

732

HCRA

HB

1010

73

Tam ,

In the section on distribution of entitlements 44 42 140 1. 14 we need two paragraphs

the central idea is that after a project has been identified for construction that particular year (in the cip and annual update) that allowing is possible

IN AN ORGANIZED BORO: nothing prohibits the boro from arranging with a city in which the particular project is to be built for the city to receive and expend funds for the construction

IN THE UNORGANIZED BORO: The commissioner shall arrange, when a project is identified by the cip for construction that year, for the city to receive and expend the funds for that project. (This means a change in the later section where we talk about the responsibility of the commissioner)

both are conditional on exercise of the relevant power (as in changes in bill)

CITY OF BARROW

"farthest north incorporated city"

BOX 629

BARROW, ALASKA 99723

PHONE (907) 852-5211

April 18, 1980

Honorable Arlis Sturgulewski
Chairperson CRA Committee
Pouch V
Juneau, Alaska 99811

Re: SB546

Dear Arlis:

The City of Barrow would like to provide written testimony on SB546 Capital Foundation Fund. We had anticipated being able to provide input via the teleconference network, unfortunately, the phone company was unable to provide a hook-up in time.

We wholeheartedly support the concept of the type of program proposed in SB546. However, we would like to raise several questions for your consideration.

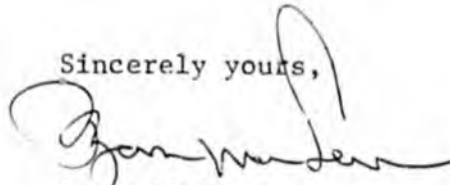
- a. Where does a home rule municipality such as the North Slope Borough fit into this type of program. We note mention of "organized" First Class Boroughs, Organized Second Class Boroughs, and Unified Home rule Municipalities, but nothing about Organized Home rule Boroughs.
- b. How much control or input will local municipalities located in a Borough have in determining what capital improvement programs will be selected for inclusion under this bill.
- c. Will cities and boroughs be able to work together effectively when a city has the statutory responsibility for a particular service or facility, but the borough is the one receiving funding that could be used on the cities projects.
- d. To us, the intent of Sec. 44.42.150 is unclear. It seems to imply that a borough is the fund recipient, but the cities are the ones that will own/operate/maintain facilities funded by SB546. If that is the case, the same question asked in C above should also be asked here.
- e. How will this program relate to the Annual Overall Economic Development Plan (OEDP) developed by some areas for the Economic Development Administration (EDA).

Honorable Arlis Sturgulewski
April 18, 1980
Page Two

- f. Sec. 44.42.150 C might be changed to allow for an adjustment factor that could allow for a cost override or project increase up to a certain amount. Perhaps a fixed percentage of the project cost. Some smaller communities might not be able to raise additional funds, and would thus have to scrap the entire project because of a 4 or 5 thousand dollar price increase.

We appreciate your considerations and the opportunity to actively participate in the decision making of Alaskas future.

Sincerely yours,



Bryan MacLean
City Manager

BML/kag

cc: Alaska Municipal League

TELECONFERENCE HEARINGS



Please Print.

To be returned to Teleconference Moderator.

PARTICIPATION FORM

NAME Elsie O'Bryan

Here to Testify

REPRESENTING City of Houston

Here to Observe

MAILING ADDRESS SR Box 2727, Wosilla zip 99687

TELEPHONE NUMBER 892-6869

BROADCAST CONSENT: This proceeding may be broadcast live or recorded for later broadcast by radio or television stations. Please indicate your consent by signing below:

Elsie O'Bryan
(signature)

EVALUATION: Have you participated in other legislative teleconferences? yes If so, how many? _____

How did you learn about this hearing?

Teleconference Schedule

Would you have participated in this hearing if the network were not available? no

If yes, did you use the network

_____ instead of travel

_____ instead of phone conversations

_____ instead of mailed testimony?

Are you also providing written testimony? _____

DATE 4/16/80

SUBJECT SB 546

LOCATION Met. Su

TELECONFERENCE HEARINGS



Please Print.
To be returned to Teleconference Moderator.

PARTICIPATION FORM

NAME Jeff Smith

Here to Testify ✓

REPRESENTING Mamneluk Association

Here to Observe _____

MAILING ADDRESS P.O. Box 256 Kotzebue, Ak zip 99752

TELEPHONE NUMBER 442-3311

BROADCAST CONSENT: This proceeding may be broadcast live or recorded for later broadcast by radio or television stations. Please indicate your consent by signing below:

Jeff Smith
(signature)

EVALUATION: Have you participated in other legislative teleconferences? YES If so, how many? 3

How did you learn about this hearing?

A letter from the committee

Would you have participated in this hearing if the network were not available? NO

If yes, did you use the network

_____ instead of travel

_____ instead of phone conversations

_____ instead of mailed testimony?

Are you also providing written testimony? NO
DATE 4/16/80 SUBJECT SB 546 LOCATION Kotzebue

TELECONFERENCE HEARINGS



SUBJECT: SB 546 - state aid for local capital projects; establishing the capital projects foundation fund

COMMITTEE: Joint House & Senate C&RA

DATE: 4-16-80

TIME: 1:30 p.m.

SITES PARTICIPATING: ALL

CONFERENCE MODE: Audio

LOCATION: Ktn. Info. Office

MODERATOR: Bonnie Potter

NOTES:

*Judy Slajer - 5, 6, 151 Borough manager
Jim van Altkorst, city manager*

CONFIRMATION OF CONFERENCE

CENTER: yes

PUBLICITY:

Invitational -

	Date	Quantity
PSAs	4-14-80	3
	Ktn Daily News	
News releases (local)	KTKN	
	KRBD	
News releases (outlying media)		
Direct mail		
Phone contacts	4/14/80	1
	4/16/80	1
Other:		

NUMBER IN ATTENDANCE _____
NUMBER TESTIFYING _____

TELECONFERENCE HEARINGS



Please Print.
To be returned to Teleconference Moderator.

PARTICIPATION FORM

NAME JAMES A. VAN ALSTEDT

Here to Testify

REPRESENTING CITY of KETCHIKAN

Here to Observe ✓

MAILING ADDRESS PO Box 733 KETCHIKAN AK zip 99901

TELEPHONE NUMBER 225-3111 X335

BROADCAST CONSENT: This proceeding may be broadcast live or recorded for later broadcast by radio or television stations. Please indicate your consent by signing below:

(signature)

EVALUATION: Have you participated in other legislative teleconferences? / If so, how many?

How did you learn about this hearing?
Friend

Would you have participated in this hearing if the network were not available? NO

- If yes, did you use the network
- ✓ instead of travel
 - ✓ instead of phone conversations
 - ✓ instead of mailed testimony?

Are you also providing written testimony? NO

DATE 4/16/80 SUBJECT 8B546 LOCATIC 512

TELECONFERENCE HEARINGS



Please Print.

To be returned to Teleconference Moderator.

PARTICIPATION FORM

NAME Judi Slajer

Here to Testify

REPRESENTING Ketchikan Gateway Borough

Here to Observe ✓

MAILING ADDRESS 344 Front St. Ketchikan, Alaska zip 99901

TELEPHONE NUMBER 225-6151

BROADCAST CONSENT: This proceeding may be broadcast live or recorded for later broadcast by radio or television stations. Please indicate your consent by signing below:

(signature)

EVALUATION: Have you participated in other legislative teleconferences? yes If so, how many? many.

How did you learn about this hearing?
Legislative Affairs Office

Would you have participated in this hearing if the network were not available? no

If yes, did you use the network
 instead of travel
 instead of phone conversations
 instead of mailed testimony?

