretary and Treasurer of the Bond Bank. Prior to her appointment Ms. Brady served two years as Commissioner of Natural Resources for the State and eight years as Chief Administrative Judge of a federal appeals board. Ms. Brady was appointed to the Bond Bank Board of Directors effective September 1, 1993. Term expires July 15, 1995.

Financial Advisor

Lehman Brothers
John Moore, Managing Director

Provides loan analysis service, including recommendations as to the adequacy of loan applications, credit worthiness, projected capability to repay, and the overall effect a proposed loan will have on the credit of the Bond Bank. Assists in preparation of the Official Statements, recommends as to type and timing of bond sales, negotiates with underwriters and assists with investment of various funds. Also coordinates financial reviews with bond rating houses and prepares other general financial reviews and analysis required by the Bond Bank.

Bond Counsel

Wohlforth, Argetsinger, Johnson and Brecht
Tom Klinkner, Shareholder

Prepares for the authorization, sale, issuance and delivery of Bond Bank bonds. Prepares series resolutions, notices of sale; assists in preparation of the Official Statement; renders necessary opinions as required; and provides other general legal services required by the Bond Bank.

Trustee/Paying Agent

Seafirst Bank
Michael Jones, Account Executive

Acts as custodian of the bond proceeds and supervises the investment of the funds for the purposes specified in the bond resolutions. The trustee oversees Debt Service Funds and maintenance of certain reserve accounts required in the contract with the bondholders. As paying agent, makes all necessary interest and principal payments to the bondholders.

Trustee/Custodian Account

Bank of America
Kim Brewington, Trust Officer

Acts as custodian of reserves that are not held by the Bond Trustee /Paying Agent. Custodian Account money includes State appropriations not pledged to meet the Reserve Fund requirements for any Bond Bank obligations. The trustee manages the investment of these funds and prepares reports on a regular basis.

Current Financing

Bond Sales which closed July 8, 1993

\$39,000,000 General Obligation Refunding Bonds, 1993 Series A dated July 8, 1993

		Total Debt Service Principal & Interest	Prior Debt Service Principal & Interest	Cumulative Interest Savings
Anchorage	1986C	\$ 5,403,897.89	\$ 5,517,490.00	\$ 113,592.11
Bristol Bay Borough	1986C	1,850,656.74	1,875,390.00	24,733.26
Kenai	1986A	1,944,213.28	1,997,862.50	53,649.22
Ketchikan	1978A	1,813,051.01	1,845,100.00	32,048.99
Ketchikan	1986A	4,732,166.84	4,897,103.75	164,936.91
Mat-Su Borough	1979B	1,109,645.33	1,147,140.00	37,494.67
Nenana	1987A	1,270,058.98	1,307,937.50	37,878.52
Palmer	1979C	1,081,534.08	1,137,053.75	55,519.67
Petersburg	1986A	932,271.22	955,187.50	22,916.28
Petersburg	1989A	1,828,877.23	1,888,452.50	59,575.27
Seward	1986A	5,536,596.34	5,708,650.00	172,053.66
Seward	1987A	3,105,581.12	3,296,020.00	190,438.88
Seward	1990A	2,564,422.72	2,638,131.25	73,708.53
Sitka	1978B	1,296,455.06	1,331,116.25	34,661.19
Sitka	1979C	385,849.77	403,857.50	18,007.73
Sitka	1986C	2,588,486.98	2,627,940.00	39,453.02
Soldotna	1979B	685,295.15	703,275.00	17,979.85
Unalaska	1980A	686,308.52	747,775.00	61,466.48
Wrangell	1986A	7,914,262.85	8,157,287.50	243,024.65
Wrangell	1986A-2nd Issue	957,716.88	986,416.25	28,699.37
		<u>\$ 47,687,347.99</u>	<u>\$ 49,169,186.25</u>	<u>\$ 1,481,838.26</u>

Moody's A; Standard & Poor's A;
Negotiated; John Nuveen & Co.
True Interest Cost: 5.224%

\$7,695,000 Revenue Refunding Bonds, 1993 Series A dated July 8, 1993

Anchorage Parking Authority	<u>\$ 10,843,359.65</u>	<u>\$ 11,229,469.38</u>	<u>\$ 386,109.73</u>
-----------------------------	-------------------------	-------------------------	----------------------

Moody's Aaa; Standard & Poor's AAA; Fitch AAA; FGIC Insured;
Negotiated; John Nuveen & Co.
True Interest Cost: 5.316%

Summary

National bond sales used to advance refund prior municipal bonds	\$ 46,695,000
National bond sales used to fund reserve account	-
Total financings in Fiscal Year	<u>\$ 46,695,000</u>

Bond Bank Projects in Alaska

As of June 30, 1993 the Bond Bank had \$131,784,128 of its bonds outstanding in order to provide funds for the purchase of municipal bonds sold to finance the projects in the following communities.

Airport/Dock/Port

Aleutians East Borough
Ketchikan Gateway Borough
City of False Pass
City of Homer
City of Ketchikan
City of Kodiak
City of Nenana
City of Sand Point
City of St. Paul
City of Seward
City of Unalaska

School Construction

Bristol Bay Borough
City & Borough of Juneau
Kodiak Island Borough
Matanuska-Susitna Borough
City & Borough of Sitka
City of Cold Bay
City of King Cove
City of Nelson Lagoon
City of Nome
City of Petersburg
City of St. Paul
City of Wrangell
City of Unalaska

Water/Electric/Telephone

Municipality of Anchorage
City & Borough of Sitka
City of Fairbanks
City of Homer
City of Ketchikan
City of Palmer
City of Yakutat

Power Distribution & Transmission

Municipality of Anchorage
City of Seward
City of St. Paul
City of Yakutat

Sewer/Solid Waste Treatment

Kenai Peninsula Borough
City & Borough of Sitka
City of Cordova
City of Fairbanks
City of Haines
City of Ketchikan
City of Palmer
City of Petersburg
City of Seward
City of Soldotna
City of Yakutat

Public Safety/Garage & Library Building

Municipality of Anchorage
City & Borough of Juneau
City of Bethel
City of Homer
City of Kenai
City of Ketchikan
City of Nome
City of Seward
City of Soldotna

Elderly Housing

City of Petersburg

Streets/Paving

City & Borough of Sitka
City of Homer
City of Kodiak
City of Palmer
City of Seward
City of Yakutat

Hospital Construction

Kenai Peninsula Borough
City & Borough of Sitka
City of Ketchikan

How the Bond Program Works

General Obligation Bonds - The Mainstream Program

Municipal general obligation bonds are usually issued to finance facilities that do not generate revenue, such as schools, roads, public safety and municipal buildings. They are issued with the approval of the municipal voters and are secured by the full faith and credit of the municipality. Municipalities within the State of Alaska have NO taxing limitations for debt service requirements.

The Bond Bank's mainstream program was created in 1976 by its General Bond Resolution (issuance of Bond Bank General Obligation Bonds) .

A total of 34 general obligation bond series have been issued in order to secure funds to purchase \$217,000,000 in municipal debt.

Bonds issued by the Bond Bank to purchase municipal general obligation bonds are secured by:

- Full faith and credit of each respective community with no taxing limitation for the general bonded debt issued to the Bond Bank.
- The debt service reserve fund under the bond resolution for that issue of Bond Bank bonds. The reserve fund generally is funded in an amount equal to maximum annual debt service on the Bond Bank bonds.
- The statutory Bond Bank reserve fund monies available and not pledged to bond issues, which may be used to restore the debt service reserve fund under the bond resolution to an amount equal to maximum annual debt service on the Bond Bank bonds.
- The statutory right of the Bond Bank, in the event of default, to demand and receive from a state agency any funds held by that agency which are payable to the defaulting municipality.
- The moral obligation of the State of Alaska to maintain the debt service reserves at their required levels.

How the Bond Program Works

Revenue Bonds - Projects That Pay Their Own Way

Revenue Bonds are used to finance revenue-producing capital improvements such as utility or port facilities. These bonds are secured by a pledge of the revenues from the facility itself. Because they are not secured by a municipality's taxing power, they do not normally require municipal voter approval.

Bonds issued by the Bond Bank to purchase municipal revenue bonds are secured by:

- A pledge of the revenues from the facility being financed;
- The municipalities' reserve fund under their bond resolutions. The reserve fund generally is funded in an amount equal to maximum annual debt service on the municipalities' bonds.
- The Bond Bank reserve fund under the bond resolution for that issue. The reserve fund generally is funded in an amount equal to maximum annual debt service on the Bond Bank bonds.
- The statutory Bond Bank reserve fund monies available and not pledged to bond issues, which may be used to restore the debt service reserve fund under the bond resolution to an amount equal to maximum annual debt service on the Bond Bank bonds.
- The statutory right of the Bond Bank, in the event of a default, to demand and receive from a state agency any funds held by that state agency which are payable to the defaulting municipality.

Bond Bank bonds issued to purchase municipal revenue bonds are as follows:

1980 Revenue Bonds - \$410,000 - Ketchikan Gateway Borough

To remodel and renovate the Ketchikan International Airport.

1986 Series A - \$10,859,000 - Anchorage Parking Authority

To refinance bonds to benefit the Anchorage Parking Authority

1987 Series A - \$15,030,000 - City of Ketchikan

To refund a portion of the Utility System Revenue Bonds, 1982 Series P, City of Ketchikan.

1988 Revenue Bonds - \$4,500,000 - City of Kodiak

To design, construct and equip extension of Pier II of the City of Kodiak's port facilities.

1989 Series A - \$2,550,000 - City of Homer

To design, construct and equip a 345 foot long deep-water dock and to refund outstanding water revenue bonds.

1990 Series A - \$1,195,000 - City of Yakutat

To purchase a private electric utility.

How the Bond Program Works

Coastal Energy Impact Program Loan Fund

<u>Purchased</u>	<u>Interest Rate</u>	<u>Amount Outstanding at June 30, 1993</u>
City of Seward	7%	\$ 970,000
Kenai Peninsula Borough		
Central Hospital District (1)	7	2,030,000
City of Nome		
Sewer Bonds	9	381,250
Port Authority Bonds (2)	8.5	5,000,000
City of St. Paul		
Fuel Tank Farm	5	6,562,878
TOTAL		\$ 14,944,128

- (1) *Refunded by Kenai Peninsula Borough. Payments are being made from a trust set up to pay the bonds.*
- (2) *In Default. The loan payable does not represent a general obligation of the Bond Bank Authority as it is payable only from proceeds received from the City of Nome. The City of Nome is currently negotiating with NOAA to modify the terms of repayment.*

Coastal Energy Impact Program Loan Bonds - A Special Program

This program was established and is administered by the U.S. Department of Commerce to financially assist coastal states and municipalities facing impacts from offshore oil development.

Under this program the Bond Bank issues bonds to provide loans to qualifying municipalities for improved public facilities or services. All Coastal Energy Impact Program (CEIP) Loan Bonds are issued to the United States Government in exchange for federal CEIP funds, based on agreements between the United States, the Bond Bank and the borrowing municipality.

The Bond Bank did not establish a reserve fund for Coastal Energy Bonds and no State funds have been committed to support these bonds.

Under a separate bond resolution, the Bond Bank issued \$3,755,000 1979 A Coastal Energy Reserve Bonds, to purchase revenue bonds of the Municipality of Anchorage Water Utility. These bonds were secured by a reserve fund equal to 100% of their principal amount. Funding for the reserve fund was obtained from a separate CEIP loan from the United States.

The Bond Bank Pays Its Own Way

Operating Funds Out of Earnings

Operations of the Bond Bank are funded through fees, charges and interest earnings on investments. The Legislature does review and approve the operational budget, but the Bond Bank pays its own way; operations are not funded by the State of Alaska General Fund. Earnings over and above costs of operating the Bond Bank are paid to the State's General Fund. Since 1977 the Bond Bank has paid to the State of Alaska excess earnings as follows:

Earnings in Excess of Operating Costs Paid to the State of Alaska

FY-1977 earnings paid to State	\$ 45,872
FY-1978 earnings paid to State	143,833
FY-1979 earnings paid to State	140,759
FY-1980 earnings paid to State	460,649
FY-1981 earnings paid to State	1,140,697
FY-1982 earnings paid to State	1,411,783
FY-1983 earnings paid to State	1,207,647
FY-1984 earnings paid to State	1,334,313
FY-1985 earnings paid to State	1,827,815
FY-1986 earnings paid to State	2,610,971
FY-1987 earnings paid to State	1,187,900
FY-1988 earnings paid to State	1,096,377
FY-1989 earnings paid to State	1,212,152
FY-1990 earnings paid to State	1,086,220
FY-1991 earnings paid to State	995,019
FY-1992 earnings paid to State	897,420
FY-1993 earnings due to State	<u>1,007,077</u>

Net Earnings Paid to the State of Alaska Since Inception **\$ 17,806,604**

Bond Bank Credit Ratings

Each individual issue of the Bond Bank is reviewed by Moody's Investors Service and Standard & Poor's.

Because the Bond Bank has received an "A" rating from these two major national bond rating agencies, it is able to borrow money at lower interest rates than most Alaskan municipalities.

In addition, when it is economical and cost effective to do so, the Bond Bank obtains bond insurance for its bonds. The Bond Bank's insured bonds have "AAA" ratings.

Getting the Most Out of the Dollar

Capital Funds - Leveraging State Dollars

An important reason for the Bond Bank's favorable bond rating and lower borrowing costs is that it secures many of its bonds with a reserve fund supported by the "moral obligation" of the State of Alaska.

The reserve fund is available to cure defaults, should they occur. At least two-thirds of the reserve is funded from State appropriations; the remainder is funded from proceeds of the Bond Bank's bonds, known as Reserve Fund obligations.

Through the leverage provided by the Bond Bank's programs, a relatively small amount of State appropriated money supports a much greater amount for financing of local government capital projects.

The reserve fund is normally used to leverage debt at better than an eleven to one ratio. For every \$1 million placed in the reserve fund, more than \$11 million of outside capital is attracted to the State.

Using a 11:1 leveraging factor, the Bond Bank has enough unpledged reserves on hand to issue over \$100,000,000 of bonds under the 1976 Resolution.