Are you also providing written testimony?

DATE 4/10/80 SUBJECT SB 546 LOCATION KTA

TELECONFERENCE HEARINGS



Please Print.
To be returned to Teleconference Moderator.

PARTICIPATION FORM

NAME Ted Reins Here to Testify

REPRESENTING Municipality of Anchorage Here to Observe

MAILING ADDRESS Pouch 6650 Anch. Ak Zip 99502

TELEPHONE NUMBER 264-4200

BROADCAST CONSENT: This proceeding may be broadcast live or recorded for later broadcast by radio or television stations. Please indicate your consent by signing below:

 Ted Reins
(signature)

EVALUATION: Have you participated in other legislative teleconferences? no If so, how many?

How did you learn about this hearing?
 flyer
 (Municipal League)

Would you have participated in this hearing if the network were not available?

If yes, did you use the network
 instead of travel
 instead of phone conversations
 instead of mailed testimony?

Are you also providing written testimony?

DATE 4/11/80 SUBJECT SAS-4 LOCATION Anchorage

TELECONFERENCE HEARINGS



Please Print.
To be returned to Teleconference Moderator.

PARTICIPATION FORM

NAME JERRY M Hutchison

Here to Testify X

REPRESENTING _____

Here to Observe _____

MAILING ADDRESS _____ Zip _____

TELEPHONE NUMBER _____

BROADCAST CONSENT: This proceeding may be broadcast live or recorded for later broadcast by radio or television stations. Please indicate your consent by signing below:

(signature)

EVALUATION: Have you participated in other legislative teleconferences? _____ If so, how many? _____

How did you learn about this hearing?

Would you have participated in this hearing if the network were not available? _____

If yes, did you use the network
_____ instead of travel
_____ instead of phone conversations
_____ instead of mailed testimony?

Are you also providing written testimony? _____

DATE 4/16/80 SUBJECT SB546 LOCATION Anchorage

TELECONFERENCE HEARINGS



Please Print.

To be returned to Teleconference Moderator.

PARTICIPATION FORM

NAME CAROL SUDDEE Here to Testify

REPRESENTING FED OF COMM COUNCILS Here to Observe

MAILING ADDRESS Box 8993 Zip 99508

TELEPHONE NUMBER 688-2696

BROADCAST CONSENT: This proceeding may be broadcast live or recorded for later broadcast by radio or television stations. Please indicate your consent by signing below:

Carol Suddie
(signature)

EVALUATION: Have you participated in other legislative teleconferences? NO If so, how many? _____

How did you learn about this hearing?

Such ASSEMBLY MTG 4/15/80

Would you have participated in this hearing if the network were not available? No

If yes, did you use the network

_____ instead of travel

_____ instead of phone conversations

_____ instead of mailed testimony?

Are you also providing written testimony? _____

DATE 4/16/80 SUBJECT SIB 546 LOCATION Anchorage

TELECONFERENCE HEARINGS



Please Print.

To be returned to Teleconference Moderator.

PARTICIPATION FORM

NAME Mary Annak

Here to Testify _____

REPRESENTING _____

Here to Observe ✓

Federation Comm. Council

MAILING ADDRESS R 6431 E. 9th zip _____

TELEPHONE NUMBER 332-1454

BROADCAST CONSENT: This proceeding may be broadcast live or recorded for later broadcast by radio or television stations. Please indicate your consent by signing below:

Mary Annak
(signature)

EVALUATION: Have you participated in other legislative teleconferences? NO If so, how many? _____

How did you learn about this hearing?
Assembly

Would you have participated in this hearing if the network were not available? _____

If yes, did you use the network
_____ instead of travel
_____ instead of phone conversations
_____ instead of mailed testimony?

Are you also providing written testimony? NO

DATE 4-16-80 SUBJECT _____ LOCATION Anchorage

TELECONFERENCE HEARINGS



*Will
return
in time
to testify
will submit
written
KLB*

Please Print.
To be returned to Teleconference Moderator.

PARTICIPATION FORM

NAME DAVE WASH Here to Testify

REPRESENTING Mun of ANC Here to Observe

MAILING ADDRESS 510 "C" ST #207 Zip 99507

TELEPHONE NUMBER 276-8400

BROADCAST CONSENT: This proceeding may be broadcast live or recorded for later broadcast by radio or television stations. Please indicate your consent by signing below:

[Signature]
(signature)

EVALUATION: Have you participated in other legislative teleconferences? YES If so, how many? 3

How did you learn about this hearing?
word of mouth

Would you have participated in this hearing if the network were not available? YES

If yes, did you use the network
 instead of travel
 instead of phone conversations
 instead of mailed testimony?

Are you also providing written testimony? YES

DATE 4/16/80 SUBJECT ASB 546 LOCATION Anchorage



Official Business

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Pouch 17
State Capitol
Juneau, Alaska 99811

TO: Senator Sturgulewski
FROM: Rep. Bill Parker
DATE: 4/15/80
RE: Capital Projects Foundation Fund Bill

The Capital Projects Foundation Fund bill (SB 546) has been reviewed and will be introduced in the House on 4/16/80 with the following changes:

p. 1 Article 2 Sec. 44.42.100 (a)

Entitlements for capital projects shall be made to organized boroughs; home rule municipalities as defined in AS 29.08.010; and to unified municipalities. (These references are used throughout the House version)

p. 2 A new (c) is added and subsequent sections renumbered.

(c) A first class city which has not adopted a home rule charter and which is outside of an organized borough and outside of a regional educational attendance area shall be included in the capital improvement plan and shall be represented on the regional council of a regional educational attendance area or an unorganized borough which borders the city.

p. 3 Sec. 44.42.120 Regional Council representation will be as follows:

A Regional council shall be composed of 15 members as follows:

(1) one elected official who is selected by the city council of each first class city located within an unorganized borough or regional educational attendance area, or which is included in an unorganized borough's capital improvement plan or a regional educational attendance area's capital improvement plan

(2) additional members selected by the governor from persons nominated by the Department of Community and Regional Affairs who are from second class cities and unincorporated communities within an unorganized borough or regional educational attendance area; members from second class cities shall be elected officials.

*Clarify classes of municipalities covered
Home rule cities & boroughs*

By members of federal advisory council

Community and Regional Councils

*Murray's note
Table 29*

p. 4 line 1 Reworded as follows:

(5) identify possibilities for projects involving facilities having more than one use

p. 4 Line 25 and following read:

(b) the amount of an entitlement shall be allocated one-half on the basis of adjusted population and one-half on the basis of adjusted area. An entitlement shall be the ratio of the adjusted population to the total adjusted population plus the ratio of the adjusted area to the total adjusted area, times ~~one-half~~ the amount of an appropriation to the capital projects foundation fund.

p. 5 line 12 A new (c) is added:

(c) An entitlement from the capital projects foundation fund for a project located in a first or second class city as part of the capital improvement plan of an unorganized borough or a regional educational attendance area may be disbursed, with the concurrence of the city council of the first or second class city, subject of the following terms; (continues as SB 546 p. 5 line 13)



Official Business

Alaska State Legislature

Senate

Committee on
Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

March 24, 1980

Senator Arliss Sturgulewski

Information Sheet

CAPITAL FOUNDATION FUND

The Capital Foundation Fund will, by appropriation, provide funds to all areas of the State for certain capital improvements. To expend funds, each area will need to develop an areawide capital improvement plan, approved by the local assembly when there is one, and developed with the Department of Transportation and Public Facilities when there is no local government.