Capital Appropriations from the General Fund for Funds Leveraging

<u>Year</u>	<u>Appropriation</u>	<u>On Deposit</u>
FY-1976	\$ 3,000,000	\$ 3,000,000
FY-1977	1,000,000	1,000,000
FY-1978	500,000	500,000
FY-1980	1,500,000	1,500,000
FY-1980	2,997,242	2,997,242
FY-1981	3,000,000	3,000,000
FY-1983	54,171	54,171
FY-1984	1,800,000	1,800,000
FY-1985	4,000,000	4,000,000
FY-1986	750,000	750,000
As of June 30, 1993	<u>\$ 18,601,413</u>	<u>\$ 18,601,413</u>

Summary of Debt Service

Schedule of Total Debt Service by Classification at June 30, 1993

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
1976 Series B	\$ 2,345,000	351,381	\$ 2,696,381
1977 Series B	350,000	17,940	367,940
1977 Series C	850,000	114,878	964,878
1978 Series A	2,215,000	369,775	2,584,775
1978 Series B	1,495,000	293,798	1,788,798
1978 Series C	980,000	200,505	1,180,505
1979 Series A	770,000	196,323	966,323
1979 Series B	2,235,000	548,775	2,783,775
1979 Series C	1,490,000	406,496	1,896,496
1980 Series A	1,755,000	1,154,880	2,909,880
1983 Series C	250,000	12,500	262,500
1983 Series D	120,000	5,400	125,400
1984 Series A	1,345,000	135,938	1,480,938
1986 Series A - 1st Issue	13,090,000	7,127,525	20,217,525
1986 Series A - 2nd Issue	4,955,000	2,510,800	7,465,800
1986 Series B	2,010,000	272,690	2,282,690
1986 Series C	11,570,000	3,651,290	15,221,290
1987 Series A	4,020,000	2,408,775	6,428,775
1989 Series A	3,785,000	2,119,780	5,904,780
1989 Series B	7,905,000	2,091,358	9,996,358
1989 Series C & D	4,100,000	2,859,797	6,959,797
1990 Series A	2,295,000	1,645,746	3,940,746
1990 Series B	4,935,000	1,441,845	6,376,845
1991 Series A	2,525,000	779,650	3,304,650
1992 Series A	7,200,000	2,211,896	9,411,896
1992 Series B	2,170,000	1,790,635	3,960,635
Total 1976 Bond Resolution Fund	86,760,000	34,720,376	121,480,376
Ketchikan Airport Revenue Bond Fund	250,000	104,975	354,975
1982 General Revenue Bond Resolution Fund	8,880,000	4,600,498	13,480,498
1987 General Revenue Bond Resolution Fund	11,660,000	3,888,957	15,548,957
1988 General Revenue Bond Resolution Fund	3,700,000	1,758,674	5,458,674
1989 General Revenue Bond Resolution Fund	2,475,000	1,867,856	4,342,856
1990 General Revenue Bond Resolution Fund	1,155,000	1,143,022	2,298,022
Coastal Energy Reserve Bond Fund	1,960,000	66,780	2,026,780
Coastal Energy Reserve Loan Fund	14,944,128	12,864,183	27,808,311
Total Debt Service	\$ <u>131,784,128</u>	<u>61,015,321</u>	\$ <u>192,799,449</u>

Summary of Debt Service

Summary of Total Debt Service Requirements by Fiscal Year:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
1994	\$ 13,490,000	10,963,501	\$ 24,453,501
1995	11,427,500	7,880,843	19,308,343
1996	11,830,000	7,152,671	18,982,671
1997	12,507,500	6,349,175	18,856,675
1998-2018	82,529,128	28,669,131	111,198,259
Total Debt Service	<u>\$131,784,128</u>	<u>61,015,321</u>	<u>\$ 192,799,449</u>

Financial Statements And Auditor's Report

June 30, 1992

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Independent Auditors' Report

KPMG Peat Marwick

Certified Public Accountants
601 West Fifth Avenue
Suite 700
Anchorage, AK 99501-2258

Independent Auditors' Report

The Board of Directors
Alaska Municipal Bond Bank Authority:

We have audited the accompanying financial statements of the funds of the Alaska Municipal Bond Bank Authority, as listed in the accompanying table of contents, as of June 30, 1993 and for the year then ended. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion of these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Alaska Municipal Bond Bank Authority as of June 30, 1993, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

KPMG Peat Marwick

August 13, 1993

Operating Fund

Balance Sheet

June 30, 1993

Assets

Cash	\$ 8,099
Prepaid expenses	3,500
Accounts receivable	18,191
Due from Statutory Reserve Funds:	
Custodian account	2,049,774
Ketchikan Airport Revenue Bond	1,810
1982 General Revenue Bond Resolution	13,456
1987 General Revenue Bond Resolution	27,661
1988 Kodiak Revenue Bond Resolution	42,076
1989 Homer Revenue Bond Resolution	4,039
1990 Yakutat Revenue Bond Resolution	2,801
	<u>\$ 2,171,407</u>

Liabilities

Interest arbitrage rebate payable	178,350
Accounts payable	69,430
Accrued payroll	19,131
Payable to State of Alaska (note 2):	
1993 excess revenues	1,007,077
1992 excess revenues	897,419
	<u>\$ 2,171,407</u>

Statement of Revenues and Expenditures

Year ended June 30, 1993

Revenues:

Income transferred from Statutory Reserve Funds:

Custodian account	\$ 293,510
1976 General Bond Resolution	653,603
Ketchikan Airport Revenue Bond	264
1982 General Revenue Bond Resolution	53,108
1987 General Revenue Bond Resolution	82,220
1988 Kodiak Revenue Bond Resolution	30,773
1989 Homer Revenue Bond Resolution	13,545
1990 Yakutat Revenue Bond Resolution	6,541
	<u>1,133,564</u>
Interest arbitrage rebate credit	203,101
Net total revenues	<u>1,336,665</u>

See accompanying notes to financial statements.

Operating Fund

Expenditures:

Personal services	\$ 136,901
Professional services:	
Bond rating, trust and delivery	73,168
Bond counsel	49,750
Financial advisor	7,731
Accounting and auditing fees	23,496
Office rental	10,993
Printing and advertising	7,964
Equipment	6,104
Administrative travel	4,699
Telephone	3,833
Contract secretary	3,047
Office expense	1,902
Total expenditures	<u>329,588</u>

Excess of revenues over expenditures

\$ 1,007,077

Statement of Expenditures -Budget and Actual

Year ended June 30, 1993

	<u>Budget</u>	<u>Actual</u>	Variance favorable (unfavorable)
Personal services	\$149,100	136,901	12,199
Professional services:			
Bond rating trust and delivery	127,000	73,168	53,832
Bond counsel	71,600	49,750	21,850
Financial advisor	71,600	7,731	63,869
Accounting and auditing fees	35,000	23,496	11,504
Office rental	10,000	10,993	(993)
Printing and advertising	30,000	7,964	22,036
Equipment	-	6,104	(6,104)
Administrative travel	8,300	4,699	3,601
Telephone	5,000	3,833	1,167
Contract secretary	-	3,047	(3,047)
Office expense	3,700	1,902	1,798
Training	400	-	400
	<u>\$511,700</u>	<u>329,588</u>	<u>182,112</u>

Statement of Changes in Fund Balance

Year ended June 30, 1993

Fund balance at June 30, 1992	\$ -
Excess of revenues over expenditures	1,007,077
Payable to State of Alaska (note 2)	<u>1,007,077</u>
Fund balance at June 30, 1993	<u>\$ -</u>

Debt Service Funds

Balance Sheet

June 30, 1993

<u>Assets</u>	<u>1976 General</u>	<u>Ketchikan Airport Revenue</u>	<u>Coastal Energy Reserve</u>
Cash	\$ -	126	-
Cash with fiscal agent	218,346	-	-
Bonds and notes receivable (notes 3 and 4)	82,595,000	250,000	980,000
Accrued interest receivable	1,626,311	3,207	25,970
Due from other funds	-	625	-
	<u>\$ 84,439,657</u>	<u>253,958</u>	<u>1,005,970</u>
<u>Liabilities and Fund Balances (Deficit)</u>			
Due to other funds	5,829	-	-
Matured interest coupons payable	218,346	-	-
Accrued interest payable	1,625,382	3,958	25,970
Bonds and notes payable (notes 3 and 4)	82,595,000	250,000	980,000
	<u>84,444,557</u>	<u>253,958</u>	<u>1,005,970</u>
Fund balances (deficit)	(4,900)	-	-
	<u>\$ 84,439,657</u>	<u>253,958</u>	<u>1,005,970</u>

Statement of Revenues, Expenditures and Changes in Fund Balances (Deficit)

Year ended June 30, 1993

	<u>1976 General</u>	<u>Ketchikan Airport Revenue</u>	<u>Coastal Energy Reserve</u>
Revenues:			
Interest income	\$ 5,909,782	21,677	51,940
Contribution from Statutory Reserve Funds - special interest subsidy account	-	4,062	-
Total revenues	<u>5,909,782</u>	<u>25,739</u>	<u>51,940</u>
Expenditures - interest	<u>5,904,424</u>	<u>25,739</u>	<u>51,940</u>
Excess of revenues over expenditures	5,358	-	-
Fund balances (deficit) at June 30, 1992	(10,258)	-	-
Fund balances (deficit) at June 30, 1993	<u>\$ (4,900)</u>	<u>-</u>	<u>-</u>

See accompanying notes to financial statements.

Debt Service Funds

Bond Resolutions					
1982 General Revenue	1987 General Revenue	1988 Kodiak Revenue	1989 Homer Revenue	1990 Yakutat Revenue	Coastal Energy Loan
-	286	-	-	-	-
-	-	-	-	-	-
8,880,000	11,660,000	3,700,000	2,475,000	1,155,000	14,944,128
50,204	57,144	69,274	46,991	14,388	93,557
-	-	-	-	-	-
<u>8,930,204</u>	<u>11,717,430</u>	<u>3,769,274</u>	<u>2,521,991</u>	<u>1,169,388</u>	<u>15,037,685</u>
-	-	-	-	-	-
-	-	-	-	-	-
50,204	57,430	69,274	46,991	14,388	93,557
8,880,000	11,660,000	3,700,000	2,475,000	1,155,000	14,944,128
8,930,204	11,717,430	3,769,274	2,521,991	1,169,388	15,037,685
-	-	-	-	-	-
<u>8,930,204</u>	<u>11,717,430</u>	<u>3,992,904</u>	<u>2,557,638</u>	<u>1,189,620</u>	<u>15,731,598</u>

Bond Resolutions					
1982 General Revenue	1987 General Revenue	1988 Kodiak Revenue	1989 Homer Revenue	1990 Yakutat Revenue	Coastal Energy Loan
612,306	706,155	280,726	189,905	86,791	610,530
-	-	-	-	-	-
<u>612,306</u>	<u>706,155</u>	<u>280,726</u>	<u>189,905</u>	<u>86,791</u>	<u>610,530</u>
612,306	706,155	280,726	189,905	86,791	610,530
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Statutory Reserve Funds

Balance Sheet

June 30, 1993

	Custodian Account	1976 General
Assets		
Custodian account:		
Cash	\$ 2,685,710	-
Investments, at cost, with a market value of \$15,499,571	15,441,032	-
Accrued interest receivable	152,520	-
	<u>18,279,262</u>	<u>-</u>
Ordinary reserve account:		
Cash	-	348,131
Investments, at cost, with a market value of \$5,284,450	-	4,216,376
Accrued interest receivable	-	62,311
Due from other funds	-	311,505
	<u>-</u>	<u>4,938,323</u>
Special reserve accounts:		
Cash	-	383,993
Investments, at cost, with a market value of \$13,480,185	-	9,820,568
Accrued interest receivable	-	108,979
Due from other funds	-	-
	<u>-</u>	<u>10,313,540</u>
Special interest subsidy account:		
Cash	-	-
Investments, at cost, which approximates market	-	-
Accrued interest receivable	-	-
	<u>-</u>	<u>-</u>
	<u>\$ 18,279,262</u>	<u>15,251,863</u>
Liabilities and Fund Balances		
Custodian account - due to other funds	2,191,191	-
Ordinary reserve account:		
Accrued interest payable	-	90,127
Bonds and note payable (note 4)	-	4,165,000
	<u>-</u>	<u>4,255,127</u>
Special reserve account - due to other funds	-	164,259
Special interest subsidy account - due to other funds	-	-
Fund balances:		
Custodian account:		
Appropriated funds	4,995,251	-
Unreserved investment earnings	11,092,820	-
Ordinary reserve account	-	683,196
Special reserve account	-	10,149,281
Special interest subsidy account	-	-
Total fund balances	<u>16,088,071</u>	<u>10,832,477</u>
	<u>\$ 18,279,262</u>	<u>15,251,863</u>

See accompanying notes to financial statements.

Statutory Reserve Funds

Bond Resolutions						
<u>Kechikan Airport Revenue</u>	<u>Coastal Energy Reserve</u>	<u>1982 General Revenue</u>	<u>1987 General Revenue</u>	<u>1988 Kodiak Revenue</u>	<u>1989 Homer Revenue</u>	<u>1990 Yakutat Revenue</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	7,232	-	-	-	-	-
-	974,800	-	-	-	-	-
-	27,609	-	-	-	-	-
-	-	-	-	-	-	-
-	<u>1,009,641</u>	-	-	-	-	-
1,924	-	11,748	16,579	1	2,721	4,140
5,000	-	1,054,433	1,506,936	485,202	295,000	116,355
19	-	12,650	23,960	6,873	2,260	1,806
1,117	-	-	-	-	-	-
<u>8,060</u>	-	<u>1,078,831</u>	<u>1,547,475</u>	<u>492,076</u>	<u>299,981</u>	<u>122,301</u>
1,747	-	-	-	-	-	-
11,700	-	-	-	-	-	-
185	-	-	-	-	-	-
<u>13,632</u>	-	-	-	-	-	-
<u>21,692</u>	<u>2,187,927</u>	<u>1,078,831</u>	<u>154,475</u>	<u>492,076</u>	<u>299,981</u>	<u>122,301</u>
-	-	-	-	-	-	-
-	29,641	-	-	-	-	-
-	980,000	-	-	-	-	-
-	<u>1,009,641</u>	-	-	-	-	-
1,810	-	13,456	27,661	42,076	4,039	2,801
1,742	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
6,250	-	1,065,375	1,519,814	450,000	295,942	119,500
11,890	-	-	-	-	-	-
<u>18,140</u>	-	<u>1,065,375</u>	<u>1,519,814</u>	<u>450,000</u>	<u>295,942</u>	<u>119,500</u>
<u>21,692</u>	<u>2,187,927</u>	<u>1,078,831</u>	<u>1,547,475</u>	<u>492,076</u>	<u>299,981</u>	<u>122,301</u>

Statutory Reserve Funds

Statement of Revenues, Expenditures and Transfers

Year ended June 30, 1993

	<u>Custodian Account</u>	<u>1976 General</u>
Custodian account:		
Revenues - interest income	\$ 883,359	-
Transfers to Operating Fund	<u>293,510</u>	-
Net custodian account	<u>589,849</u>	-
Ordinary reserve account:		
Revenues from interest account	-	323,843
Expenditures - interest expense	<u>-</u>	<u>286,473</u>
Net ordinary reserve account	<u>-</u>	<u>37,370</u>
Special reserve account:		
Revenues from interest income	-	653,603
Transfers to Operating Fund	<u>-</u>	<u>653,603</u>
Net special reserve account	<u>-</u>	<u>-</u>
Special interest subsidy account:		
Revenues from interest income	-	-
Expenditures - contribution to Debt Service Fund	<u>-</u>	<u>-</u>
Net special interest subsidy account	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures and transfers	\$ <u>589,849</u>	<u>37,370</u>

See accompanying notes to financial statements.

Statutory Reserve Funds

Bond Resolutions						
<u>Ketchikan Airport Revenue</u>	<u>Coastal Energy Reserve</u>	<u>1982 General Revenue</u>	<u>1987 General Revenue</u>	<u>1988 Kodiak Revenue</u>	<u>1989 Homer Revenue</u>	<u>1990 Yakutat Revenue</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	55,218	-	-	-	-	-
-	55,218	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-	-
264	-	53,108	82,220	30,773	13,545	6,541
264	-	53,108	82,220	30,773	13,545	6,541
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-	-
1,356	-	-	-	-	-	-
4,062	-	-	-	-	-	-
<u>(2,706)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
(2,706)	-	-	-	-	-	-
<u>(2,706)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Statutory Reserve Funds

Statement of Changes in Fund Balances

Year ended June 30, 1993

	Custodian Account		1976 General	
	Appropriated	Unreserved investment earnings	Special reserve account	Ordinary reserve account
Fund balances at June 30, 1992	\$ 5,363,809	10,502,971	9,780,098	645,826
Excess (deficiency) of revenues over expenditures and transfers	-	589,849	-	37,370
Transfers from (to) other funds	(368,558)	-	369,183	-
Fund balances at June 30, 1993	<u>\$ 4,995,251</u>	<u>11,092,820</u>	<u>10,149,281</u>	<u>683,196</u>

See accompanying notes to financial statements.

Statutory Reserve Funds

Bond Resolutions						
Ketchikan Airport Revenue	Special interest subsidy account	1982 General Revenue- Special reserve account	1987 General Revenue- Special reserve account	1988 Kodiak Revenue- Special reserve account	1989 Homer Revenue- Special reserve account	1990 Yakutat Revenue- Special reserve account
6,875	14,596	1,065,375	1,519,814	450,000	295,942	119,500
-	(2,706)	-	-	-	-	-
(625)	-	-	-	-	-	-
<u>6,250</u>	<u>11,890</u>	<u>1,065,375</u>	<u>1,519,814</u>	<u>450,000</u>	<u>295,942</u>	<u>119,500</u>

Notes to Financial Statements

(1) History

The Alaska Municipal Bond Bank Authority (Authority) was created pursuant to Alaska Statute, Chapter 85, Title 44, as amended, (Act) as a public corporation and instrumentality of the State of Alaska, but with a legal existence independent of and separate from the State. The Authority was created for the purpose of making available to municipalities within the State moneys to finance their capital projects or for other authorized purposes by means of issuance of bonds by the Authority and use of proceeds from such bonds to purchase from the municipalities their general obligation and revenue bonds. The Authority commenced operations in August 1975.

The bonds are obligations of the Authority, payable only from revenues or funds of the Authority, and the State of Alaska is not obligated to pay principal or interest thereon, and neither the faith and credit nor the taxing power of the State is pledged to the bonds. The municipal bonds and municipal bond payments, investments thereof and proceeds of such investments, if any, and all funds and accounts established by the bond resolution to be held by the trustee (with the exception of the Coastal Energy Loan Debt Service Fund, which is administered by the Authority) are pledged and assigned for the payment of bonds.

(2) Summary of Significant Accounting Policies

The accounting policies of the Authority conform to generally accepted accounting principles as applicable to governmental entities. Following is a summary of the more significant of such policies.

Fund Accounting

The accounts of the Authority are organized on the basis of funds, each of which is considered to be a separate accounting entity. Operations of each fund are accounted for by providing a separate set of self-balancing accounts which comprise its assets, liabilities, fund balance, revenues and expenditures. The purposes of the various funds are described in the following paragraphs.

Operating Fund

The Operating Fund is the fund established to account for ordinary operations of the Authority. Moneys are derived from the following sources: (a) amounts appropriated by the Legislature, (b) fees and charges collected, (c) income on investments of Statutory Reserve Funds in excess of required debt service reserves required by bond resolutions and (d) any other moneys made available for purposes of the Operating Fund from any other source.

Amounts in the Operating Fund may be used to pay (a) administrative expenses of the Authority, (b) fees and expenses of the trustee and paying agents, (c) financing costs incurred with respect to issuance of bonds and (d) any expenses in carrying out any other purpose then authorized by the Act. Excess revenues of the Operating Fund are returned to the State of Alaska.

Debt Service Funds

Separate Debt Service Funds have been established for each bond resolution to account for the portion of bond sale proceeds used to purchase obligations of the municipalities and for the payment of interest and principal on all bonds of the Authority issued under the eight resolutions. Each fund is comprised of an "interest account" and a "principal account," both of which are maintained by a trustee. The receipts of interest and principal from the municipalities and the Statutory Reserve Funds are deposited in these accounts and are used to pay interest and principal on the Authority bonds. Two additional Debt Service Funds have been established to account for transactions not involving bond resolutions. These were the Coastal Energy Loan and Nenana Loan Debt Service Funds. The Coastal Energy Loan Debt Service Fund is not maintained by a trustee. Payments of interest and principal by municipalities having coastal energy loans are made directly to the federal government by the municipalities and are accounted for in the Coastal Energy Loan Debt Service Fund. In 1981, the Alaska Legislature appropriated \$2,500,000 to the Authority for a loan to the Municipality of Nenana.

Notes to Financial Statements

Nenana has since repaid this loan, with interest. During 1992 this Fund was closed and the balance in the Fund including interest was transferred to the Custodian Account (unreserved investment earnings account).

Statutory Reserve Funds

The Statutory Reserve Funds are established to account for (a) moneys available to fund debt service reserves required by future bond sales under various bond resolutions (Custodian Account) and (b) debt service reserves which have already been established under various bond resolutions which are to be used in the case of a deficiency in a Debt Service Fund in accordance with its respective bond resolution (reserve funds). Separate reserve funds exist under each bond resolution as follows:

Custodian Account - The Custodian Account is established to account for the appropriations by the State of Alaska Legislature available to fund special reserve accounts.

1976 General Bond Resolution - The amount on deposit in the reserve fund is to be the greater of the maximum annual debt service requirement or 10% of all municipal loan obligations outstanding. The reserve fund is comprised of the ordinary reserve account and a special reserve account. Both are maintained by a trustee. The ordinary reserve account is created as a result of the Authority increasing each bond issue by the amount necessary to fund one third of the required debt service reserve or with a transfer from the Custodian Account unreserved investment earnings account. The special reserve account is created at an amount equal to two thirds of the required debt service reserve from moneys made available by legislative appropriation residing in the Custodian Account.

Ketchikan Airport Revenue Bond - Under this resolution a special reserve account and an interest subsidy account are established. Additionally, the Ketchikan Gateway Borough is required to maintain certain internal reserves.

Coastal Energy Reserve Bond - Under this resolution, only an ordinary reserve is established. It contains a 100% reserve against debt outstanding as a result of issuance of the 1979 Series A Coastal Energy Reserve Bonds.

1982 General Revenue Bond Resolution - Under this resolution a special reserve account was created at an amount equal to the maximum annual debt service of municipal loan obligations outstanding from moneys made available by legislative appropriation residing in the Custodian Account.

1987 General Revenue Bond Resolution - Under this resolution a special reserve account was created at an amount equal to the maximum annual debt service of municipal loan obligations outstanding from moneys made available by legislative appropriation residing in the Custodian Account.

1988 Revenue Bond Resolution - Under this resolution a special reserve account was created at an amount equal to the lesser of 10% of proceeds and average annual debt service of municipal loan obligations outstanding from moneys made available by legislative appropriation residing in the Custodian Account.

1989 Revenue Bond Resolution - Under this resolution a special reserve account was created at an amount equal to the maximum annual debt service of municipal loan obligations outstanding from moneys made available by legislative appropriation residing in the Custodian Account.

1990 Revenue Bond Resolution - Under this resolution a special reserve account was created at an amount equal to the maximum annual debt service of municipal obligations outstanding from moneys made available by legislative appropriation residing in the Custodian Account.

Amounts in the Statutory Reserve Funds in excess of (a) required debt service reserves, (b) appropriations by the legislature residing in the Custodian Account and (c) income on nonlegislature-

Notes to Financial Statements

appropriated funds are transferred to the Operating Fund. Income on nonlegislature-appropriated funds, representing excess of revenues over expenditures of the ordinary reserve accounts and interest earned on the unreserved investment earnings account is accumulated in the Custodian Account and is available to fund the special reserve account.

Basis of Accounting

The accrual basis of accounting is followed for the various funds.

Investments - Statutory Reserve Funds

Investments consist of marketable debt securities, primarily U.S. Government Securities, and cash equivalents and are carried at amortized cost. Cost of investments in the Custodian Account approximates market value. Investments in the other reserve accounts are purchased in conjunction with bond issues and are generally held to bond call dates or until such time as reduced reserve requirements permit their sale. Premium or discount on investments is amortized using an effective yield method over the lives of the investments.

Interest Arbitrage Rebate

Bonds issued after August 15, 1986 are subject to Internal Revenue Service income tax regulations which require rebates to the U.S. Government of interest income earned on investments purchased with the proceeds from the bonds or any applicable reserves in excess of the yield of the issue.

Income Taxes

The Authority is exempt from paying federal and state income taxes.

Retirement Plan

The executive director and an administrative assistant are the only employees of the Authority and participate in the State of Alaska Public Employees' Retirement System. The Authority's policy is to fund pension cost accrued.

Notes to Financial Statements

(3) Bonds and Notes Receivable

Bonds and notes receivable as of June 30, 1993 mature in varying annual installments as follows:

Bond Resolutions

Year ending June 30	1976 General	Ketchikan Airport Revenue	Coastal Energy Reserve	1982 General Revenue	1987 General Revenue	1988 Kodiak Revenue	1989 Homer Revenue	1990 Yakutat Revenue	Coastal Energy Loan
1994	\$ 8,680,000	25,000	840,000	460,000	850,000	230,000	35,000	25,000	5,740,000
1995	8,450,000	30,000	140,000	485,000	905,000	250,000	35,000	25,000	797,500
1996	8,735,000	30,000	-	510,000	960,000	265,000	115,000	30,000	860,000
1997	9,540,000	35,000	-	545,000	1,025,000	285,000	125,000	30,000	142,500
1998	8,300,000	40,000	-	580,000	1,095,000	305,000	130,000	30,000	150,000
1999-2003	28,605,000	90,000	-	3,525,000	6,825,000	1,895,000	810,000	200,000	1,734,500
2004-2008	8,610,000	-	-	2,775,000	-	470,000	830,000	290,000	1,452,750
2009-2013	1,490,000	-	-	-	-	-	395,000	420,000	1,785,000
2014-2019	185,000	-	-	-	-	-	-	105,000	2,281,878
	<u>\$ 82,595,000</u>	<u>250,000</u>	<u>980,000</u>	<u>8,880,000</u>	<u>11,660,000</u>	<u>3,700,000</u>	<u>2,475,000</u>	<u>1,155,000</u>	<u>14,944,128</u>

Under the Coastal Energy Loan fund, the Authority issued \$5,000,000 1986 Series A Coastal Energy Bonds (Bonds) payable to the National Oceanic and Atmospheric Administration (NOAAA). The proceeds of these bonds were used to purchase port revenue bonds from the City of Nome. The City of Nome is currently in default on its bonds payable to the Authority as the City has not made either principal or interest payments of approximately \$3.5 million since May 1987. The related loan payable does not represent a general obligation of the Authority as it is payable only from proceeds received from the City of Nome.

Notes to Financial Statements

(4) Bonds and Notes Payable

Bonds and notes payable at June 30, 1993 are as follows:

Issue	Debt Service Funds		Statutory Reserve Funds Ordinary Reserve Account	
	Interest rate	Principal outstanding	Interest rate	Principal outstanding
1976 General Bond Resolution Fund:				
1976 Series B - Matanuska-Susitna Borough	6%-8%	\$2,000,000	6.75%	\$ 345,000
1977 Series B:	5.2%-6.5%	115,000	6.1%	235,000
City of Ketchikan				
City and Borough of Juneau				
1977 Series C:	5%-8%	705,000	5.9%	145,000
City of Bethel				
City of Kodiak and City of Seward				
1978 Series A - City of Ketchikan	5.5%-7.5%	1,950,000	5.5%	265,000
1978 Series B - City and Borough of Sitka	5.5%-7.5%	1,325,000	6%	170,000
1978 Series C - City and Borough of Juneau	5.5%-7.5%	880,000	6%	100,000
1979 Series A - City of Wrangell	5.9%-7.5%	695,000	6.6%	75,000
1979 Series B:	6%-8%	1,980,000	6%	255,000
City of Fairbanks				
Matanuska-Susitna Borough				
City of Soldotna				
1979 Series C:	6.2%-8%	1,355,000	6.9%	135,000
City of Palmer				
City and Borough of Sitka				
1980 Series A:	7.3%-9%	985,000	8%	770,000
City of Kenai				
City of Unalaska				
City of Homer				
Kodiak Island Borough				
City of Fairbanks				
1983 Series C:	9.5%-10.25%	250,000	-	-
City of Ketchikan				
City of Wrangell				
1983 Series D - City of Soldotna	9%-10.5%	120,000	-	-
1984 Series A:	9.5%-12.5%	1,345,000	-	-
City of Kenai				
City of Petersburg				
City of Seward				
City of Wrangell				
1986 Series A - First Issue	4.5%-7%	13,090,000	-	-

(Continued)

Notes to Financial Statements

	Debt Service Funds		Statutory Reserve Funds Ordinary Reserve Account	
	Interest rate	Principal outstanding	Interest rate	Principal outstanding
City of Kenai				
City of Petersburg				
City of Seward				
City of Wrangell				
1986 Series A - Second Issue:	4.5%-7%	\$ 4,955,000	-	\$ -
City of Wrangell				
City of Ketchikan				
1986 Series B - City of Nome	4.5%-6.9%	2,010,000	-	-
1986 Series C:	4%-7%	11,080,000	7%	490,000
Bristol Bay Borough				
City and Borough of Sitka				
Municipality of Anchorage				
1987 Series A:	5.5%-8.25%	3,850,000	8.25%	170,000
City of Nenana				
City of Seward				
1989 Series A:	7.3%-7.9%	3,585,000	7.9%	200,000
City of Haines				
City of Petersburg				
City of Sitka				
1989 Series B:	6.2%-8.2%	7,715,000	8.2%	190,000
City of Petersburg				
City of Unalaska				
1989 Series C and D - City of Homer	5.9%-6.95%	4,100,000	-	-
1990 Series A:	6.25%-7.5%	2,295,000	-	-
City of Seward				
City of Soldotna				
1990 Series B:	7.25%	4,715,000	7.25%	220,000
Aleutians East Borough				
Kenai Peninsula Borough				
1991 Series A:	6.3%	2,475,000	6.3%	50,000
Aleutians East Borough				
1992 Series A:	4.60%-6%	6,870,000	6%	330,000
City & Borough of Sitka				
Aleutians East Borough				

(Continued)

Notes to Financial Statements

	Debt Service Funds		Statutory Reserve Funds Ordinary Reserve Account	
	Interest rate	Principal outstanding	Interest rate	Principal outstanding
1992 Series B:	3.5%-6.625%	\$ 2,150,000	6.625%	\$ 20,000
City of Cordova				
City of Petersburg				
		<u>82,595,000</u>		<u>4,165,000</u>
Ketchikan Airport Revenue Bond Fund-				
Ketchikan Gateway Borough	9.5%	250,000	-	-
Coastal Energy Reserve Bond Fund-				
Coastal Energy Reserve	5.25%-5.9%	980,000	5.25%-5.9%	980,000
1982 General Revenue Bond Resolution Fund-				
Anchorage Parking Authority	4%-7.125%	8,880,000	-	-
1987 General Revenue Bond Resolution Fund-				
City of Ketchikan	3.75%-6.2%	11,660,000	-	-
1988 Kodiak Revenue Bond Resolution Fund -				
Kodiak	6%-7.875%	3,700,000	-	-
1989 Homer Revenue Bond Resolution Fund -				
Homer	7.687%	2,475,000	-	-
1990 Yakutat Revenue Bond Resolution Fund -				
Yakutat	7%-7.7%	1,155,000	-	-
Coastal Energy Reserve Loan Fund:				
City of Seward	7%	970,000	-	-
Kenai Peninsula Borough central hospital district	7%	2,030,000	-	-
City of Nome water and sewer revenue bond	9%	381,250	-	-
City of Nome port facility revenue bond	8.5%	5,000,000	-	-
City of St. Paul - fuel dock	5%	6,562,878	-	-
		<u>44,044,128</u>		<u>980,000</u>
		<u>\$ 126,639,128</u>		<u>\$ 5,145,000</u>

Notes to Financial Statements

General obligation bonds are secured by bonds receivable and by amounts in the reserve fund. The Act further provides that if a municipality defaults on its principal and/or interest payments, upon written notice by the Authority, the State of Alaska must pay to the Authority all funds due the defaulting municipality from the State in an amount sufficient to clear the default. Loans made under the Coastal energy Loan Fund are payable only from proceeds received from the municipalities to which the loans are made.

The above bonds mature in varying annual installments and at June 30, 1993 are as follows:

Bond Resolutions

Year Ending June 30	1976 General		Ketchikan	Coastal Energy Reserve		1982	1987	1988	1989	1990	Coastal
	Debt Service	Reserve	Airport Revenue	Debt Service	Reserve	General Revenue	General Revenue	Kodiak Revenue	Homer Revenue	Yakutat Revenue	Energy Loan
1994	\$ 8,680,000	-	25,000	840,000	-	460,000	850,000	230,000	35,000	25,000	5,740,000
1995	8,450,000	-	30,000	140,000	840,000	485,000	905,000	250,000	35,000	25,000	797,500
1996	8,735,000	145,000	30,000	-	140,000	510,000	960,000	265,000	115,000	30,000	860,000
1997	9,540,000	580,000	35,000	-	-	545,000	1,025,000	285,000	125,000	30,000	142,500
1998	8,300,000	265,000	40,000	-	-	580,000	1,095,000	305,000	130,000	30,000	150,000
1999-2003	28,690,000	2,785,000	90,000	-	-	3,525,000	6,825,000	1,895,000	810,000	200,000	1,734,500
2004-2008	8,525,000	370,000	-	-	-	2,775,000	-	470,000	830,000	290,000	1,452,750
2009-2013	1,490,000	-	-	-	-	-	-	-	395,000	420,000	1,785,000
2014-2019	185,000	20,000	-	-	-	-	-	-	-	105,000	2,281,878
	<u>\$ 82,595,000</u>	<u>4,165,000</u>	<u>250,000</u>	<u>980,000</u>	<u>980,000</u>	<u>8,880,000</u>	<u>11,660,000</u>	<u>3,700,000</u>	<u>2,475,000</u>	<u>1,155,000</u>	<u>14,944,128</u>

Working Together Pays Off

The Bond Bank - An Idea That Works

Discussions regarding the need for an Alaskan Municipal Bond Bank were started 18 years ago by members of the Alaska Municipal League who saw a need - and did something about it.

The desired goal was to develop a way for smaller, well-run municipalities to borrow money at the same interest rates obtained by larger municipalities.

Why should successful municipalities like Seward, Petersburg or Kodiak have to pay more interest on public loans to build docks, schools, roads or water systems?

The Alaska Municipal League believed that if a community had the capacity to repay a loan, it should not have to pay more to borrow money because it was smaller or an infrequent borrower.

Out of these discussions, the Alaska Municipal Bond Bank Authority was created through the passage of the Alaska Bond Bank Act (AS 44.85).

Smaller Alaskan communities borrowing through the Bond Bank pay similar interest rates as any larger Alaskan municipality or any larger city in the nation marketing "A" rated bonds. The interest savings to Alaskan municipalities have been in the millions.