Organized and unorganized boroughs are encouraged to conduct regionwide planning to avoid costly duplications of capital projects and to prioritize, on the local level, needs among communities, rather than leaving this process to state level government.

Each area, so long as appropriations are made, is certain of a source of funding for local projects. Each area will receive a formula share of the appropriation. This stability will be advantageous to local governments for planning purposes. Additionally, unlike the current situation, areas may have greater ability to use capital projects for anti-cyclic economic benefits by being in control of fund expenditures. Annual funds do not lapse and may be accumulated for locally determined purposes.

Capital Foundation Funds may be used as the local match required for certain state and federal projects. This will be particularly significant in rural areas which do not now have a source of local match.

Funds are eligible for both construction and maintenance costs. This means that local governments will be encouraged to consider life-cycle costs and encouraged to maintain buildings and other improvements in order to maximize the efficiency of their capital dollars.

Local governments, under the Capital Foundation Fund program, will be assured of a steady supply of state funds for capital improvements that will be directed toward locally determined project needs and can be expended at a locally determined pace.



CITY OF MC GRATH

P.O. BOX 57 MC GRATH, ALASKA 99627

PHONE (907) 524-3825

April 10, 1980

Senator Arliss Sturgulewski
Pouch V
Juneau, Alaska 99811

Dear Senator Sturgulewski,

I have just finished my review of the literature you and Representative Parker sent on SB 546. I feel that SB 546 warrants considerable praise in that it is an equitable bill that does not favor one area over another. More importantly, it will provide for the construction of basic facilities in small communities which will lead to an increase of services for those communities and surrounding areas. The fact that the bill allows for the maintenance of constructed facilities is extremely important. In too many cases, facilities go unused and deteriorate from a lack of fuel and maintenance.

I am, however, concerned over the administration of the program should the bill be enacted this session. If the dealings that the City of McGrath has had with DOTPF are indicative of DOTPF's administration of rural projects, I am fearful that overhead and engineering will seriously reduce the effectiveness of the program for the unincorporated boroughs. At the present time, DOTPF takes 15% for engineering and additional percentages for overhead. Take Project SOS-1(024) for example. Public hearings were held in McGrath on 9/19/78. The City was led to believe, the letters are on file in my office, that the project would be completed during the summer of 1979. The project was delayed beyond the 1979 construction seasons. Ombudsman Complaint A79-0988 revealed that delays in the project cost the project \$79,000. Moreover, there was not sufficient money left in the project to complete it! I would estimate that \$125,000 was lost from the project due to delays, engineering and travel and per diem. In order to complete the project, the City went for a supplemental appropriation for \$200,000. Yesterday, I took DOTPF's material estimates and cost and calculated the cost of the entire project. At their estimate, the entire project should have cost approximately \$348,000 and not the \$530,000 which they told the Ombudsman!

Senator Sturgulewski, I and many others have no faith in DOTPF when it comes to the administration of CIP in rural Alaska. Many second class cities and REAAs can do the same job for less money

with better results. In my opinion, and it is my opinion only, I think that DOTPF keeps the rural CIPs on the back burner so that the overhead will finance their operations.

I would recommend that SB 546 contain provisions for those communities which have demonstrated the ability to complete a CIP which would limit or eliminate DOTPF's participation in this program. I feel that the State and the taxpayers would get more for their money.

Thank you for the opportunity to comment on SB 546 and to sound off about DOTPF.

Sincerely,



Robert S. Juettner
City Administrator

cc: Representative Bill Parker

CITY OF SKAGWAY

GATEWAY TO THE GOLD RUSH OF "98"
P. O. BOX 415 SKAGWAY, ALASKA 99840

April 10, 1980

Joint Senate and House
Community & Regional Affairs Committee
Local Government Study
Pouch V State Capital
Juneau, Alaska 99811

Dear Co-Chairmen Sturgulewski and Parker:

Your letter of 3 April and Senate Bill No. 546 concerning the Capital Projects Foundation Fund have been reviewed with great interest by the Skagway Common Council. The Council's comments, questions and recommendations follow:

The proposed legislation provides that entitlements from the Fund be made to organized boroughs and home rule municipalities which have capital improvement plans and, further, provides that these recipients shall administer the capital improvement projects so funded. In the case of the unorganized boroughs the legislation provides that the Department - presumed to be DOT&PF - shall make entitlements and manage them subject to enactment of other legislation or shall make and manage the entitlements for regional educational attendance areas (REAA). Under a strict interpretation of these provisions the City of Skagway would be excluded from participation in the Capital Projects Foundation Fund program - i.e. Skagway is a first class City as defined in Alaska Statute Title 29 but is not in either type of borough or REAA. Also Skagway currently has under preparation a capital improvement plan which will be the equivalent of those required of boroughs or REAAs.

Accordingly, the City Council respectfully requests that S.B. 546 be rephrased to provide that, for purposes of receipt and management of entitlements, the City of Skagway be treated as being in the organized borough/home rule municipality category.

The City of Skagway concurs in the concept of the Capital Projects Foundation Fund and, subject to the revision noted above, endorses passage of S.B. 546.

Sincerely,



Robert F. Messegee
Mayor

ILLUSTRATION OF FORMULA (in round terms)

Base:	<u>Population</u>	X	<u>Construction Cost Differential</u>	=		<u>Area (Sq. Mi.)</u>	X	<u>Construction Cost Differential</u>	=	
Organized Areas	349,000		1.0	=	349,000	149,376		1.0	=	149,376
Unorganized Boroughs	80,000		1.25	=	100,000	437,036		1.25	=	546,295
	<u>429,000</u>				<u>449,000</u>					<u>695,671</u>

Appropriation: 429,000 X \$200 = \$85,800,000

Grant:

Adjusted Per Cent of Population X \$200
Adjusted Per Cent of Area X \$200

Organized Areas

$\frac{349,000}{449,000} = .78 \times \$42,900,000 = \$33,462,000$

$\frac{149,376}{695,671} = .215 \times \$42,900,000 = \frac{9,223,500}{\$42,685,500}$

\$42,685,500

Unorganized Boroughs

$\frac{100,000}{449,000} = .22 \times \$42,900,000 = \$9,438,000$

$\frac{546,295}{695,671} = .785 \times \$42,900,000 = \frac{33,676,500}{\$43,114,500}$

Total $\frac{43,114,500}{\$85,800,000}$

Further Illustrations, Capital Foundation Program

$\frac{\text{Adjusted Local Population}}{\text{Adjusted Total Population}} + \frac{\text{Adjusted Local Area}}{\text{Adjusted Total Area}} \times \text{One-half Appropriation} = \text{Entitlement}$

Municipality of Anchorage

$$\frac{200,000}{449,000} + \frac{1,884}{695,671} = .4477 \quad \times \quad \$42,900,000 = \$19,206,330$$

Fairbanks North Star

$$\frac{60,227}{449,000} + \frac{7,500}{695,671} = .1448 \quad \times \quad \$42,900,000 = \$ 6,211,920$$

City & Borough of Juneau

$$\frac{23,115}{449,000} + \frac{3,100}{695,671} = .0555 \quad \times \quad \$42,900,000 = \$ 2,380,950$$

Ketchikan Gateway

$$\frac{13,463}{449,000} + \frac{1,250}{695,671} = .0318 \quad \times \quad \$42,900,000 = \$ 1,364,220$$

MARGE

Regarding the problem of first class and home rule cities outside of organized boros and outside of REAAs.

I think we are faced with a couple of options:

1. count them separately (we would need to determine how the formula affects them)
2. place them in REAAs for funding purposes . This could be done by amending 348/50 or by special language in 546.
3. A little of both: count home rule cities separately but put first class cities in the REAAs.