The Bond Bank was an idea that worked and is still working.

SCOMM

101:37

A REVIEW

THE ALASKA SCHOOL FOUNDATION FUNDING PROGRAM

JANUARY 1995

THE FOUNDATION PROGRAM is based on the "instructional unit" method of funding.

TERMS AND CONCEPTS printed on page 2, when used with the two mathematical formulas below and the numerical data on page 4, provide for understanding the foundation law.

THE FORMULA USED TO CALCULATE BASIC NEED

$$\text{BASIC NEED} = (\text{INSTRUCTIONAL UNITS}) \times (\text{AREA COST DIFFERENTIAL}) \times (\$61,000)$$

THE FORMULA USED TO CALCULATE STATE FOUNDATION AID

$$\text{STATE FOUNDATION AID} = (\text{BASIC NEED}) - (\text{LOCAL EFFORT}) - (90\% \text{ ELIGIBLE PL 81-874})$$



TERMS AND CONCEPTS:

ADM (AVERAGE DAILY MEMBERSHIP) - The average of the number of students enrolled in a school district or specific school program (vocational education, bilingual education, special education) over a specified fall or spring student count period. The more students a district has in Average Daily Membership, the more instructional units the district generates increasing the funding it receives through the foundation program.

AREA COST DIFFERENTIAL - A factor multiplied by a school district's instructional units to adjust for costs associated with geographic conditions, sparsity and location of various school districts. Factors vary between 1.0 and 1.46, depending usually on remoteness of the district.

BASIC NEED - An amount of money determined by multiplying the area cost differential by the number of a school district's allowable instructional units times the instructional unit value, set by the legislature. The foundation program sets the instructional unit value at \$61,000. (See page 4, column A)

INSTRUCTIONAL UNIT - A number represented by a group of students identified by grade level and the student profile dependent on whether the students are enrolled in vocational, special or bilingual education programs.

INSTRUCTIONAL UNIT VALUE - The amount under the foundation formula is \$61,000 per instructional unit and is established by law.

PL 81-874 - Federal Law PL 81-874, impact aid to education, provides federal funds to school districts for children of parents living and/or working on federal property as an "in lieu of local tax revenue." Under the foundation program 90 percent of each school district's eligible PL 81-874 receipts is subtracted from the district's basic need. (See page 4, column E)

REQUIRED LOCAL EFFORT - Under the law, city and borough school districts are required to contribute the lesser amount of:

- (1) the equivalent amount generated by a four mill tax levy based on the full and true value of the taxable real and personal property in the school district in the second preceding year (two years prior); or
- (2) 35 percent of a school district's basic need for the preceding school year.

In addition to the required local effort school districts are allowed to contribute the greater of an equivalent of 2.0 mills or \$14,030 per adjusted unit to hold disparities in funding per instructional unit among school districts to no more than 25 percent. The amount of local effort, either in the 4 mill equivalent or 35 percent basic need, is subtracted from a school district's basic need. Since Regional Education Attendance Areas do not have authority to collect taxes, there is no deduction for the local contribution portion of basic need in these districts. (See page 4, column B)

STATE FOUNDATION AID - The amount of state money school districts are entitled to receive under the Public School Foundation Program, after local and federal shares are deducted. (See page 4, column F)

OTHER ISSUES:

ALASKA'S PUBLIC SCHOOL FOUNDATION PROGRAM, AS 14.17 enables the state to meet fiscal equalization criteria outlined in the federal PL 81-874 law, commonly known as the "disparity test." Alaska must meet the guidelines in order to utilize approximately \$44 million in PL 81-874 funds within the state foundation plan as general revenues.

PL 81-874 DISPARITY TEST - The federal PL 81-874 disparity test measures the disparity in local school district revenues. The test takes into consideration designated state and local revenues. Under guidelines of the disparity test, the range of revenues may not vary more than 20 percent between the school district that raises the lowest amount of revenue per instructional unit and the school district that raises the greatest amount. Since federal regulations allow states to eliminate five percent of the weighted instructional units at the top of the scale and five percent at the bottom, Alaska eliminates both of its oil rich school districts, Valdez and North Slope Borough, which contribute considerably more than 20 percent beyond the lowest amount. Since REAAs are not authorized to raise local taxes, five percent of the units at the bottom of the scale can be from any REAA. The disparity test uses \$61,000 per instructional unit as the base.

CENTRALIZED CORRESPONDENCE SCHOOL - The law provides a formula for computing funds for the state Centralized Correspondence School. Instructional units are computed under the same formula used by elementary schools with more than 200 students and multiplied by 0.65.

DECLINING ENROLLMENT - The law contains language that protects districts from losing more than 10 percent of the prior year's K-12 instructional units by phasing in the reduction over four years.

DISTRIBUTION PROCEDURES - The Department of Education will make payment of foundation aid through monthly payments to school districts. The payments for the first nine months of each fiscal year will be based on actual instructional units for the prior school year. Payments for the last three months will be adjusted by current year instructional units. Any overpayments or underpayments made during the first nine months will be adjusted in the final three payments of the fiscal year. The first counting period will be during a 20-day period ending on the fourth Friday in each October. An optional 20-day count period ending the second Friday of February may be used to calculate foundation funding, if the February counting period yields more instructional units.

FUND BALANCE LIMITATION - The law prohibits districts from accumulating an unreserved fund balance of more than 10 percent of their operating expenditures and other uses for the year. The Department of Education must deduct the amount exceeding 10 percent from a school district's succeeding year's foundation entitlement.

FULL AND TRUE VALUE - The Department of Community and Regional Affairs will determine the full value of the taxable real and personal property in each city and borough school district for the purpose of calculating a school district's required local effort.

GATHERING/REPORTING STUDENT DATA - The statute requires districts to report to the Department of Education by October 15 of each school year an estimate of its student population for the next school year. The Department of Education will use the estimates to determine the amount of state foundation aid to seek from the Legislature for the following school year.

ALASKA DEPARTMENT OF EDUCATION
SCHOOL OPERATING FUND EXPENDITURES - NON-INSTRUCTIONAL FUNCTIONS
CITY AND BOROUGH SCHOOL DISTRICTS

6/15/95

FILE: EXP94AUD.XLS

SCHOOL DISTRICT	FY94 EXPEND. SCHOOL ADMIN.	FY94 EXPEND. DISTRICT ADMIN.	FY94 EXPEND. OPERATION & MAINTENANCE	FY94 EXPEND. PUPIL ACTIVITIES	FY94 EXPEND. COMMUNITY SERVICES	FY94 EXPEND. FUND TRANSFERS	TOTAL FY94 AUDITED EXP.&TRNSFR
ALEUTIANS EAST	8.53%	13.79%	22.45%	3.84%	0.00%	3.22%	100%
ANCHORAGE	6.50%	4.78%	13.98%	0.94%	0.15%	1.36%	100%
BRISTOL BAY	4.97%	9.94%	17.68%	4.25%	0.00%	4.57%	100%
CORDOVA	8.17%	5.90%	15.71%	3.57%	0.00%	1.44%	100%
CRAIG	5.37%	9.71%	10.82%	4.91%	0.00%	5.62%	100%
DENALI	7.36%	10.02%	16.11%	3.74%	0.00%	0.00%	100%
DILLINGHAM	5.47%	9.48%	12.61%	4.31%	0.00%	1.36%	100%
FAIRBANKS	6.19%	5.99%	14.13%	1.30%	0.00%	0.71%	100%
GALENA	5.86%	13.45%	24.17%	2.70%	0.52%	11.72%	100%
HAINES	7.29%	6.42%	15.32%	2.80%	0.00%	0.00%	100%
HOONAH	4.11%	10.37%	22.43%	2.91%	3.91%	1.46%	100%
HYDABURG	3.64%	13.18%	17.11%	4.95%	0.00%	1.92%	100%
JUNEAU	5.64%	5.60%	10.68%	0.93%	0.00%	0.26%	100%
KAKE	5.58%	13.79%	18.33%	5.71%	0.00%	4.16%	100%
KENAI	7.57%	4.04%	18.92%	2.11%	0.00%	0.52%	100%
KETCHIKAN	6.28%	4.85%	16.64%	1.61%	0.00%	0.09%	100%
KLAWOCK	4.48%	12.68%	13.01%	4.47%	0.00%	4.16%	100%
KODIAK	7.06%	6.22%	15.91%	2.74%	0.00%	0.30%	100%
LAKE & PEN.	6.92%	8.28%	23.12%	1.98%	0.00%	15.95%	100%
MAT-SU	8.25%	6.90%	12.94%	1.38%	0.00%	0.00%	100%
NEVANA	3.50%	23.61%	12.82%	4.17%	0.00%	0.73%	100%
NOME	6.79%	7.58%	21.86%	1.82%	0.00%	3.20%	100%
NORTH SLOPE	6.77%	14.70%	25.35%	2.53%	1.16%	5.18%	100%
NW ARCTIC	8.40%	8.12%	25.08%	2.64%	0.00%	4.51%	100%
PELICAN	0.00%	27.48%	14.88%	1.59%	1.08%	1.64%	100%
PETERSBURG	6.41%	5.91%	18.91%	3.12%	0.00%	0.08%	100%
SITKA	7.51%	5.31%	11.58%	1.64%	0.00%	1.01%	100%
SKAGWAY	0.00%	18.28%	15.28%	5.96%	0.00%	0.03%	100%
ST MARV'S	6.64%	10.82%	23.77%	1.82%	0.00%	2.14%	100%
TANANA	7.89%	16.63%	24.63%	3.76%	0.00%	2.09%	100%
UNALASKA	5.45%	9.73%	15.55%	6.51%	0.00%	0.00%	100%
VALDEZ	6.61%	5.84%	17.56%	3.58%	0.00%	0.00%	100%
WRANGELL	7.44%	6.34%	10.40%	4.90%	0.00%	0.25%	100%
YAKUTAT	3.05%	14.60%	12.55%	6.22%	0.00%	2.21%	100%
TOTALS	6.76%	6.33%	15.62%	1.65%	0.13%	1.48%	100%

SOURCE OF DATA: FY 1994 SCHOOL DISTRICT AUDITS, SCHOOL OPERATING FUND STATEMENT OF EXPENDITURES, BUDGET AND ACTUAL, FOR THE FISCAL YEAR ENDED JUNE 30, 1994.

ALASKA DEPARTMENT OF EDUCATION
SCHOOL OPERATING FUND EXPENDITURES - NON-INSTRUCTIONAL FUNCTIONS
CITY AND BOROUGH SCHOOL DISTRICTS

6/15/95 FILE: EXP93AUD.XLS

SCHOOL DISTRICT	FY93 EXPEND. SCHOOL ADMIN.	FY93 EXPEND. DISTRICT ADMIN.	FY93 EXPEND. OPERATION & MAINTENANCE	FY93 EXPEND. PUPIL ACTIVITIES	FY93 EXPEND. COMMUNITY SERVICES	FY93 EXPEND. FUND TRANSFERS	TOTAL FY93 AUDITED EXP.&TRNSFR
ALEUTIANS EAST	7.85%	16.74%	16.43%	3.28%	0.00%	4.15%	100%
ANCHORAGE	6.59%	5.36%	14.48%	0.95%	0.15%	1.49%	100%
BRISTOL BAY	4.33%	10.14%	20.35%	4.98%	0.00%	6.89%	100%
CORDOVA	8.49%	6.21%	16.69%	2.16%	0.00%	1.54%	100%
CRAIG	3.23%	11.12%	11.21%	5.21%	0.38%	10.08%	100%
DILLINGHAM	6.32%	9.19%	13.25%	2.71%	0.00%	2.02%	100%
FAIRBANKS	6.35%	6.29%	13.90%	1.35%	0.00%	0.78%	100%
GALENA	3.41%	15.08%	24.53%	1.87%	0.00%	11.40%	100%
HAINES	7.35%	6.38%	15.22%	3.44%	0.00%	1.23%	100%
HOONAH	3.79%	9.70%	24.54%	2.89%	4.35%	4.24%	100%
HYDABURG	2.94%	13.54%	17.44%	4.38%	0.00%	4.50%	100%
JUNEAU	5.22%	6.63%	10.55%	0.97%	0.00%	1.06%	100%
KAKE	6.29%	15.94%	17.14%	5.53%	0.00%	4.03%	100%
KENAI	7.80%	3.74%	19.98%	1.91%	0.00%	0.51%	100%
KETCHIKAN	6.06%	6.31%	16.25%	1.83%	0.00%	0.04%	100%
KILWOCK	4.97%	12.19%	16.08%	3.65%	0.32%	4.12%	100%
KODIAK	7.42%	5.71%	16.68%	2.60%	0.00%	0.16%	100%
LAKE & PEN.	7.23%	7.77%	24.74%	1.61%	0.21%	14.71%	100%
MAT-SU	8.25%	7.32%	12.95%	1.42%	0.00%	0.23%	100%
NENANA	4.49%	15.53%	13.35%	4.07%	0.00%	1.26%	100%
NOME	6.65%	6.65%	19.73%	2.17%	0.00%	1.77%	100%
NORTH SLOPE	6.72%	15.35%	24.94%	2.25%	1.27%	5.32%	100%
NW ARCTIC	8.20%	7.95%	27.47%	2.85%	0.00%	5.61%	100%
PELICAN	0.00%	26.32%	13.90%	2.47%	1.24%	0.07%	100%
PETERSBURG	6.41%	5.41%	18.35%	3.11%	0.00%	0.27%	100%
SITKA	7.63%	5.31%	12.03%	1.69%	0.00%	0.69%	100%
SKAGWAY	0.00%	18.53%	13.33%	7.10%	0.00%	1.34%	100%
ST. MARY'S	3.57%	15.40%	20.83%	0.91%	1.00%	4.30%	100%
TANANA	4.99%	19.68%	23.92%	1.54%	0.00%	1.22%	100%
UNALASKA	6.29%	9.12%	17.34%	6.33%	0.00%	0.00%	100%
VALDEZ	6.18%	5.37%	15.95%	3.03%	0.00%	9.74%	100%
WRANGELL	7.26%	6.82%	10.33%	4.97%	0.00%	0.50%	100%
YAKUTAT	2.37%	15.22%	12.48%	5.28%	0.00%	6.01%	100%
TOTALS	6.76%	6.71%	15.94%	1.59%	0.15%	1.82%	100%

SOURCE OF DATA: FY 1993 SCHOOL DISTRICT AUDITS, SCHOOL OPERATING FUND STATEMENT OF EXPENDITURES, BUDGET AND ACTUAL, FOR THE FISCAL YEAR ENDED JUNE 30, 1993.

ALASKA DEPARTMENT OF EDUCATION
SCHOOL OPERATING FUND EXPENDITURES - NON-INSTRUCTIONAL FUNCTIONS
RURAL EDUCATION ATTENDANCE AREAS

SCHOOL DISTRICT	FY94 EXPEND. SCHOOL ADMIN.	FY94 EXPEND. DISTRICT ADMIN.	FY94 EXPEND. OPERATION & MAINTENANCE	FY94 EXPEND. PUPIL ACTIVITIES	FY94 EXPEND. COMMUNITY SERVICES	FY94 EXPEND. FUND TRANSFERS	TOTAL FY94 AUDITED EXP.&TRANSF
ADAK	5.58%	14.69%	13.99%	2.39%	0.00%	2.58%	100%
ALASKA GATEWAY	7.33%	10.67%	18.97%	0.57%	0.00%	2.67%	100%
ALEUTIAN REGION	2.86%	26.58%	10.25%	3.57%	0.00%	20.07%	100%
ANNETTE ISLAND	8.52%	13.93%	10.92%	4.14%	0.47%	0.00%	100%
BERING STRAIT	7.61%	8.32%	25.88%	3.44%	0.00%	2.22%	100%
CHATHAM	5.34%	12.04%	12.50%	2.27%	0.00%	0.63%	100%
CHUGACH	4.88%	17.90%	15.21%	1.81%	0.15%	2.34%	100%
COPPER RIVER	8.13%	7.96%	18.66%	2.35%	0.00%	1.11%	100%
DELTA GREELY	7.24%	10.15%	16.70%	2.18%	0.24%	1.03%	100%
IDITAROD	12.08%	9.39%	21.98%	1.71%	0.00%	1.94%	100%
KASHUNAMIUT	3.18%	12.81%	17.87%	1.92%	0.75%	19.53%	100%
KUSPUK	5.87%	8.91%	17.10%	0.00%	0.47%	1.41%	100%
LOWER KUSKOKWIN	9.46%	7.63%	18.84%	1.81%	0.00%	3.18%	100%
LOWER YUKON	9.15%	7.62%	21.34%	1.94%	0.00%	1.64%	100%
PRIBILOF	12.55%	3.62%	13.23%	0.00%	0.00%	6.78%	100%
SE ISLAND	1.93%	9.83%	18.69%	0.00%	0.00%	0.40%	100%
SW REGION	5.67%	7.34%	25.44%	2.02%	0.00%	2.26%	100%
YUKON FLATS	0.00%	8.36%	29.71%	1.04%	0.00%	2.13%	100%
YUKON-KOYUKUK	2.56%	13.38%	16.42%	2.64%	0.00%	1.26%	100%
YUPIIT	7.56%	11.75%	22.30%	2.30%	0.00%	5.89%	100%
TOTALS REAA'S	7.26%	9.34%	20.09%	2.00%	0.05%	2.65%	100%
STATEWIDE TOTALS	6.84%	6.88%	16.43%	1.71%	0.12%	1.69%	100%

SOURCE OF DATA: FY 1994 SCHOOL DISTRICT AUDITS, SCHOOL OPERATING FUND STATEMENT OF EXPENDITURES,
BUDGET AND ACTUAL, FOR THE FISCAL YEAR ENDED JUNE 30, 1994.

6/15/95 FILE: EXP93AUD.XLS

ALASKA DEPARTMENT OF EDUCATION
SCHOOL OPERATING FUND EXPENDITURES - NON-INSTRUCTIONAL FUNCTIONS
RURAL EDUCATION ATTENDANCE AREAS

SCHOOL DISTRICT	FY93 EXPEND. SCHOOL ADMIN.	FY93 EXPEND. DISTRICT ADMIN.	FY93 EXPEND. OPERATION & MAINTENANCE	FY93 EXPEND. PUPIL ACTIVITIES	FY93 EXPEND. COMMUNITY SERVICES	FY93 EXPEND. FUND TRANSFERS	TOTAL FY93 AUDITED EXP. & TRNSFR
ADAK	7.28%	12.22%	12.57%	2.71%	0.00%	1.83%	100%
ALASKA GATEWAY	7.74%	10.84%	20.21%	0.69%	0.00%	2.90%	100%
ALEUTIAN REGION	3.41%	25.35%	14.45%	4.15%	0.00%	1.92%	100%
ANNETTE ISLAND	8.39%	13.03%	10.41%	3.81%	0.56%	4.04%	100%
BERING STRAIT	6.97%	7.92%	27.11%	3.33%	0.00%	3.89%	100%
CHATHAM	5.53%	13.04%	13.55%	2.09%	0.00%	3.37%	100%
CHUGACH	5.76%	15.59%	18.97%	2.56%	0.01%	1.32%	100%
COPPER RIVER	7.76%	8.73%	20.15%	2.41%	0.00%	0.02%	100%
DELTA GREELY	6.93%	10.32%	14.28%	2.27%	0.18%	0.90%	100%
IDITAROD	12.28%	10.95%	22.76%	1.87%	0.00%	1.28%	100%
KASHUNAMIUT	3.81%	13.73%	18.80%	2.00%	0.40%	12.25%	100%
KUSPUK	6.62%	10.69%	16.98%	0.00%	0.48%	4.47%	100%
LOWER KUSKOKWIM	9.43%	7.66%	19.33%	1.55%	0.00%	4.08%	100%
LOWER YUKON	9.40%	7.37%	22.97%	1.70%	0.00%	2.40%	100%
PRIBILOF	3.00%	14.42%	11.93%	0.00%	0.00%	19.99%	100%
RAILBELT	7.39%	9.88%	16.45%	4.14%	0.00%	0.00%	100%
SE ISLAND	1.81%	8.54%	18.19%	0.00%	0.00%	0.40%	100%
SW REGION	5.97%	8.05%	23.88%	2.05%	0.00%	4.11%	100%
YUKON FLATS	0.00%	8.64%	29.69%	1.78%	0.00%	1.67%	100%
YUKON-KOYUKUK	2.47%	11.17%	16.47%	2.32%	0.00%	3.39%	100%
YUPIIT	8.05%	11.12%	22.65%	2.17%	0.00%	2.47%	100%
TOTALS REAA'S	7.19%	9.37%	20.38%	1.99%	0.04%	3.30%	100%
STATEWIDE TOTALS	6.84%	7.21%	16.76%	1.67%	0.13%	2.08%	100%

SOURCE OF DATA: FY 1993 SCHOOL DISTRICT AUDITS, SCHOOL OPERATING FUND STATEMENT OF EXPENDITURES,
BUDGET AND ACTUAL, FOR THE FISCAL YEAR ENDED JUNE 30, 1993.

ALASKA DEPARTMENT OF EDUCATION
SCHOOL OPERATING FUND EXPENDITURES - INSTRUCTIONAL FUNCTIONS
CITY AND BOROUGH SCHOOL DISTRICTS

6/15/95 FILE: EXP94AUD.XLS

SCHOOL DISTRICT	FY94 EXPEND. REGULAR INSTRUCTION	FY94 EXPEND. VOCATIONAL EDUCATION	FY94 EXPEND. CORRESP. STUDY	FY94 EXPEND. SPECIAL EDUCATION	FY94 EXPEND. GIFTED & TALENTED	FY94 EXPEND. BILINGUAL BICULTURAL	FY94 EXPEND. PUPIL SUPPORT	FY94 EXPEND. SUB-TOTAL
ALEUTIANS EAST	36.12%	3.27%	0.00%	7.42%	0.00%	0.00%	1.37%	48.18%
ANCHORAGE	47.43%	2.59%	0.00%	13.52%	0.75%	1.27%	6.75%	72.31%
BRISTOL BAY	41.12%	5.78%	0.00%	6.32%	0.31%	1.33%	3.73%	58.59%
CORDOVA	46.88%	6.43%	0.00%	6.45%	2.19%	0.50%	2.75%	65.20%
CRAIG	50.99%	0.00%	0.00%	8.34%	0.00%	0.00%	4.23%	63.56%
DENALI	46.86%	2.06%	0.00%	7.12%	1.10%	0.00%	5.64%	62.78%
DILLINGHAM	43.55%	4.58%	0.00%	10.84%	1.61%	1.99%	4.30%	66.87%
FAIRBANKS	49.59%	2.06%	0.90%	10.73%	1.13%	0.54%	6.75%	71.70%
GALENA	28.20%	2.39%	0.31%	6.95%	0.00%	1.97%	1.76%	41.58%
HAINES	50.64%	3.92%	0.71%	6.56%	0.89%	0.00%	5.45%	68.17%
HOCNAH	32.96%	5.86%	0.00%	13.64%	0.05%	0.25%	2.05%	54.81%
HYDABURG	43.13%	5.07%	0.00%	7.08%	0.58%	2.10%	1.23%	59.19%
JUNEAU	47.62%	2.14%	0.06%	16.93%	2.32%	0.55%	7.28%	76.90%
KAKE	36.27%	4.62%	0.00%	8.08%	0.00%	1.39%	2.07%	52.43%
KENAI	43.15%	3.49%	0.36%	12.58%	1.45%	0.77%	5.03%	66.83%
KETCHIKAN	47.93%	3.84%	1.45%	9.12%	0.49%	0.41%	7.28%	70.52%
KLAWOCK	43.24%	4.25%	0.00%	8.30%	0.00%	0.44%	4.98%	61.21%
KODIAK	44.43%	4.34%	0.72%	10.44%	0.93%	2.02%	4.90%	67.78%
LAKE & PEN.	31.87%	0.77%	0.08%	6.29%	0.37%	0.75%	3.63%	43.76%
MAT-SU	47.47%	2.23%	0.98%	12.44%	0.87%	0.74%	5.79%	70.52%
NENANA	41.18%	3.57%	0.00%	6.54%	0.53%	0.45%	2.90%	55.17%
NOME	39.52%	3.43%	0.71%	9.60%	0.68%	1.02%	3.90%	58.76%
NORTH SLOPE	29.08%	1.68%	0.00%	3.98%	0.00%	4.00%	5.56%	44.30%
NW ARCTIC	34.23%	1.83%	0.52%	7.45%	0.43%	2.87%	3.91%	51.24%
PELICAN	43.56%	3.02%	0.00%	6.66%	0.00%	0.00%	0.08%	53.32%
PETERSBURG	47.82%	4.36%	0.00%	7.18%	0.53%	0.53%	5.15%	65.57%
SITKA	54.87%	2.90%	0.00%	9.83%	0.70%	0.46%	4.18%	72.94%
SKAGWAY	53.04%	1.30%	0.00%	5.49%	0.00%	0.00%	0.64%	60.47%
ST. MARY'S	34.41%	4.86%	0.00%	8.23%	0.40%	4.48%	2.45%	54.83%
TANANA	22.83%	5.24%	1.27%	5.12%	0.00%	8.11%	2.44%	45.01%
UNALASKA	42.70%	3.31%	0.00%	5.16%	0.48%	1.18%	9.94%	62.77%
VALDEZ	44.06%	6.15%	0.00%	8.23%	0.00%	0.00%	8.07%	66.51%
WRANGELL	50.48%	4.90%	0.03%	8.86%	0.35%	0.00%	6.04%	70.66%
YAKUTAT	35.61%	7.55%	0.00%	11.59%	0.00%	3.56%	3.05%	61.36%
TOTALS	45.35%	2.70%	0.33%	11.59%	0.88%	1.17%	6.02%	68.04%

SOURCE OF DATA: FY 1994 SCHOOL DISTRICT AUDITS, SCHOOL OPERATING FUND STATEMENT OF EXPENDITURES,
BUDGET AND ACTUAL, FOR THE FISCAL YEAR ENDED JUNE 30, 1994.

ALASKA DEPARTMENT OF EDUCATION
SCHOOL OPERATING FUND EXPENDITURES - INSTRUCTIONAL FUNCTIONS
CITY AND BOROUGH SCHOOL DISTRICTS

6/15/95 FILE: EXP93AUD.XLS

SCHOOL DISTRICT	FY93 EXPEND. REGULAR INSTRUCTION	FY93 EXPEND. VOCATIONAL EDUCATION	FY93 EXPEND. CORRESP. STUDY	FY93 EXPEND. SPECIAL EDUCATION	FY93 EXPEND. GIFTED & TALENTED	FY93 EXPEND. BILINGUAL BICULTURAL	FY93 EXPEND. PUPIL SUPPORT	FY93 EXPEND. SUB-TOTAL
ALEUTIANS EAST	41.07%	2.36%	0.00%	7.06%	0.00%	0.00%	1.02%	51.51%
ANCHORAGE	46.49%	2.59%	0.00%	13.27%	0.75%	1.29%	6.57%	70.96%
BRISTOL BAY	36.89%	5.49%	0.00%	5.90%	0.28%	1.29%	3.45%	53.30%
CORDOVA	46.06%	6.30%	0.00%	6.72%	2.65%	0.49%	2.71%	64.93%
CRAIG	44.41%	4.72%	0.38%	7.37%	0.00%	0.42%	1.47%	58.77%
DILLINGHAM	43.09%	4.70%	0.00%	10.46%	1.56%	1.89%	4.80%	66.50%
FAIRBANKS	49.89%	2.30%	0.81%	10.76%	0.99%	0.58%	5.99%	71.32%
GALENA	29.01%	3.64%	0.56%	6.10%	0.00%	2.30%	2.10%	43.71%
HAINES	49.71%	3.48%	0.67%	6.62%	0.87%	0.00%	5.04%	66.39%
HOONAH	32.38%	3.64%	0.00%	11.12%	0.00%	0.22%	3.13%	50.49%
HYDABURG	44.32%	5.12%	0.00%	4.98%	0.07%	2.00%	0.70%	57.19%
JUNEAU	46.10%	2.24%	0.21%	16.13%	2.27%	0.54%	8.08%	75.57%
KAKE	35.98%	3.34%	0.00%	7.90%	0.00%	1.76%	2.08%	51.07%
KENAI	42.50%	3.27%	0.43%	12.38%	1.45%	0.74%	5.30%	66.07%
KETCHIKAN	46.22%	4.20%	1.45%	10.63%	0.47%	0.35%	6.20%	69.52%
KLAWOCK	38.16%	5.05%	0.05%	11.75%	0.00%	0.00%	3.65%	58.66%
KODIAK	44.46%	4.81%	0.74%	10.79%	0.85%	1.94%	4.15%	67.54%
LAKE & PEN.	32.07%	1.02%	0.07%	5.15%	0.47%	0.64%	4.31%	43.73%
MAT-SU	46.88%	2.45%	1.01%	11.77%	0.91%	0.72%	6.10%	69.84%
NENANA	43.80%	5.60%	0.00%	6.27%	1.37%	0.48%	3.78%	61.30%
NOME	42.59%	3.35%	0.74%	9.66%	1.11%	1.23%	4.34%	63.02%
NORTH SLOPE	29.85%	0.83%	0.00%	3.98%	0.00%	4.08%	5.43%	44.17%
NW ARCTIC	30.00%	2.50%	0.76%	7.81%	0.38%	2.76%	3.71%	47.92%
PELICAN	43.89%	3.68%	0.00%	6.79%	0.00%	0.00%	1.64%	56.00%
PETERSBURG	48.65%	4.48%	0.00%	7.25%	0.49%	0.58%	5.02%	66.47%
SITKA	53.28%	2.70%	0.00%	10.25%	0.72%	0.45%	5.25%	72.65%
SKAGWAY	51.90%	0.75%	0.00%	6.11%	0.00%	0.00%	0.95%	59.71%
ST. MARY'S	31.00%	3.60%	0.00%	6.30%	0.81%	6.66%	5.63%	54.00%
TANANA	21.14%	5.68%	1.09%	6.18%	0.00%	11.77%	2.81%	48.67%
UNALASKA	40.01%	5.82%	0.00%	5.41%	0.21%	1.23%	8.14%	60.92%
VALDEZ	42.45%	4.93%	0.00%	5.36%	0.00%	0.00%	6.98%	59.72%
WRANGELL	51.87%	4.91%	0.25%	7.73%	0.23%	0.00%	5.11%	70.10%
YAKUTAT	34.36%	6.87%	0.00%	10.51%	0.00%	3.48%	3.42%	58.64%
TOTALS	44.61%	2.74%	0.35%	11.38%	0.86%	1.20%	5.89%	67.03%

SOURCE OF DATA: FY 1993 SCHOOL DISTRICT AUDITS, SCHOOL OPERATING FUND STATEMENT OF EXPENDITURES, BUDGET AND ACTUAL, FOR THE FISCAL YEAR ENDED JUNE 30, 1993.

ALASKA DEPARTMENT OF EDUCATION
SCHOOL OPERATING FUND EXPENDITURES - INSTRUCTIONAL FUNCTIONS
RURAL EDUCATION ATTENDANCE AREAS

SCHOOL DISTRICT	FY94 EXPEND. REGULAR INSTRUCTION	FY94 EXPEND. VOCATIONAL EDUCATION	FY94 EXPEND. CORRESP. STUDY	FY94 EXPEND. SPECIAL EDUCATION	FY94 EXPEND. GIFTED & TALENTED	FY94 EXPEND. BILINGUAL BICULTURAL	FY94 EXPEND. PUPIL SUPPORT	FY94 EXPEND. SUB-TOTAL
ADAK	44.71%	1.88%	0.00%	6.08%	1.21%	1.42%	5.45%	60.75%
AK GATEWAY	37.40%	3.95%	2.56%	9.84%	1.10%	1.52%	3.42%	59.79%
ALEUTIAN REGION	21.40%	2.26%	0.00%	6.40%	0.00%	5.85%	0.74%	36.65%
ANNETTE ISLAND	41.10%	6.01%	0.00%	8.36%	0.19%	0.17%	6.17%	62.00%
BERING STRAIT	34.80%	4.10%	0.04%	6.73%	0.39%	4.11%	2.35%	52.52%
CHATHAM	53.72%	4.09%	0.00%	5.08%	0.00%	0.00%	4.33%	67.22%
CHUGACH	45.44%	1.77%	5.12%	2.97%	0.20%	1.07%	1.12%	57.69%
COPPER RIVER	45.85%	3.97%	1.22%	8.42%	0.14%	0.24%	1.94%	61.78%
DELTA GREELY	40.47%	3.13%	2.23%	11.72%	0.93%	0.83%	3.14%	62.45%
IDITAROD	42.55%	1.01%	0.35%	8.08%	0.28%	0.47%	0.18%	52.92%
KASHUNAMIUT	28.43%	1.87%	0.00%	8.82%	0.00%	3.33%	1.44%	43.89%
KUSPUK	46.96%	3.94%	0.00%	11.72%	0.14%	1.49%	1.98%	66.23%
LOWER KUSKOKWIM	35.51%	0.82%	0.00%	8.27%	0.63%	11.44%	2.44%	59.11%
LOWER YUKON	41.40%	3.63%	0.00%	8.21%	0.31%	2.48%	2.29%	58.32%
PRIBILOF	50.73%	3.95%	0.00%	5.97%	0.78%	2.41%	0.00%	63.84%
SE ISLAND	55.96%	1.45%	2.08%	7.40%	0.72%	0.05%	1.47%	69.13%
SW REGION	33.75%	1.52%	0.00%	8.76%	0.18%	10.39%	2.67%	57.27%
YUKON FLATS	46.54%	1.74%	1.33%	6.12%	0.00%	3.02%	0.00%	58.75%
YUKON-KOYUKUK	39.42%	5.61%	3.46%	7.77%	0.14%	1.59%	5.75%	63.74%
YUPIIT	27.20%	2.88%	0.00%	7.70%	0.00%	6.69%	5.72%	50.19%
TOTALS REAA'S	39.36%	2.75%	0.64%	8.01%	0.43%	4.75%	2.68%	58.62%
STATEWIDE TOTALS	44.27%	2.71%	0.39%	10.94%	0.79%	1.81%	5.42%	66.33%

SOURCE OF DATA: FY 1994 SCHOOL DISTRICT AUDITS, SCHOOL OPERATING FUND STATEMENT OF EXPENDITURES,
BUDGET AND ACTUAL, FOR THE FISCAL YEAR ENDED JUNE 30, 1994.