The policy issues that are important here deal with the desire for regional approaches, the need for regional approaches in the sorts of capital projects we have suggested, the "autonomy" of cities, and general equitableness.

My own feeling is that we should go with three above. If this were done, we would need only to strike the word "unified" from home rule and then put in language that would say:

(either in 348 or in 546) For purposes of this act, first class cities ~~in~~ outside of organized borongs and outside of REAAs shall be considered as ~~xxxxxxx~~ belonging to the REAa surrounding ~~xxxxxxx~~ or contiguous with that first class city.

29.03.011
P.2
June 9

HB
540

do not need "unified" as well as "home rule" specified
home rule municipalities

home rule cities

or home rule large city

3rd class boros -

p. 4 l 28 1/2 total amt (add)

Third Class

Haines Borough

1,924***

2,620

- * Portions of Fort Wainwright have been annexed to the City of Fairbanks. Eielson Air Force Base is excluded from the Fairbanks North Star Borough.
- ** Excluding residents of Kodiak Coast Guard Station (base proper).
- *** Excluding residents of the Klukwan Indian Reservation.

INCORPORATED COMMUNITIES

<u>Classification</u>	<u>Pop.</u>	<u>Incorp. Date</u>
<u>Home Rule Cities (11)</u>		
- Cordova	2,780	1909
B - Fairbanks	30,462	1903
P - Kenai	4,421	1960
B - Ketchikan	8,542	1900
B - Kodiak	5,754	1940
B - North Pole	823	1953
B - Palmer	2,056	1951
- Petersburg	3,197	1910
B - Seward	1,778	1912
- Valdez	4,066	1901
- Wrangell	3,325	1903

First Class Cities (21)

Barrow	2,715	1959
Craig	587	1922
Dillingham	1,656	1963
Galena	957	1971
Haines	1,366	1910
Homer	2,227	1964
Hoonah	1,093	1946
Hydaburg	381	1927
Kake	710	1952
King Cove	733	1947
Klawock	404	1929
Nenana	503	1921
Nome	2,892	1901
Pelican	221	1943
Saint Mary's	436	1967
Sand Point	773	1978
Seldovia	528	1945
x Skagway	877	1900
Soldotna	2,365	1967
Unalaska	768	1942
Yakutat	442	1948

Second Class Cities (108)

Akhiok	121	1972
Akiachak	354	1974
Akiak	216	1970
Akolmiut	641	1969
Akutan	81	1979
Alakanuk	527	1969
Aleknagik	227	1973
Allakaket	216	1975
Ambler	217	1971
Anaktuvuk Pass	173	1957
Anderson	470	1962
Angoon	541	1963
Aniak	355	1972

<u>Classification</u>	<u>Pop.</u>	<u>Incorp. Date</u>
-----------------------	-------------	---------------------

Second Class Cities

Anvik	102	1969
Atmautluak	200	1976
Bethel	3,853	1957
Brevig Mission	147	1969
Buckland	170	1966
Chefornak	206	1974
Chevak	468	1967
Chuathbaluk	127	1975
Clark's Point	98	1971
Deering	133	1970
Delta Junction	892	1960
Diomedea	125	1970
Eagle	142	1901
Eek	307	1970
Ekwok	111	1974
Elim	218	1970
Emmonak	545	1964
Fort Yukon	637	1959
Fortuna Ledge	263	1970
Gambell	447	1963
Golovin	118	1971
Goodnews Bay	248	1970
Grayling	181	1969
Holy Cross	302	1968
Hooper Bay	610	1966
Houston	440	1966
Hughes	98	1973
Huslia	212	1969
Kachemak	271	1961
Kaktovik	192	1971
Kaltag	257	1969
Kasaan	46	1976
Kiana	344	1964
Kivalina	264	1969
Kobuk	61	1973
Kotlik	305	1970
Kotzebue	2,526	1958
Koyuk	178	1970
Koyukuk	124	1973
Kupreanof	42	1975
Kwethluk	444	1975
Larsen Bay	133	1974
Lower Kalskag	218	1969
Manokotak	250	1970
McGrath	38	1975
Mekoryuk	174	1969
Mountain Village	543	1967
Napakiak	313	1970
Napaskiak	240	1971



Official Business

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

TO: Tamara Cook
FROM: Marjorie Gorsuch
DATE: 4/7/80
RE: Capital Projects Foundation Fund Bill

We have reviewed SB 546 and would like the House version of the bill drafted as a companion to SB 546 but with the following changes:

- p. 3 lines 8 and following should read:
- (1) one representative from each first class city selected by their city councils who are elected officials from first class cities located within the unorganized borough or regional educational attendance area;
 - (2) additional members selected by the governor from persons nominated by the Department of Community and Regional Affairs who are from second class cities and unincorporated communities within the unorganized borough or regional educational attendance area. Second class city representatives shall be elected officials.

- p. 4 line 1
- (5) identify shared facility opportunities

- p. 5 lines 10 and following:
- Delete wording following "recipient"
Draft a new (c) to read as follows:
- (c) For projects built in first or second class cities in the unorganized boroughs, upon concurrence by the Council, the commissioner may make an agreement including any provision agreed upon by the parties, including the following:
(continue with line 13)

Bill would like the bill ready for our 8:30 A.M. Committee meeting on 4/9 and for introduction that day. Many thanks.



Official Business

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

4/90/80

TO: Tam Cook
FROM: Marjorie Gorsuch
RE: Changes in House version of Capital
Foundation bill

Tam,

It is our intent that entitlements for capital projects be available to organized first class boroughs, organized second class boroughs, and organized third class boroughs (do we just want to reference boroughs?), unified home rule municipalities and home rule cities which have capital improvement plans. (p. 1 (a) and wherever appropriate)

We also want the following language added where appropriate: (p. 1. line 23?)

For purposes of this act, first class cities outside of organized boroughs and outside of ~~unorganized~~ boroughs or regional educational attendance areas shall be considered as belonging to the regional educational attendance area or unorganized borough surrounding or contiguous with that first class city.

Add:

p. 4 line 28 should read:

"adjusted area to the total adjusted area. times one-half times the total amount of an"etc.



Official Business

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

TO: Senator Sturgulewski
FROM: Rep. Bill Parker
DATE: 4/15/80
RE: Capital Projects Foundation Fund Bill

The Capital Projects Foundation Fund bill (SB 546) has been reviewed and will be introduced in the House on 4/16/80 with the following changes:

p. 1 Article 2 Sec. 44.42.100 (a)

Entitlements for capital projects shall be made to organized boroughs, home rule municipalities as defined in AS 29.08.010, and to unified municipalities. (These references are used throughout the House version)

p. 2 A new (c) is added and subsequent sections renumbered.