6/15/95 FILE: EXP93AUD.XLS

ALASKA DEPARTMENT OF EDUCATION
SCHOOL OPERATING FUND EXPENDITURES - INSTRUCTIONAL FUNCTIONS
RURAL EDUCATION ATTENDANCE AREAS

SCHOOL DISTRICT	FY93 EXPEND. REGULAR INSTRUCTION	FY93 EXPEND. VOCATIONAL EDUCATION	FY93 EXPEND. CORRESP. STUDY	FY93 EXPEND. SPECIAL EDUCATION	FY93 EXPEND. GIFTED & TALENTED	FY93 EXPEND. BILINGUAL BICULTURAL	FY93 EXPEND. PUPIL SUPPORT	FY93 EXPEND. SUB-TOTAL
ADAK	49.52%	1.64%	0.00%	5.85%	1.00%	1.12%	4.24%	63.37%
AK GATEWAY	35.81%	4.02%	2.38%	9.75%	0.98%	1.37%	3.31%	57.62%
ALEUTIAN REGION	39.87%	1.95%	0.00%	5.63%	0.00%	3.14%	0.12%	50.71%
ANNETTE ISLAND	38.60%	6.94%	0.00%	7.89%	0.16%	0.33%	5.85%	59.77%
BERING STRAIT	33.75%	3.67%	0.04%	6.22%	0.54%	4.06%	2.50%	50.78%
CHATHAM	52.00%	1.35%	0.00%	5.43%	0.00%	0.03%	3.53%	62.43%
CHUGACH	38.69%	3.50%	6.64%	3.45%	0.40%	1.81%	1.29%	55.78%
COPPER RIVER	45.60%	3.82%	1.18%	8.17%	0.03%	0.26%	1.88%	60.94%
DELTA GREELY	42.02%	3.34%	2.34%	12.14%	0.96%	0.85%	3.47%	65.12%
IDITAROD	42.50%	1.76%	0.33%	5.28%	0.31%	0.71%	0.00%	50.87%
KASHUNAMIUT	33.42%	1.87%	0.00%	9.35%	0.00%	2.56%	1.80%	49.00%
KUSPUK	46.58%	2.55%	0.00%	8.41%	0.16%	1.47%	1.58%	60.75%
LOWER KUSKOKWIM	34.14%	0.73%	0.00%	8.08%	0.91%	11.75%	2.34%	57.95%
LOWER YUKON	40.84%	2.47%	0.00%	7.42%	0.41%	2.37%	2.66%	56.17%
PRIIBLOF	40.22%	2.58%	0.00%	6.14%	0.52%	1.20%	0.00%	50.66%
RAILBELT	45.40%	2.58%	0.91%	6.75%	1.10%	0.00%	5.41%	62.15%
SE ISLAND	57.49%	1.39%	2.16%	7.26%	0.73%	0.09%	1.95%	71.07%
SW REGION	33.22%	1.41%	0.00%	8.21%	0.33%	10.09%	2.70%	55.96%
YUKON FLATS	45.01%	2.64%	1.38%	5.90%	0.00%	3.28%	0.00%	58.21%
YUKON-KOYUKUK	38.82%	6.04%	3.41%	7.91%	0.41%	1.87%	5.72%	64.18%
YUPIIT	27.67%	4.57%	0.00%	8.97%	0.49%	6.70%	5.14%	53.54%
TOTALS REAA'S	39.06%	2.57%	0.64%	7.55%	0.56%	4.66%	2.70%	57.74%
STATEWIDE TOTALS	43.58%	2.71%	0.40%	10.66%	0.80%	1.85%	5.29%	65.29%

SOURCE OF DATA: FY 1993 SCHOOL DISTRICT AUDITS, SCHOOL OPERATING FUND STATEMENT OF EXPENDITURES,
BUDGET AND ACTUAL, FOR THE FISCAL YEAR ENDED JUNE 30, 1993.

ALASKA DEPARTMENT OF EDUCATION
PROJECTED FY96 FOUNDATION PROGRAM ENTITLEMENTS

Columns >>>

	A	B	C	D	E	F	G	H
	BASIC NEED \$61,000	REQUIRED LOCAL	ELIGIBLE PL81-874	PL81-874 PERCENT	DEDUCTIBLE PL81-874 @ 90%	PROJ FY96 FOUNDATION STATE AID	100% PL-874 FLOW THRU	FOUND/ PL-874 TOTAL
ADAK	0	0	\$0	100.00%	\$0	\$0	\$0	\$0
ALASKA GATEWAY	5,278,940	0	435,487	100.00%	391,938	4,887,002	0	4,887,002
ALEUTIAN REGION	527,650	0	65,245	100.00%	58,721	468,929	0	468,929
ALEUTIANS EAST	4,218,150	356,423	583,157	36.91%	193,719	3,668,008	0	3,668,008
ANCHORAGE	297,595,000	49,183,966	9,515,470	65.91%	5,644,482	182,766,562	10,611,700	193,378,262
ANNETTE ISLANDS	2,637,640	0	1,163,121	100.00%	1,046,809	1,590,831	0	1,590,831
BERING STRAIT	19,588,320	0	3,954,145	100.00%	3,558,731	16,029,589	0	16,029,589
BRISTOL BAY	2,464,400	707,169	275,326	60.52%	149,985	1,607,266	0	1,607,266
CHATHAM	3,241,540	0	745,681	100.00%	671,113	2,570,427	0	2,570,427
CHUGACH	1,831,220	0	143,295	100.00%	128,966	1,702,254	0	1,702,254
COPPER RIVER	5,166,700	0	92,218	100.00%	82,996	5,083,704	0	5,083,704
CORDOVA	3,297,290	741,350	21,781	100.00%	19,603	2,526,337	0	2,526,337
CRAIG	2,505,270	254,661	19,100	70.88%	12,184	2,238,425	0	2,238,425
DELTA/GREELY	6,268,360	0	1,025,609	100.00%	923,048	5,345,312	0	5,345,312
DENALI	3,491,640	301,901	31,601	84.33%	23,984	3,165,755	0	3,165,755
DILLINGHAM	3,913,150	524,049	383,482	80.09%	207,391	3,181,710	0	3,181,710
FAIRBANKS	82,378,060	13,811,672	7,545,794	53.89%	3,659,786	64,906,802	8,535,241	73,441,843
GALENA	1,916,620	79,335	360,235	63.00%	204,253	1,633,032	0	1,633,032
HAINES	2,680,950	522,856	21,727	49.40%	9,660	2,148,434	0	2,148,434
HOONAH	2,170,380	96,718	273,515	16.38%	40,322	2,033,340	0	2,033,340
HYDABURG	1,005,280	23,129	19,500	25.93%	4,551	977,600	0	977,600
IDITAROD	5,981,660	0	664,678	100.00%	598,120	5,383,540	0	5,383,540
JUNEAU	28,694,400	7,063,936	19,402	54.93%	9,592	21,620,872	0	21,620,872
KAKE	1,381,650	69,261	322,640	26.78%	77,763	1,234,626	0	1,234,626
KASHUNAMIUT	2,272,250	0	310,795	100.00%	279,716	1,992,534	0	1,992,534
KENAI	59,780,000	14,162,513	95,077	53.10%	45,437	45,572,050	0	45,572,050
KETCHIKAN	13,486,490	3,942,168	10,283	59.26%	5,404	9,538,838	0	9,538,838
KLAWOCK	1,673,230	59,329	314,293	26.80%	75,807	1,538,094	0	1,538,094
KODIAK	17,080,000	3,435,410	1,237,707	93.13%	1,037,409	12,607,181	1,373,786	13,980,967
KUSPUK	5,725,460	0	635,951	100.00%	572,356	5,153,104	0	5,153,104
LAKE AND PENINSULA	7,230,940	276,911	1,176,907	30.60%	324,120	6,629,909	0	6,629,909
LOWER KUSKOKWIM	39,335,850	0	5,264,043	100.00%	4,737,639	34,598,211	0	34,598,211
LOWER YUKON	17,285,570	0	3,750,674	100.00%	3,375,607	13,909,963	0	13,909,963
MAT-SU	68,306,580	8,602,703	16,753	55.37%	8,349	59,695,528	0	59,695,528
NENANA	1,647,000	65,098	3,348	94.64%	2,852	1,579,050	0	1,579,050
NOME	4,886,750	531,875	49,696	42.04%	18,803	4,436,072	0	4,436,072
NORTH SLOPE	16,070,450	5,398,988	3,031,150	19.34%	527,602	10,143,860	0	10,143,860
NORTHWEST ARCTIC	18,837,410	1,168,962	2,564,419	53.62%	1,237,537	16,430,911	0	16,430,911
PELICAN	609,390	55,876	0	83.80%	0	553,514	0	553,514
PETERSBURG	4,022,950	808,223	18,152	55.90%	9,115	3,205,611	0	3,205,611
PRIBILOF	2,166,720	0	426,205	100.00%	383,585	1,783,135	0	1,783,135
SITKA	9,029,220	2,113,115	181,711	55.78%	91,223	6,824,882	0	6,824,882
SKAGWAY	1,067,500	360,794	0	72.95%	0	706,706	0	706,706
SOUTHEAST	4,499,970	0	527,526	100.00%	474,773	4,025,197	0	4,025,197
SOUTHWEST	7,679,290	0	1,231,902	100.00%	1,108,712	6,570,578	0	6,570,578
ST. MARY'S	1,133,990	18,134	140,224	79.70%	100,583	1,015,273	0	1,015,273
TANANA	1,231,590	44,931	203,952	41.22%	75,662	1,110,997	0	1,110,997
UNALASKA	2,785,130	1,015,620	415	70.44%	263	1,749,247	0	1,749,247
VALDEZ	5,203,910	1,795,535	50,110	44.06%	19,871	3,388,504	0	3,388,504
WRANGELL	3,208,820	592,522	2,074	52.20%	974	2,616,324	0	2,616,324
YAKUTAT	1,374,940	111,204	44,730	59.18%	23,816	1,239,920	0	1,239,920
YUKON FLATS	6,299,470	0	723,254	100.00%	650,929	5,648,541	0	5,648,541
YUKON/KOYUKUK	8,017,840	0	1,144,493	100.00%	1,029,990	6,987,850	0	6,987,850
YUPIIT	4,969,670	0	989,912	100.00%	890,921	4,078,749	0	4,078,749
STATE CCS	5,859,050	0	0	100.00%	0	3,808,383	0	3,808,383
MT. EDGE CUMBE	1,586,000	0	0	100.00%	0	1,586,000	0	1,586,000

TOTALS	\$772,866,700	\$118,295,327	\$61,827,804		\$34,825,833	\$617,494,873	\$20,520,727	\$638,015,600
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CONTRACTUAL 3,896,260

ESTIMATED PRIOR YEAR ADJUSTMENTS 1,500,000

EST FY96 FOUNDATION ENTITLEMENT \$643,401,660

TABLE OF INSTRUCTIONAL UNITS

COMBINED, ELEMENTARY & SECONDARY INSTRUCTIONAL UNITS

Instructional units for funding communities with fewer than 200 students in grades K-6 or fewer than 200 students in grades 7-12 are determined by the formula:

ADM	UNITS
1-10	2
11-20	$2 + \frac{(ADM - 10)}{5}$
21-60	$4 + \frac{(ADM - 20)}{8}$
61-120	$9 + \frac{(ADM - 60)}{12}$
121-525	$14 + \frac{(ADM - 120)}{15}$

Elementary instructional units for funding communities with more than 200 students in grades K-6 are determined by the formula:

$$UNITS = 15 + \frac{(ADM - 200)}{17}$$

Secondary instructional units for funding communities with more than 200 students in grades 7-12 are determined by the formula:

$$UNITS = 18 + \frac{(ADM - 200)}{13}$$

Kindergarten students who attend less than four hours a day are counted as 0.5 ADM.

District correspondence or other students who do not regularly attend school on a daily basis are counted in the appropriate grade level of the funding community with the highest ADM in the district.

VOCATIONAL EDUCATION

FTE* X WEIGHTING FACTOR X .05 = VOCATIONAL EDUCATION UNITS

MINIMUM FUNDING: Any funding community in which a vocational education course, approved by the Dept. of Education, is operated receives a minimum of .10 instructional units for vocational education, or each school district in which such a course is operated receives a minimum of 1.00 units whichever is greater.

FACTOR PROGRAM

.5 CATEGORY 1 contains 16 programs: health, consumer and homemaking, horticulture, commercial art, clothing and textiles, general marketing, food production, renewable and natural resources, forestry, agriculture services and supplies, transportation and travel, wildlife management, business management, child care management and surveying.

.5 CATEGORY 2 contains 7 programs: aircraft mechanics, communication technologies, commercial photography, agriculture mechanics, accounting and related, small engine mechanic and automotive body repair.

FACTOR PROGRAM

.5 CATEGORY 3 contains 9 programs: agricultural production, welding, industrial education, woodworking, automobile mechanics, electrical technician, drafting, fisheries and diesel engine mechanics.

.5 CATEGORY 4 contains 3 programs: graphics, secretarial and word processing, and construction trades.

* Full Time Equivalent

SPECIAL EDUCATION

NUMBER OF STUDENTS X WEIGHTING FACTOR = SPECIAL EDUCATION UNITS

MINIMUM FUNDING: Any funding community in which a special education program, approved by the Department of Education, is operated receives a minimum of 0.25 instructional units for special education, or any school district in which such a program is operated receives a minimum of 1.00 such units, whichever is greater.

FACTOR PROGRAM

.025 GIFTED AND TALENTED
.056 RESOURCES

FACTOR PROGRAM

0.1 SELF-CONTAINED
.333 INTENSIVE/HOSPITAL HOMEBOUND

BILINGUAL EDUCATION

WEIGHTING FACTOR* X STUDENT COUNT X .042 = BILINGUAL EDUCATION UNITS

MINIMUM FUNDING: Any funding community in which a bilingual program, approved by the Dept. of Education, is operated receives a minimum of 0.10 instructional units for bilingual education, or each school district in which such a program is operated receives a minimum of 1.00 such units, whichever is greater.

FACTOR PROGRAM

1 CATEGORY A: Students who speak a language other than English exclusively.

1 CATEGORY B: Students who speak mostly a language other than English, but also speak some English.

2 CATEGORY C: Students who speak a language other than English and English with equal ease.

FACTOR PROGRAM

.2 CATEGORY D: Students who speak mostly English but also speak a language other than English.

.1 CATEGORY E: Students who speak English exclusively but whose manner of speaking reflects the grammatical structure of another language.

*Language dominance category weighting factor.

ALASKA DEPARTMENT OF EDUCATION
 PROJECTED FY96 FOUNDATION PROGRAM ENTITLEMENTS

1/10/95 File:FND96PJ.XLS

The Department of Education has not verified the unit computations submitted by the local school districts.