(c) A first class city which has not adopted a home rule charter and which is outside of an organized borough and outside of a regional educational attendance area shall be included in the capital improvement plan and shall be represented on the regional council of a regional educational attendance area or an unorganized borough which borders the city.

p. 3 Sec. 44.42.120 Regional Council representation will be as follows:

A Regional council shall be composed of 15 members as follows:

(1) one elected official who is selected by the city council of each first class city located within an unorganized borough or regional educational attendance area, or which is included in an unorganized borough's capital improvement plan or a regional educational attendance area's capital improvement plan

(2) additional members selected by the governor from persons nominated by the Department of Community and Regional Affairs who are from second class cities and unincorporated communities within an unorganized borough or regional educational attendance area; members from second class cities shall be elected officials.

p. 4 line 1 Reworded as follows:

(5) identify possibilities for projects involving facilities having more than one use

p. 4 Line 25 and following read:

(b) the amount of an entitlement shall be allocated one-half on the basis of adjusted population and one-half on the basis of adjusted area. An entitlement shall be the ratio of the adjusted population to the total adjusted population plus the ratio of the adjusted area to the total adjusted area, times one-half the amount of an appropriation to the capital projects foundation fund.

p. 5 line 12 A new (c) is added:

(c) An entitlement from the capital projects foundation fund for a project located in a first or second class city as part of the capital improvement plan of an unorganized borough or a regional educational attendance area may be disbursed, with the concurrence of the city council of the first or second class city, subject to the following terms; (continues as SB 546 p. 5 line 13)



Official Business

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

TO: House C&RA Committee Members
FROM: Rep. Bill Parker, Chairman
DATE: 4/15/80
RE: Capital Foundation Fund bill Workshop

There will be a special meeting of the House C&RA Committee tomorrow, Wednesday, April 16 at 8:30 A.M. in Room 112 of the Capitol to review the Capital Foundation Fund bill to be introduced by the Committee.

The Senate C&RA Committee has introduced companion legislation in the form of SB 546 which will be teleconferenced by both the House and Senate Committees tomorrow afternoon at 1:30 P.M. in the Governor's Conference Room.

This bill is a further result of the work conducted by the Joint House and Senate Community and Regional Affairs Committees during the summer of 1979. During the course of the Committee work, many people identified problems regarding planning for and funding capital projects.

Attached is a copy of the House bill to be introduced on 4/16 and some newspaper clippings which may be of interest. Please bring these materials to the Workshop tomorrow morning.

.....B-5
.....B-4
.....B-5

City/State

B

Spending formula proposed

by Roxane Ervasti
Associated Press

Juneau — A formula for allocating construction money throughout the state based on population and area has been proposed in the Legislature. One lawmaker said the idea might be looked upon as an "anti-pork barrel" bill.

The proposal was presented to the Senate and House Community and Regional Affairs committees Wednesday. The House panel did not discuss it but there was some debate over it in the Senate committee, which plans to introduce it soon.

The bill, yet to be drafted, would set up a "capital foundation fund" which the Legislature would appropriate to on an annual basis, starting with about \$86 million this year. Advisory committees in unorganized boroughs would set their own spending priorities.

The idea is to get more public input in unorganized boroughs, which now primarily rely on individual legislators to "bring home the bacon."

Sen. Arliss Sturgulewski, R-Anchorage, and chairman of the Senate panel, said the legislation would have been "an anathema" in the days before the state's oil wealth.

"But now we're seeing \$500 million proposed for capital improvements . . . what we're doing, by the Legislature being the sugar daddy, is throwing the burden on many municipalities for operational costs."

She said if a detailed study was made of the long-range results of current spending proposals on local entities, "the fiscal note would be staggering beyond belief."

In summary, the intent and provisions of the proposal are:

— Where there is local government, capital improvement plans would be developed much as they are now.

— In unorganized boroughs, advisory groups would set spending priorities.

— The allocations could be accumulated over several years for large projects, and they could be used as match for state and federal grants — thus assisting areas that have no way of raising match money now.

— Funds could be used for maintenance and operation as well as construction, thus getting around what Sturgulewski said is a situation where communities are indirectly encouraged not to maintain structures so that they can eventually get "construction" appropriations for repairs.

A suggested formula is that the fund total the equivalent of \$200 per capita in the state.

Allocation would be based on one-half the population of a municipality or unorganized borough, and one-half its area. Allocations would be determined by multiplying area and population times a construction cost differential. Each entity gets a minimum of 5 percent of the largest distribution made.

Sen. Bob Mulcahy, R-Kodiak, joked that the intent appeared to be to wipe out the "pork barrel" process.

"The legislative process, while it may not be all that good, is a heck of a lot better," he said. "I'm accountable back there. This would just create another layer of government."

Sen. Tim Kelly, R-Anchorage, said he could not support the concept.

"You're saying you would give \$42 million to the organized boroughs, which have a population of 340,000, and twice as much, \$85 million, to the unorganized boroughs,

which only have 80,000 people," he said.

Sen. Pat Rodey, D-Anchorage, said he saw the concept as a "reform" and said it would get money out to local areas immediately, in contrast to the backlog of bond projects approved by voters.

"It would have an important impact on the legislative process by making the local voice stronger," said Rodey. "I see it as having a leavening effect on the ups and downs of a change in legislative leadership."

Sen. Terry Stinson, D-Anchorage, supported it. "I see it causing a legislator to come down here with a list of priorities from the people back home who had an opportunity to set them," he said.

Sturgulewski said nothing would preclude the Legislature from making additional appropriations, but that her idea would guarantee a minimum kind of revenue sharing for capital construction.

Alaska State Legislature



Official Business

Senate Committee on Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

March 24, 1980

Senator Arliss Sturgulewski

Information Sheet

CAPITAL FOUNDATION FUND

The Capital Foundation Fund will, by appropriation, provide funds to all areas of the State for certain capital improvements. To expend funds, each area will need to develop an areawide capital improvement plan, approved by the local assembly when there is one, and developed with the Department of Transportation and Public Facilities when there is no local government.

Organized and unorganized boroughs are encouraged to conduct regionwide planning to avoid costly duplications of capital projects and to prioritize, on the local level, needs among communities, rather than leaving this process to state level government.

Each area, so long as appropriations are made, is certain of a source of funding for local projects. Each area will receive a formula share of the appropriation. This stability will be advantageous to local governments for planning purposes. Additionally, unlike the current situation, areas may have greater ability to use capital projects for anti-cyclic economic benefits by being in control of fund expenditures. Annual funds do not lapse and may be accumulated for locally determined purposes.

Capital Foundation Funds may be used as the local match required for certain state and federal projects. This will be particularly significant in rural areas which do not now have a source of local match.

Funds are eligible for both construction and maintenance costs. This means that local governments will be encouraged to consider life-cycle costs and encouraged to maintain buildings and other improvements in order to maximize the efficiency of their capital dollars.

Local governments, under the Capital Foundation Fund program, will be assured of a steady supply of state funds for capital improvements that will be directed toward locally determined project needs and can be expended at a locally determined pace.

ILLUSTRATION OF FORMULA (in round terms)

Base:	<u>Population</u>	X	<u>Construction Cost Differential</u>	=		<u>Area (Sq. Mi.)</u>	X	<u>Construction Cost Differential</u>	=	
Organized Areas	349,000		1.0	=	349,000	149,376		1.0	=	149,376
Unorganized Boroughs	80,000		1.25	=	100,000	437,036		1.25	=	546,295
	<u>429,000</u>				<u>449,000</u>					<u>695,671</u>

Appropriation: 429,000 X \$200 = \$85,800,000

Grant:

Adjusted Per Cent of Population X \$200
Adjusted Per Cent of Area X \$200

Organized Areas

$$\frac{349,000}{449,000} = .78 \text{ X } \$42,900,000 = \$33,462,000$$

$$\frac{149,376}{695,671} = .215 \text{ X } \$42,900,000 = \frac{9,223,500}{\$42,685,500}$$

\$42,685,500

Unorganized Boroughs

$$\frac{100,000}{449,000} = .22 \text{ X } \$42,900,000 = \$9,438,000$$

$$\frac{546,295}{695,671} = .785 \text{ X } \$42,900,000 = \frac{33,676,500}{\$43,114,500}$$