	PROJ. FY96 ADM	K-12 UNITS	BIL/ BIC.	SPEC. ED.	VOC. ED.	FY96 PROJ. INSTR. UNITS	AREA DIFF.	ADJUSTED FY96 INSTR. UNITS
ADAK	0.00	0.00	0.00	0.00	0.00	0.00	1.27	0.00
ALASKA GATEWAY	535.00	62.18	1.00	8.56	1.00	72.72	1.19	86.54
ALEUTIAN REGION	18.00	3.60	1.00	1.00	1.00	6.60	1.31	8.65
ALEUTIANS EAST	371.00	46.86	0.00	4.93	1.00	52.79	1.31	69.15
ANCHORAGE	46,843.00	3,140.02	88.56	629.98	36.44	3,895.00	1.00	3,895.00
ANNETTE ISLANDS	420.00	34.00	1.00	5.98	1.00	41.98	1.03	43.24
BERING STRAIT	1,694.00	195.23	13.98	19.53	2.28	231.02	1.39	321.12
BRISTOL BAY	279.00	26.33	1.00	3.48	1.00	31.81	1.27	40.40
CHATHAM	328.00	44.61	1.00	4.98	1.00	51.59	1.03	53.14
CHUGACH	135.00	22.87	1.00	1.46	1.00	26.33	1.14	30.02
COPPER RIVER	614.00	67.88	0.00	5.42	1.00	74.30	1.14	84.70
CORDOVA	525.00	40.63	1.00	5.92	1.00	48.55	1.11	53.89
CRAIG	385.00	31.67	1.00	6.20	1.00	39.87	1.03	41.07
DELTA/GREELY	971.00	72.46	1.00	14.13	1.00	88.59	1.16	102.78
DENALI	405.00	42.20	0.00	3.34	1.00	46.54	1.23	57.24
DILLINGHAM	503.80	39.06	1.19	9.26	1.00	50.51	1.27	64.15
FAIRBANKS	15,893.50	1,088.15	6.09	190.78	13.50	1,298.52	1.04	1,350.46
GALENA	194.00	18.93	1.00	3.24	1.00	24.17	1.30	31.42
HAINES	422.00	35.91	1.00	3.95	1.00	41.86	1.05	43.95
HOONAH	275.00	24.33	1.00	6.61	1.00	32.94	1.03	35.58
HYDABURG	108.00	13.00	1.00	1.00	1.00	16.00	1.03	16.48
IDITAROD	440.00	63.74	1.24	7.75	1.00	73.73	1.33	98.06
JUNEAU	5,394.00	364.76	3.84	98.71	3.09	470.40	1.00	470.40
KAKE	178.00	17.86	1.00	2.13	1.00	21.99	1.03	22.65
KASHUNAMIUT	242.00	22.13	1.83	3.05	1.00	28.01	1.33	37.25
KENAI	10,459.00	828.39	19.60	120.72	11.29	980.00	1.00	980.00
KETCHIKAN	2,731.50	190.04	1.54	25.15	4.36	221.09	1.00	221.09
KLAWOCK	220.00	20.67	1.00	3.96	1.00	25.53	1.03	27.43
KODIAK	2,737.86	217.44	5.83	30.84	2.97	256.88	1.09	280.00
KUSPUK	467.00	62.52	1.00	6.05	1.00	70.57	1.33	93.86
LAKE AND PENN.	498.00	81.71	1.00	6.78	1.00	90.49	1.31	118.54
LOWER KUSKOKWIM	3,250.00	335.00	83.47	32.05	3.60	454.12	1.42	644.85
LOWER YUKON	1,605.60	179.76	9.57	18.78	1.79	209.90	1.35	293.37
MAT-SU	12,720.00	944.67	10.57	153.11	11.43	1,119.78	1.00	1,119.78
NENANA	180.00	18.00	1.00	2.50	1.00	22.50	1.20	27.00
NOME	694.00	50.62	1.04	8.33	1.02	61.01	1.34	81.75
NORTH SLOPE	1,768.00	158.84	9.15	11.91	1.79	181.69	1.45	263.45
NORTHWEST ARCTIC	1,891.00	184.79	4.14	21.65	2.39	212.97	1.45	308.81
PELICAN	46.00	7.25	0.00	1.00	1.00	9.25	1.08	9.99
PETERSBURG	768.00	56.82	1.00	7.13	1.00	65.95	1.00	65.95
PRIBILOF	190.00	22.85	1.00	2.47	1.00	27.32	1.30	35.52
SITKA	1,820.00	131.05	1.00	14.03	1.94	148.02	1.00	148.02
SKAGWAY	130.00	14.67	0.00	1.00	1.00	16.67	1.05	17.50
SOUTHEAST	381.00	63.86	1.00	4.97	1.10	70.93	1.04	73.77
SOUTHWEST	633.00	77.08	11.12	6.90	1.00	96.10	1.31	125.89
ST. MARY'S	85.00	11.08	1.00	1.22	1.00	14.30	1.30	18.59
TANANA	101.00	12.42	1.00	1.11	1.00	15.53	1.30	20.19
UNALASKA	370.00	30.67	1.00	3.02	1.00	35.69	1.27	45.33
VALDEZ	925.00	67.50	0.00	8.36	1.00	76.86	1.11	85.31
WRANGELL	567.00	43.62	1.00	7.00	1.00	52.82	1.00	52.62
YAKUTAT	161.00	16.73	1.00	2.14	1.00	20.87	1.08	22.54
YUKON FLATS	413.00	62.91	2.07	4.65	1.10	70.73	1.46	103.27
YUKON/KOYUKUK	613.00	82.52	2.62	10.89	2.06	98.09	1.34	131.44
YUPIIT	371.00	42.47	7.82	6.49	1.00	57.78	1.41	81.47
STATE CCS	1,577.93	96.05	0.00	0.00	0.00	96.05	1.00	96.05
ML. EDGE CUMBE	270.00	23.00	1.00	1.00	1.00	26.00	1.00	26.00
TOTALS	125,817.19	9,653.39	313.07	1,566.90	139.16	11,672.21		12,656.70

1/10/95 FILE: G:\distsup\95found\FY95ADM.XLS

FY95 FOUNDATION FUNDING COMMUNITY FIRST STUDENT COUNT PERIOD				
SCHOOL DISTRICT	FUNDING COMMUNITY	ADM BY COMMUNITY	ADM BY DISTRICT	
REAA	ADAK	ADAK	0.00	0.00
REAA	ALASKA GATEWAY	ALCAN BORDER	7.00	536.15
		DOT LAKE	24.00	
		EAGLE	23.90	
		MENTASTA	25.35	
		NORTHWAY	83.30	
		TANACROSS	16.25	
		TETLIN	30.95	
		TOK	325.40	
REAA	ALEUTIAN REGION	ATKA	18.00	18.00
C/B	ALEUTIAN EAST	AKUTAN	24.00	365.00
		COLD BAY	22.00	
		FALSB PASS	27.00	
		KING COVE	154.00	
		NELSON LAGOON	10.00	
		SAND POINT	128.00	
C/B	ANCHORAGE	ANCHORAGE	39,465.23	45,895.80
		EAGLE RIVER	6,280.87	
		GIRDWOOD	169.50	
REAA	ANNETTE ISLAND	ANNETTE	420.00	420.00
REAA	BERING STRAIT	BREVIG MISSION	85.55	1,600.70
		DIOMEDE	55.55	
		ELIM	93.10	
		GAMBELL	179.15	
		GOLOVIN	51.00	
		KOYUK	79.80	
		SAVOONGA	143.30	
		SHAKTOOLIK	69.20	
		SHISHMARF	174.90	
		ST. MICHAEL	116.20	
		STEBBINS	140.60	
		TELI FR	83.40	
		UNALAKLEET	216.60	
		WALES	61.75	
		WHITE MOUNTAIN	60.00	
C/B	BRISTOL BAY	BRISTOL BAY	254.25	269.25
		SOUTH NAKNEK	15.00	
REAA	CHATHAM	ANGOON	158.00	325.85
		CUBE COVE	28.00	
		ELFIN COVE	6.00	
		GUSTAVUS	79.70	
		HOBART BAY	12.25	
		KLUKWAN	27.90	
		TENAKEE SPRINGS	15.00	

FY95 FOUNDATION FUNDING COMMUNITY FIRST STUDENT COUNT PERIOD				
SCHOOL DISTRICT	FUNDING COMMUNITY	ADM BY COMMUNITY	ADM BY DISTRICT	
REAA	CHUGACH	CHENEGA BAY	13.00	133.00
		ICY BAY	13.00	
		TATITLCK	32.00	
		TWO MOON BAY	10.00	
		WHITTIER	65.00	
STATE	CCS	CCS	1,477.15	1,477.15
REAA	COPPER RIVER	CHISTOCHINA	13.30	623.25
		COPPER CENTER	69.80	
		GAKONA	21.75	
		GLENNALLEN	364.80	
		KENNY LAKE	107.80	
		LOTTIE SPARKS	17.00	
		SLANA	28.80	
C/B	CORDOVA	CORDOVA	523.15	628.15
C/B	CRAIG	CRAIG	395.00	395.00
REAA	DELTA/GHEELY	DELTA JUNCTION	964.00	974.00
		HEALY LAKE	10.00	
C/B	DENALI	ANDERSON	125.30	384.55
		CANTWELL	27.00	
		HEALY	232.25	
C/B	DILLINGHAM	DILLINGHAM	496.20	496.20
C/B	FAIRBANKS	FAIRBANKS	10,451.00	15,405.50
		NORTH POLE	3,189.00	
		SALCHA	66.50	
		TWO RIVERS	118.50	
		EIELSON	1,581.50	
C/B	GALENA	GALENA	142.00	142.00
C/B	HAINES	HAINES	403.15	413.15
		MOSQUITO LAKE	10.00	
C/B	HOONAH	HOONAH	259.40	269.40
C/B	HYDABURG	HYDABURG	107.50	107.50
REAA	ODITAROC	ANVIK	21.45	417.85
		GRAYLING	60.95	
		HOLY CROSS	69.35	
		LAKE MINCHUMINA	10.00	
		LIME VILLAGE	12.00	
		MCGRATH	148.00	
		NIKOLAI	22.00	
		SHAGELUK	43.05	
		TAKOTNA	27.05	
		TELICA	4.00	

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VISION: 2020
ALASKA STATEWIDE
TRANSPORTATION PLAN

LONG-RANGE STATEWIDE
TRANSPORTATION PLAN



Public Review Draft

November 18, 1994

State of Alaska
Department of Transportation and Public Facilities

STATE OF ALASKA

DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES

OFFICE OF THE COMMISSIONER

WALTER J. HICKEL, GOVERNOR

3132 CHANNEL DRIVE
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November 21, 1994

Dear Fellow Alaskans:

Here for your review and comments is the draft Alaska Statewide Transportation Plan, Vision: 2020. This draft plan represents the State of Alaska's long range (20 year) transportation plan as required by the Intermodal Surface Transportation Efficiency Act (ISTEA) of 1991, Code of Federal Regulations Title 23, Section 450. The goal of this plan is to provide a vision of transportation in Alaska and a set of policy guidelines to make that vision a reality.

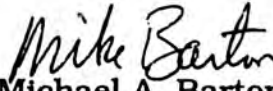
This plan will serve as the primary policy guide for development of the regional transportation guides. It will provide the basis for criteria to evaluate the performance of DOT&PF and be updated periodically. The plan also lists the general transportation corridors connecting numerous destinations in Alaska. As required by ISTEA, this plan is intermodal in focus, covers a period of 20 years, contains a bicycle and pedestrian element, and contains information on the availability of financial resources to carry out the plan.

In the preparation of this plan we have sought to include a wide range of transportation users and providers in the plan development. Your comments on the draft are welcome, and may be submitted in writing to:

Vision: 2020
Division of Planning, DOT&PF
3132 Channel Drive, Room 200
Juneau, Alaska 99801-7898

The comment period ends December 23, 1994.

Sincerely,


Michael A. Barton
Commissioner



We really do want to hear from you. The ***Vision: 2020, Alaska Long-Range Statewide Transportation Plan*** is designed to provide information about plans for Alaska's transportation system into the 21st Century. If you have comments on this draft plan, or suggestions on how it can be improved, please let us know by sending in this form.

Name _____

Title _____

Organization _____

Address _____

City _____

State _____ ZIP _____

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CUT ON THIS LINE TO DETATCH MAILER

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Vision: 2020

Alaska Department of Transportation
and Public Facilities
Division of Planning, Room 200
3132 Channel Drive
Juneau, AK 99801-7898

Note to the Reader

This report - the Statewide Transportation Plan - presents draft statewide transportation policies and criteria for selection of future transportation projects in Alaska. The Alaska Department of Transportation and Public Facilities (DOT&PF) commissioned this report in response to federal legislation, the Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA). The act requires an approved statewide transportation plan consistent with federal requirements before federal highway trust funds can be spent on projects in the state.

This plan **will change** the policies, process, and criteria by which federal transportation funds are distributed in Alaska. This draft plan provides an opportunity for individuals and organizations to review and influence the plan while it is in its formative stage. The public comments about this plan, due back to the DOT&PF by December 23, 1994, will guide preparation of a final draft for submission to the Federal Highway Administration on January 1, 1995. If however, the public comments received warrant extensive revisions to this draft, a second public review period will be held.

To encourage public review and comment, we have attempted to prepare this plan so that it is comprehensive yet brief. Also, we have written the text, laid out the pages, and added graphics to make the plan easier to follow and read. The plan is organized into five sections: Chapter 1 provides overview information about ISTEA and its intent and requirements; Chapter 2 discusses how the policy and criteria relate to the DOT&PF decision process; Chapter 3 presents the proposed statewide transportation policy; Chapter 4 proposes criteria from the policy statements for selecting projects; and, Chapter 5 addresses how the public is involved in the process. Also included as appendices are the ISTEA required "Alaska Bicycle and Pedestrian Plan" (Appendix A), maps showing "Transportation Corridors of Statewide Interest in Alaska" (Appendix B), and The "Public Involvement Plan" (Appendix C).

Ideas for this plan have been drawn from many sources: ISTEA legislation and other transportation plans; public meetings held in 16 communities around the state in September 1994; proceedings of the "Perspectives on Alaskan Transportation" conference held in Anchorage on November 2 and 3, 1994; and comments to the DOT&PF submitted by individuals and

organizations.

In your review please recognize that this plan is not about specific projects. If you have an interest in funding (or not funding) a specific project or type of project, please strive to guide the sections of the plan so that your interests are served. We look forward to your comments.

Guide to Participants

Plans of this nature are typically long and hard to read. DOT&PF will produce a guide to participants" with step-by-step directions on how to introduce a project to the Needs List and how to support the project through the remainder of the process. The availability of federal funds for such a wide range of projects opens the process to many communities who have never competed for federal highway projects before. As a part of the continuing planning efforts, community workshops will be held around the state.

The guide will, hopefully, provide sufficient insight that communities with real transportation problems and individuals with real interests in participation, can fully participate in the process.

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Chapter 1

OVERVIEW

The Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA), often called "ice tea," requires states to have a Statewide Transportation Plan (SwTP) to receive federal transportation funding. An interim plan, "Tomorrow's Alaska," is in effect until December 31, 1994. The SwTP is the official statewide, intermodal transportation plan. It determines how federal highway dollars are to be expended in Alaska.

The Alaska Statewide Transportation plan is developed and implemented by the DOT&PF. The department is guided by mission and statutes: "The mission of the (agency) is to cost effectively provide, operate, and maintain safe, environmentally sound, and reliable transportation systems and public facilities for the State of Alaska" (DOT&PF[a]). The statutes assign both power and duties to the department so that it can achieve the mission. The Commissioner of the department is ultimately responsible for ensuring that all statutory and regulatory responsibilities are met.

POWERS AND DUTIES (AS 44.42.020)

- (1) plan, design, construct and maintain all state modes of transportation
- (2) study existing transportation modes and facilities
- (3) study alternative means of improving transportation with regard to the economic costs of each alternative and its environmental and social effects;
- (4) develop a comprehensive, long-range intermodal transportation plan
- (5) study alternatives to existing modes of transportation in urban areas
- (6) cooperate and coordinate with and enter into agreements with federal, state, and local government agencies and private organizations
- (7) manage, operate, and maintain state transportation facilities and all docks, floats, breakwaters and buildings, including all state highways, vessels, railroads, pipelines, airports, and aviation facilities;

- (8) study alternative means of transportation in the state, considering the economic, social, and environmental effects of each alternative;
 - (9) coordinate and develop state and regional transportation systems, considering deletions, additions, and the absence of alterations;
 - (10) develop facility program plans for transportation
 - (11) supervise and maintain all state automotive and mechanical equipment, aircraft, and vessels,
 - (12) supervise aeronautics inside the state, under AS 02.10;
-

ISTEA Intent and Guidelines

With ISTEA, Congress states a new federal interest in integration of the many modes of transportation - not just highways - into a coordinated system. In addition, as stated in the act, the intent of the new intermodal approach is "to develop a national intermodal transportation system that is economically efficient, environmentally sound, provides a foundation for the nation to compete in the global economy, and will move people and goods in an energy efficient manner" (ISTEA 1991).