Total $\frac{43,114,500}{\$85,800,000}$

Further Illustrations, Capital Foundation Program

$\frac{\text{Adjusted Local Population}}{\text{Adjusted Total Population}} + \frac{\text{Adjusted Local Area}}{\text{Adjusted Total Area}} \times \text{One-half Appropriation} = \text{Entitlement}$

Municipality of Anchorage

$$\frac{200,000}{449,000} + \frac{1,884}{695,671} = .4477 \quad \times \quad \$42,900,000 = \$19,206,330$$

Fairbanks North Star

$$\frac{60,227}{449,000} + \frac{7,500}{695,671} = .1448 \quad \times \quad \$42,900,000 = \$6,211,920$$

City & Borough of Juneau

$$\frac{23,115}{449,000} + \frac{3,100}{695,671} = .0555 \quad \times \quad \$42,900,000 = \$2,380,950$$

Ketchikan Gateway

$$\frac{13,463}{449,000} + \frac{1,250}{695,671} = .0318 \quad \times \quad \$42,900,000 = \$1,364,220$$



Alaska State Legislature

JOINT SENATE AND HOUSE
COMMUNITY AND REGIONAL AFFAIRS COMMITTEE
LOCAL GOVERNMENT STUDY

Address all
correspondence to:
LOCAL GOVERNMENT STUDY

Co-Chairmen
Senator Arliss Sturgulewski
Representative Bill Parker

Pouch V
State Capitol
Juneau, Alaska 99811

Official Business

April 3, 1980

Dear Alaskan:

This package of material is about SB 546, proposing a Capital Foundation Fund for construction of capital projects throughout Alaska. This bill is a further result of the work conducted by the Joint House and Senate Community and Regional Affairs Committees during the summer of 1979. During the course of the Committees' work, many people identified problems regarding planning for and funding capital projects. We feel that SB 546 proposes a viable solution to difficulties experienced throughout the state. We hope that you will read the enclosed descriptive materials and the bill itself.

Senate Bill 546 proposes a systematic approach to construction of capital projects. Every area of the state would receive a formula entitlement, much like revenue sharing. Expenditure of the entitlement requires only the development of a capital improvement plan. In organized boroughs and home rule municipalities, local governments plan for and expend these funds themselves for eligible projects. In unorganized boroughs (as defined in SB 348 and HB 580), an advisory group plans for the capital projects, though the funds are expended by the Department of Transportation and Public Facilities, as their fiscally responsible agent.

Funds may be used for a variety of capital projects. Priorities are annually established on the borough level. Maintenance costs are also eligible for use of these Capital Foundation Funds. There are many other significant considerations in SB 546. Please read the descriptive material and the bill itself. Contact us regarding any suggestions for changes, comments, etc.

We look forward to hearing from you about the Capital Foundation Fund.

Sincerely,

Handwritten signature of Arliss Sturgulewski.

Senator Arliss Sturgulewski
Chairman, Senate C/RA

Handwritten signature of Bill Parker.

Representative Bill Parker
Chairman, House C/RA

ADDITIONS/CHANGES RE CONVERSATION W/DOOLEY

(first, note that the escrow account idea is accepted: language in the bill to say that funds do not lapse--allows accumulation for large projects and is a tool for growth management)

add language that says that transportation facilities planned for in the cip cannot contradict findings of the regional transportation plan and that interregional conflicts will be resolved by DOTPF with assistance of existing interdepartmental and policy groups)

make sure that the cip language identifies the cip as a plan not a program.

indicate that the geographical areas (unorganized boros or REAAs may be combined by DOTPF with reasons and conclusions etc brought to legislature for approval).

ADVISORY GROUPS

membership: the advisory group (for the unorganized boros) which help in the development of the capital improvement plan and in the setting of priorities) shall consist of one elected official from each first class city or municipality --to be selected by the city-- Representation of unincorporated and 2nd class cities shall be selected by DOTPF and CRA working with the local people.

Appointed by Gov from list from 2nd class city 15 maximum Elected representatives 2nd class rep & other communities as well

*Funding formula -
- municipal amt.
plus pop
pop density
relative cost of construction
routine maintenance*

** by not elected person*

FEB 13, 1980 meeting: Bushre, Rhode, Waring

Discussion: 1) regarding the formula, it was agreed that the wisest approach would be a formula that reflected, within limits, the current allocations of funds to regions.

2) Capital projects to be included: solid waste, health facilities, transportation facilities, community facilities, ~~energy conservation or generation.~~ Maintenance costs were to be included in eligible cost., as tradeoffs between new and old buildings and the importance of life cycle analysis are important.

3) Language will be included that will state that if a project is not in a capital improvement program, Foundation dollars cannot be spent for that project.

4) Distribution arrangements: Money will go to boros only. Boros may get a set additional amount for the numbers of first class cities it contains. Money will go directly to

with home rule municipalities. When a third class boro, that boro will be treated as the next lower class which is an "unorganized boro" as per SB 348 . If that bill does not pass, funds will be distributed per REAA boundaries. However, as there is no boro government responsible or accountable for planning and expending funds--or that can own and have title to property etc--those functions will be retained by the State and managed in a trustee relationship with the unorganized boros. When retained by the state, DOTPF and CRA will jointly establish a planning process to develop a CIP in the ^{unorganized} boro, and establish advisory boards to assist them in that endeavor. This will be consistent with Chap 168 SLA 78 on a regional basis (as per SB 348). Foundation funds will be ~~developed~~ expended according to the CIP. If and when an unorganized boro opts to become organized, then they would assume the planning/fund expending functions and would, additionally, take title to whatever property there may be.

If project was in CIP, could spend foundation \$

CIP

Capital Development Foundation

1. The problem is divisible into
 - a) what should the formula be and what facilities/maintenance should it cover and
 - b) to whom should it go?
2. To whomever it goes, the following principles need to be observed
 - a) no special service districts
 - b) no forcing of government on people
 - c) equitable distribution
 - d) simplicity of classes of recipients
3. Regarding (2), as many extra concerns that can be incorporated, the better.
-transportation planning, effects of reapportionment

Concept: The money will go to borouhns, when there is a borough. They should have a CIP. Ditto home rule municipalities. When it is a third class boro (if they survive this session), they will be treated as the next lower class.

In the unorganized boro:

Funds will be distributed along the boundry of 1) the unorganized boros as per SB or if SB is not enacted, ²⁾ along the lines of the REAA. However, as there is no ~~local~~ boro government responsible and accountable for planning and expending money--or that can own title to land, property, etc--those functions will have to remain with the state. When the functions are retained by the state, DOTPF will plan for PF under Chap. 168 SLA 78 on a regional basis (per SB unorganized boro bill). To facilitate that planning process, each unorganized boro will have its own ^{planning} advisory group to advise and assist DOTPF. A CIP will be developed for each and funds expended accordingly.

If and when an unorganized boro opts to become organized, then they would assume the planning/fund expending functions and would, additionally, ^{may} take title to whatever property there may be. The same principle will apply to maintenance funds.

Does this happen now?

Capital Projects to be considered:

water/sewer; solid waste facilities; health facilities; transportation facilities; community facilities; school maintenance; energy conservation or generation

Maintenance

Questions: will a fund be established for each so that funds can accumulate for large projects? *yes*

CAPITAL FOUNDATION PROGRAM
(Construction and Maintenance)

FORMULA

Appropriations. The amount of appropriations authorized to be made to the capital foundation program for a fiscal year is equal to two hundred dollars times the state population.

Distribution. Amounts in the capital foundation program shall be distributed annually to municipalities and unorganized boroughs by the department by (a) allocating one-half of the amounts on the basis of population and one-half on the basis of area; and (b) determining the share of an individual municipality or unorganized borough by multiplying its population and area by the construction cost differential for that region. The minimum grant shall be five per cent of the largest distribution made to any municipality or unorganized borough.

Construction Cost Increases. The Department of Transportation and Public Facilities shall submit to the legislature on or before February 15 of each year an estimate of the average percentage increase in construction costs in the state during the previous year.

DEFINITIONS

(1) "population" means the population of the state, municipality, or an unorganized borough as determined by the department using the latest figures of the U.S. Bureau of the Census or other reliable population data, including but not limited to school enrollments, public utility connections, registered voters, or certified employment payrolls.

(2) "construction cost differential" means one plus the percentage by which average construction costs in a region are greater than or less than the average construction costs in Anchorage as determined by the Department of Transportation and Public Facilities using the latest figures.

(3) "department" means the Department of Community and Regional Affairs.

Allowance for city
handling of sp. projects
by city w/in boro.

V. Clark

Use city cost

M. Shraut

** Appropriations
Bill needed*

WO#8341
Cook ✓

1 IN THE SENATE

BY THE COMMUNITY AND REGIONAL
AFFAIRS COMMITTEE

2 SENATE BILL NO.

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to state aid for local capital pro-
7 jects; establishing the capital projects foundation
8 fund; and providing for an effective date."

9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

10 * Section 1. AS 44.42.020 is amended by adding a new paragraph to read:

11 (14) adopt regulations for management of the capital projects
12 foundation fund established under AS 44.42.100 and administer these
13 funds.

14 * Sec. 2. AS 44.42 is amended by adding new sections to read:

15 ARTICLE 2. CAPITAL PROJECTS FOUNDATION GRANTS.

16 Sec. 44.42.100. CAPITAL PROJECTS FOUNDATION FUND. There is estab-
17 lished within the department a capital projects foundation fund for the
18 purpose of providing state assistance to local governments and to the
19 unorganized borough for improvement, maintenance and new construction of
20 capital projects. Within the limits of appropriations for the purpose,
21 the department shall make grants to qualified local governments for
22 capital projects and shall manage grants for capital projects in the
23 unorganized borough.

24 Sec. 44.42.110. ELIGIBLE FACILITIES. A grant from the capital
25 projects foundation fund may be used for improvement, maintenance, or
26 new construction of the following type of facility if the facility is
27 identified in a regional plan under AS 44.42.130:

28 (1) libraries;

29 (2) community and emergency detention facilities;

*7 Schools
cultural facilities*

- (3) fire halls, including the purchase of fire vehicles;
- (4) parks;
- (5) recreational facilities;
- (6) water and sewer facilities;
- (7) health facilities;
- (8) community centers;
- (9) transportation facilities which do not duplicate and

which are not inconsistent with the state transportation system as determined by the department, including

- (A) service roads;
- (B) trails;
- (C) harbors and docks for small boats;
- (D) seaplane floats;
- (E) public transit facilities, including the purchase of transit vehicles;
- (F) emergency and recreational airstrips for small aircraft.

Sec. 44.42.120. REGIONAL ADVISORY COUNCILS. (a) To qualify to receive a grant from the capital projects foundation fund, a local government must establish a regional advisory council of at least five members.

(b) If a version of a bill entitled "An Act establishing unorganized boroughs, amending the responsibilities of state agencies for state programs and services for residents of organized and unorganized boroughs, and authorizing adoption of home rule charters by unorganized boroughs; and providing for an effective date" is enacted, a regional advisory council shall be established for each unorganized borough established under the terms of that enactment. If that bill is not enacted before the effective date of this Act, a regional advisory

1 council shall be established in each regional educational attendance
 2 area organized under AS 14.08.031. There shall be 15 members on each
 3 regional advisory council established under this subsection as follows:

4 (1) one elected official from each first class city ^{in each} in the
 5 unorganized borough or regional educational attendance area selected by
 6 the city council or assembly; ^{one first class city in each regional educational attendance area}

7 (2) additional persons, ^{up to a total of 15,} selected by the
 8 governor from lists of persons nominated by the Department of Transpor-
 9 tation and Public Facilities or the Department of Community and Regional
 10 Affairs who are elected officials of second class cities or persons from
 11 unincorporated communities.

12 Sec. 44.42.130. CAPITAL IMPROVEMENT PLAN. (a) With assistance
 13 from the department, each regional advisory council established under
 14 AS 44.42.120 shall formulate a capital improvement plan which identifies
 15 all capital projects needed in the region, assigns a priority to each
 16 identified project, and contains cost estimates for each project. ^{of the region}

17 (b) A capital improvement plan for a local government shall be
 18 submitted for approval by the council or assembly of the local government
 19 after a public hearing. Revisions in an approved plan must also be
 20 submitted for approval before becoming effective. [A capital improvement
 21 plan for an unorganized borough or a regional educational attendance
 22 area shall be submitted for approval by the department after a public
 23 hearing. ^{with an advisory council}

24 Sec. 44.42.140. DISTRIBUTION OF GRANTS. (a) Grants from the
 25 capital projects foundation fund shall be distributed annually by the
 26 department to each local government which has approved a capital improve-
 27 ment plan as required by AS 44.42.130. Amounts from the capital projects
 28 foundation fund shall be distributed annually to accounts established by
 29 the department for each unorganized borough or for each regional educa-

Funds do not lapse?

1 tional attendance area if unorganized boroughs have not been established
2 by enactment of a version of a bill entitled "An Act establishing
3 unorganized boroughs, amending the responsibilities of state agencies
4 for state programs and services for residents of organized and un-
5 organized boroughs, and authorizing adoption of home rule charters by
6 unorganized boroughs; and providing for an effective date".

New Title

7 (b) The amount of grants to be made to a region shall be deter-
8 mined by multiplying its population and area in square miles by the
9 construction cost differential for that region and using this figure
10 when compared with the total of figures similarly arrived at for all
11 regions to calculate a percentage share of the total appropriation.

12 Sec. 44.42.150. USE OF GRANTS. (a) A grant from the capital
13 projects foundation fund to a ~~local~~ ^{all projects} government may be used only for a
14 facility identified in an ~~approved~~ capital improvement plan. Each local
15 government shall determine which project to finance with the grant
16 received each year under AS 44.42.140.

17 (b) A grant from the capital projects foundation fund shall be
18 disbursed in accordance with the terms of an agreement between the
19 commissioner and the ~~local government~~ ^{local government}. The agreement may include any
20 provision agreed upon by the parties, but must include in substance the
21 following provisions: *State is required to identify that project or projects*

22 Optional (1) that the local government shall secure, retain and protect
23 title to the site of an existing facility or on which a new facility is
24 to be constructed; for purposes of this paragraph it is sufficient that
25 title is obtained in fee or by a lease which provides that the local
26 government enjoys exclusive use of the land and any improvements for the
27 estimated life of the facility; *optional?*

28 (2) that the ~~local government~~ agrees to proceed with and
29 complete the proposed project expeditiously in accordance with plans

*Optional first & second plan cities - unorganized
have similar projects over the state, & approved regional
advisory council, first or second plan cities may make
agreement with Commissioner*

1 submitted to the department;

2 (3) that the ~~local government~~ ^{UBS just} agrees to assume responsibility ^{second class}
3 for the operation of the facility, and the feasibility of the discharge ^{the other UBS}
4 of this obligation shall be demonstrated to the satisfaction of the
5 commissioner before the payment of state money; ^{how?} ^{Clarify}

6 (4) that the grant will not exceed the estimated total project
7 cost as determined by the commissioner.