The new act is important to Alaskans for at least two major reasons. First, it provides greater flexibility to states in the use of federal transportation funding for a variety of "enhancements." A percentage of federal funds, determined by formula, must be spent on enhancements. As before ISTEA, federal funds can only be spent on construction and rehabilitation projects; they cannot be used for routine maintenance and operations.

Second, the act contains a provision which permits, for the first time, the use of federal Highway Trust Funds for any transportation-related project on a public right-of-way. In the past, these funds could be spent only on projects that were on the "federal aid system," basically urban roads and primary highways, including the Alaska Marine Highway. This new provision, which applies only in Alaska and Puerto Rico, permits rural communities in Alaska to compete for federal highway funds, which exceed \$200 million per year. In response to this opportunity, in federal fiscal year 1995 the state committed about \$19 million of federal funds to rural Alaska transportation projects, primarily to improve access to water and sewer facilities. ISTEA authorizes federal highway spending through 1997 when Congress is expected to pass a new authorization bill with possibly new directives.

The SwTP establishes statewide transportation policies, the criteria and the process to be used to select projects. These policies and criteria guide the selection of projects submitted to the FHWA for future State Transportation Improvement Programs, or STIPs. The STIP contains

those projects on which it intends to spend federal highway funds. The list must be financially constrained, showing 3-years of projects for which full funding may reasonably be anticipated. The STIP contains surface transportation projects - including surface roads, highways and enhancements and marine highway projects - which are submitted to the FHWA, and surface transit projects which are submitted to the Federal Transit Authority.

This draft plan presents statewide transportation policies and a process for developing criteria and selecting projects. The policies will be "finalized" following this review, in the submittal to FHWA in January.

Following are five more specific goals about relating ISTEA to Alaska, developed from ideas presented during the public participation activities to date. We have attempted to achieve these goals by writing "state-adapted" policies and suggesting a decision-making process that considers and analyses how the 23 factors apply in Alaska.

First, it is a goal of this plan to identify the unique attributes of Alaska's transportation system and needs, and to provide a mechanism for incorporating these attributes into the policies and criteria.

Second, it is a goal of this plan to allow for adaptation of the policies on a regional basis, and for cooperation of local governments in adapting the plan to their needs through the decision making process.

Third, it is a goal of this plan to encourage Alaskans to assess the change that is occurring in the world, Alaska and their community, and to cooperate with DOT&PF in responding to it. Some of the changes identified during public participation events are:

CHANGE IN ALASKA

Increased population in both urban and rural areas demanding more transportation facilities;

Changing employment patterns and trends, shifting the frequency and type of transportation needed;

Growth in rural and remote parts of the state, spreading the demand for transportation facilities over more area;

Declining oil revenues which increase the challenge to diversify Alaska's economy while maintaining existing facilities;

Increasing demand for a variety of transportation forms, ranging from moving bulk commodities to improving pedestrian systems;

Evolution of Native tribal organizations;

Growing public awareness of social, environmental and land-use problems related to transportation;

Evolving political change at the international, national, state and local levels;

Land ownership and right-of-way patterns which affect urban and rural project development;

Technological change, ranging from telecommunication alternatives to travel to increasing fuel efficiency of aircraft.

Increasing importance of connections among transportation modes as part of the transportation system.

Fourth, it should be a goal of this plan to assure that project selection is primarily and fundamentally about problem identification and problem solving, and secondarily about project design and construction.

And fifth, it should be a goal of this plan to clearly distinguish those projects that have statewide interest. While some projects may be of local or regional concern, others may affect the state as a whole or the statewide transportation system and they should be noted.

ISTEA Requirements for This Plan

ISTEA requires that the SwTP meet a range of requirements. Nine of the major requirements, and introductory comments about how we have addressed them, follow.

1. The plan must be intermodal in focus. To meet this requirement we have attempted in writing the plan and policies to be "mode neutral." Also, we have attempted to develop processes which encourage consideration of and coordination among modes and provides equal opportunity for all interested parties to influence the plan.
2. The act requires that the plan look forward at least 20 years. In response we have tried to write policies and processes that look to the long-term health of the statewide transportation system, not to a short-term project or problem.
3. ISTEA identifies 23 "transportation planning factors" which are to be considered as appropriate in development of the statewide plan. These factors, which reflect Congressional intent, require states to be aware of the broad context and effects of transportation decisions. We have

incorporated each of the factors into one or more of the transportation policies presented in Chapter 3. The degree of consideration and analysis of these factors, as emphasized in ISTEA, should relate to the local, regional and state context.

TRANSPORTATION PLANNING FACTORS

- Needs Identified by the Management Systems
- Energy Use Goals Established by Federal, State or Local Governments
- Bicycle Facilities and Pedestrian Walkways
- International Border Crossings and Intermodal Access to Major Attractions
- Transportation Needs of Non-metropolitan Areas
- Metropolitan Area Plans (Anchorage)
- Metropolitan Connectivity
- Recreational Travel and Tourism
- State Water Pollution Control and Coastal Zone Plans
- Transportation System Management and Investment Strategies
- Maximizing Use of Existing Facilities
- Concerns of Indian Tribal Government Having Jurisdiction Over Lands
- Social, Economic, Energy and Environmental Effects of Transportation Decisions
- Traffic Congestion Reduction and Prevention
- Transit Enhancement and Expansion
- Consistency of Transportation/Land Use Decisions
- Transportation Enhancements and Opportunities
- Innovative Financing Opportunities
- Right-of-Way Preservation
- Long-Range Needs
- Efficient Movement of Commercial Vehicles
- Life-Cycle Cost Analysis for Design of Bridges, Tunnels and Pavements
- Coordination with Metropolitan Plans for National Highway System
- Elements
- Investment Strategies for Rural and Urban Economic Growth

4. The SwTP is required to contain an element on "bicycle transportation, pedestrian walkways and trails" which is integrated with the larger SwTP. The plan meets this requirement with the "Alaska Bicycle and Pedestrian Plan" (in Appendix A) which is integrated through specific policies and criteria, and in the coordination phase of decision-making process discussed in Chapter 4.

5. The SwTP must be coordinated with the Long-Term Transportation Plan prepared by any Metropolitan Planning Organizations (MPOs) in the

state. Anchorage is the only MPO in Alaska and the Alaska Metropolitan Area Transportation Study (AMATS) is the official planning entity. Coordination of this plan and the Anchorage plan will occur through the process outlined in Chapter 4, and through joint state/local membership on AMATS.

6. The Act requires local communities to be involved in a "proactive, early and continuing" process of development of the SwTP. The Public Involvement Plan (PIP) can be found in Appendix C.

7. The plan must be coordinated with other planning studies and planning organizations, including Federal agencies and Indian tribal governments having jurisdiction of lands within the state. This requirement is achieved through a coordination process identified in Chapter 4.

The DOT&PF is preparing under separate cover a third edition of "Who's Planning Alaska." This inventory will contain a comprehensive listing and description of current land use plans, federal and state public lands management plans, Native corporation studies, and environmental, economic, emergency and other plans which affect or may be affected by transportation planning in Alaska. This inventory will be completed by March 1995.

The second inventory, also under separate cover and developed with support from the University of Alaska Southeast, is titled "Alaska Transportation History: Plans and Reports." This inventory will have a broad, intermodal focus and will link the SwTP to other significant transportation studies in Alaska and the region. The inventory will catalog and abstract the "active" planning and project reports prepared by DOT&PF and other transportation-related organizations, such as the Corps of Engineers.

8. The plan must contain information on the availability of financial resources to carry out the plan. Background on transportation financing sources is found in Chapter 2. The annual process of determining the availability of financial resources is developed in Chapter 4.

9. The plan must incorporate information from six "transportation management systems:" highway pavement, bridges, highway safety, traffic congestion, public transportation facilities and equipment, and intermodal transportation facilities and systems. These systems involve DOT&PF staff in gathering data and providing analysis of the status of each of the systems. Information from the systems leads directly to project proposals, as noted in Chapter 4.

Chapter 2

THE DOT&PF ORGANIZATION AND DECISION-MAKING PROCESS

DOT&PF Organization

The organizational structure and decision-making process of DOT&PF must be coordinated with the policies and process developed in this plan. In addition to highways, DOT&PF manages the Alaska Marine Highway System, the Anchorage and Fairbanks International Airports, 300 additional public airports, public harbors and ports. The Commissioner serves on the Board of Directors of the Alaska Railroad.

The Office of the Commissioner, which provides overall direction for the agency, is located at the agency headquarters in Juneau. The operations of the agency occur in three regional offices: Northern, with offices in Fairbanks; Central, with offices in Anchorage; and, Southeast, with offices in Juneau. The Alaska Marine Highway System is managed by offices in Juneau while the Statewide Aviation System is managed by offices in Anchorage. International airports are managed by the regional offices.

The decision-making process to select construction projects has four basic steps. In each of the steps certain activities are performed and certain products are produced.

Step One

In the first step a comprehensive list of transportation needs is assembled, titled "Six-Year Transportation Needs and Priorities in Alaska," called the "Needs List." This list is updated annually. The most recent list was completed in November of 1994 and includes three categories of needs: federal aid surface transportation needs and priorities, federal aid airport transportation needs and priorities, and state funded transportation needs and priorities.

The list is assembled from proposals submitted primarily by DOT&PF staff and local governments, but also by other interested parties. The proposals are evaluated and assigned a priority rank from 1 (high) to 4 (low). When lists are complete at the regional level they are assembled into a composite list at headquarters. This list is multi-modal and is not fiscally constrained; typically the costs to address the identified transportation needs far exceed the available funds.

Step Two

The second step involves coordination with two other, more specific, sources of information about projects. The first are five modal plans:

- Alaska Highway System Plan
- Alaska Aviation System Plan
- Alaska Ports and Harbors Plan
- Alaska Marine Highway System Plan
- Alaska Rail Plan

These plans establish goals, identify needs, provide an inventory of each mode's system, propose a program of projects, and provide a financing plan. The Aviation System Plan contains a description of needs and project ranking criteria.

A second source of information about projects comes from coordination with transportation planning done by the Anchorage MPO and other local communities. The Long Range Transportation Plan (LRTP) prepared by AMATS identifies direction for the transportation system within the planning area. The AMATS group that conducts transportation planning for Anchorage includes both municipal and state transportation officials. Many smaller communities carry out planning efforts to identify needs that are analyzed for inclusion in the Needs List.

Step Three

In this step, new projects are introduced through several mechanisms, and

the review of program funding begins. The AMATS process for Anchorage develops a "transportation improvement plan" or TIP which identifies projects for federal highway funding in the MPO.

The primary source of new projects in this step are the "transportation management systems." The management systems involve systematic process of: identification of performance measures, data collection and analysis, determination of needs, evaluation and selection of appropriate strategies/actions to address the needs; and evaluation of the effectiveness of the implemented strategies/actions (23 CFR 500.626). Projects identified by the management systems also become part of the Needs List.

Another source of projects are those identified in other FHWA or transportation-related agency programs. Other federal funding programs which may initiate projects including the Bureau of Indian Affairs' Indian Reservation Roads program, the Bureau of Land Management's Federal Lands Highway Program, and the National Park Service's Park Roads and Parkways Program. In addition, the State produces the Airport Improvement Program (AIP) for Federal Aviation Administration (FAA) funding for airport improvements, and the US Army Corps of Engineers provides funding for some harbor and marine related projects. The State of Alaska also provides transportation funding as part of its Capital Improvement Program and local governments may support specific projects with funding.

Step Four

The two primary products of this step are the Statewide Transportation Improvement Program, called the STIP, and the department's Capital Improvement Program (CIP) request to the state Legislature.

The STIP, as discussed earlier, is submitted to the FHWA for approval. Although the STIP covers a three-year period, the STIP is submitted annually, with other amendments proposed by agency as needed. The STIP is financially constrained and contains those projects which spend federal highway funds. The STIP contains surface transportation projects - including surface roads, highways and enhancements, transit, and marine highway projects. The STIP is created from projects identified in the Needs List.

In addition to the STIP, a CIP is submitted to the state legislature for approval. Included in the CIP request is the STIP, the Airport Improvement Program (AIP), the Harbors Improvement Program (HIP), a list of proposed state-funded projects, and a list of other federally funded projects. The legislature may include projects on the CIP that are not in the STIP. Projects not in the STIP, however, are not eligible for federal

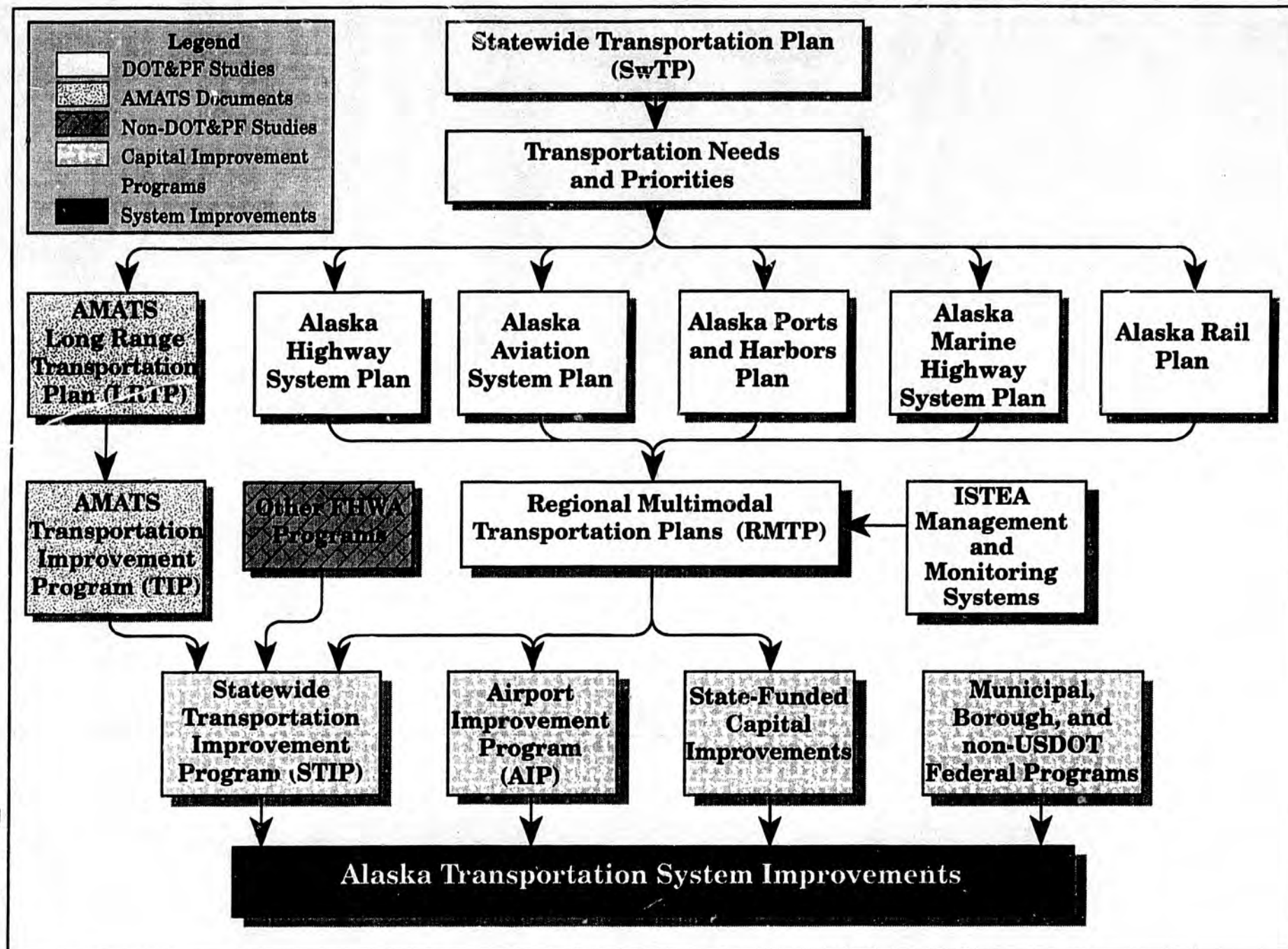


Figure 1