8 (c) If it appears that the cost of a facility financed in part by
9 a grant from the capital projects foundation fund will vary substantially
10 from costs estimated at the time a grant was made for the facility from
11 the capital projects foundation fund, the local government is responsible
12 for obtaining the additional money. The additional money may be obtained
13 from other grants made from the capital projects foundation fund to the
14 local government. If a project costs less to complete than estimated,
15 the local government may apply to use this money on other projects as
16 provided in this subsection. ^{admitted CIP} ^{with grant for capital projects - what}
^{about some unutilized funds}

17 (d) A grant from the capital projects foundation fund may be used
18 ~~by a local government~~ to match other state or federal grants.

19 (e) In the unorganized boroughs or regional educational attendance
20 areas each regional advisory council shall determine annually which
21 projects identified in its capital improvement plan to finance. The
22 department is responsible for the projects selected. The regional
23 advisory council for the unorganized borough or the regional educational
24 attendance area is responsible for the operation of a facility financed
25 by a grant from the capital projects foundation fund and the feasibility
26 of the discharge of this obligation shall be demonstrated to the satis-
27 faction of the commissioner before the department begins work on a
28 project.

29 Sec. 44.42.160. DEFINITIONS. In AS 44.42.100 - 44.42.160

Construction

(1) "construction cost differential" means one plus the percentage by which average construction costs in a region are greater than or less than the average construction costs in Anchorage as determined by the department using the latest available figures;

(2) "improvement" means renovations and additions to an existing facility which allow for better service than the facility provided in its original condition;

(3) "improvement, maintenance or new construction" includes, in addition to costs directly related to the project, the total of all costs of financing and carrying out the project; these include, but are not limited to, the costs of ~~all necessary studies~~, surveys, plans and specifications, architectural, engineering or other special services, acquisition of real property, site preparation and development, purchase, construction, reconstruction and improvement of real property, an allocable portion of the administrative and operating expenses of the grantee; the cost of financing the project, including interest on bonds issued to finance the project; and the cost of other items, including indemnity and surety bonds and premiums on insurance, legal fees, fees and expenses of trustees, depositaries, financial advisors, and paying agents for the bonds issued as the issuer considers necessary;

(4) "local government" means the government of a unified home rule municipality or organized borough;

(5) "maintenance" means restoration and repair needed to keep a facility as close as possible to its original condition;

(6) "population" means the population of a unified home rule municipality, organized borough, or unorganized borough or regional educational attendance area as determined by the department using the latest figures of the United States Bureau of the Census or other reliable sources of population data, such as school enrollment figures,

Ad (Department -6- defined - as determined by the

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*to be in
accordance
with
the
law*

have defined

addition to the

*of labor
updated word*

public utility connection figures, registered voter rolls, certified employment payrolls;

(7) "region" means a unified home rule municipality, organized borough, and unorganized borough established if a version of a bill entitled "An Act establishing unorganized boroughs, amending the responsibilities of state agencies for state programs and services for residents of organized and unorganized boroughs, and authorizing adoption of home rule charters by unorganized boroughs; and providing for an effective date" is enacted, or a regional educational attendance area which has an approved capital improvements plan.

* Sec. 4. This Act takes effect July 1, 1980.

Amended

*Ref. to Sec. 4
"Local Report
Specialty" - 11/1/81*

*Check down it fits
into 11.5.4/1*

*Board of Trustees for
of this
to be...*

** Supplemental
to the...
legislation...*

Concern with "city" monopoly

...should...

STATE OF ALASKA
THE LEGISLATURE

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907 465 3800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

March 24, 1980

SUBJECT: Capital projects foundation fund
(Work Order Number 8341)

TO: Senator Arliss Sturgulewski

FROM: Tamara Brandt Cook *TBC*
Legislative Counsel

Since the legislature may or may not make appropriations to the capital projects foundation fund, it seems inappropriate to set out the appropriations formula supplied to me in this Act. I would also like to mention that neither I nor the revisor were able to understand the formula for distribution of fund appropriations. Please contact me concerning any changes you would like to have made to this Act.

TBC:ljb

Enclosure

Total adjusted population = the sum of the adjusted populations of all municipalities, unorganized boroughs, REAA's etc. that are ~~to receive~~ eligible for the capital foundation program.

CAPITAL FOUNDATION PROGRAM
(Construction and Maintenance)

FORMULA

Appropriations. The amount of appropriations authorized to be made to the capital foundation program for a fiscal year is equal to two hundred dollars times the state population.

Distribution. Amounts in the capital foundation ^{fund} program shall be distributed annually to municipalities and unorganized boroughs by the department by (a) allocating one-half of the amounts ^{in the fund} on the basis of ^{adjusted} population and one-half on the basis of ^{adjusted} area; and (b) determining the share of an individual municipality or unorganized borough by multiplying ^{its} population and area by the ~~construction cost differential~~ for that region. The minimum grant shall be five per cent of the largest distribution made to any municipality or unorganized borough.

Construction Cost Increases. The Department of Transportation and Public Facilities shall submit to the legislature on or before February 15 of each year an estimate of the average percentage increase in construction costs in the state during the previous year.

DEFINITIONS

(1) "population" means the population of the state, municipality, or an unorganized borough as determined by the department using the latest figures of the U.S. Bureau of the Census or other reliable population data, including but not limited to school enrollments, public utility connections, registered voters, or certified employment payrolls.

(2) "construction cost differential" means one plus the percentage by which average construction costs in a region are greater than or less than the average construction costs in Anchorage as determined by the Department of Transportation and Public Facilities using the latest figures.

(3) "department" means the Department of Community and Regional Affairs.

ck per
M.H. Call
3/31 - 3795
re said "ok"

* ~~municipal~~ ~~area~~ the ratio of its adjusted population to total adjusted population plus ^{the ratio of} its adjusted area to total adjusted area times the amount in the fund.

Det:
- adjusted population = the population of a municipality, unorganized borough, REAA, etc multiplied by the construction cost differential for that region
- adjusted area =

ILLUSTRATION OF FORMULA (in round terms)

Base:	<u>Population</u>	X	<u>Construction Cost Differential</u>	=	<u>Area (Sq. Mi.)</u>	X	<u>Construction Cost Differential</u>	=		
Organized Areas	349,000		1.0	=	349,000		149,376	1.0	=	149,376
Unorganized Boroughs	80,000		1.25	=	100,000		437,036	1.25	=	546,295
	<u>429,000</u>				<u>449,000</u>					<u>695,671</u>

Appropriation: 429,000 X \$200 = \$85,800,000

Grant:

Adjusted Per Cent of Population X \$200
Adjusted Per Cent of Area X \$200

Organized Areas

$\frac{349,000}{449,000} = .78 \text{ X } \$42,900,000 = \$33,462,000$

$\frac{149,376}{695,671} = .215 \text{ X } \$42,900,000 = \frac{9,223,500}{\$42,685,500}$

\$42,685,500

Unorganized Boroughs

$\frac{100,000}{449,000} = .22 \text{ X } \$42,900,000 = \$ 9,438,000$

$\frac{546,295}{695,671} = .785 \text{ X } \$42,900,000 = \frac{33,676,500}{\$43,114,500}$

Total $\frac{43,114,500}{\$85,800,000}$

the share of an individual
~~man~~
municipality in unorganized territory
is the ratio of its adjusted population
~~multi~~ to adjusted state population
~~multiplied by~~ plus the ratio
of its adjusted area to the adjusted
state area ~~so~~ times the approp.
in the fund.

Define: "adjusted pop."
"adjusted area"