

ALASKA LEGISLATURE COMMITTEE FILES 1991-1992 8672

7347

SENATE COMMUNITY & REGIONAL AFFAIRS

# Alaska State Legislature

Chair, Resources Committee  
Vice-chair, Transportation Committee  
Member, Rules Committee  
Member, Committee on Committees

District A  
Ketchikan, Wrangell, Petersburg,  
Hyder, Myers Chuck, Kupreanof


**Senator Lloyd Jones**

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Ketchikan, AK 99901  
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## MEMORANDUM

TO: Senator Steve Frank, Chairman  
Senate Community and Regional Affairs Committee

FROM: Senator Lloyd Jones 

DATE: March 6, 1991

SUBJECT: Senate Bill 121, National Forest Income Receipts

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Each year the federal government pays back to the State of Alaska 25% of the revenues it receives from activities within the National Forests in the state. This money, as mandated in federal law, is to be used "for the benefit of the public schools and public roads of the county or counties in which such national forest is situated." This money is to be paid out based on the area the "county or counties" have within the national forest.

Within the Tongass National Forest, approximately 30% of the forest falls within the boundaries of organized boroughs. Organized boroughs have been found to be legally analogous to counties. Thus,, approximately 30% of the revenues generated by activities on the national forests have actually found their way back to the areas within the forest as is mandated by federal law. The remaining 70% of the forest is accounted for by unorganized borough area. There has been no method for distributing the funds back to this area and so approximately 70% of the revenue generated by this forest has gone, unaccounted for, into the general fund.

Senate Bill 121 identifies these funds and creates a mechanism for the disbursement of this money back to the timber-harvest impacted areas. This legislation allows the affected agencies to determine what areas in the unorganized borough are most impacted by timber harvest and processing activities and to make sure these funds are spent in the areas as is mandated in federal law.

relating to the subject matter of AS 41.15.010 — 41.15.170, the escape of a fire is presumptive evidence of negligence by the person responsible for starting the fire and unless rebutted is sufficient to sustain the recovery. (§ 12 ch 138 SLA 1961)

**Sec. 41.15.170. Definitions.** In AS 41.15.010 — 41.15.170

(1) *[Repealed, § 43 ch 85 SLA 1988.]*

(2) "damages" includes costs incurred in suppressing, controlling or extinguishing a fire;

(3) "forested land" includes all land on which grass, brush, timber and other natural vegetative material grows;

(4) "forest fire" includes the uncontrolled burning of grass, brush, timber and other natural vegetative material. (§ 1 ch 138 SLA 1961; am § 3 ch 179 SLA 1970; am § 43 ch 85 SLA 1988)

**Revisor's notes.** — In 1983 this section was reorganized to place the terms defined in alphabetical order.

**Effect of amendments.** — The 1988 amendment repealed former paragraph (1), which defined "commissioner."

**Article 2. Forest Reserve Fund.**

**Section**

**180. National forest income**

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**Collateral references.** — 52 Am. Jur. 2d. Logs and Timber, § 65.

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**Sec. 41.15.180. National forest income.** (a) When the commissioner of administration receives national forest income under 16 U.S.C. 500, the commissioner shall immediately pay to every organized borough in which national forest land is located a share of the income from that forest. A borough's share of income from a national forest shall be proportional to the area of the national forest located within its boundaries. The payments shall be made under an appropriation made for that purpose.

(b) The national forest income paid to an organized borough under this section shall be expended for public schools or roads.

(c) The commissioner shall deposit income from national forest land outside of organized boroughs in the general fund of the state, 25 percent to be used for public schools and 75 percent for roads. (§ 47-5-1 ACLA 1949; am § 1 ch 106 SLA 1965; am § 1 ch 32 SLA 1969)

ered into the Treasury and shall appropriated and made available until e may direct, for the payment of the on, or improvements by the Forest ributors of amounts heretofore or of their share of the cost of said nts.

19, 1928, c. 901, § 1(99), 45 Stat. 993.)

**Note**

ports be made to Congress. moneys re- eived as contributions for cooperative work.

**References**

isbursement of funds appearing on books of Service", see section 1321 of Title 31, Money

administration or protection of lands within stitute special fund which may be appropriat- ection 572 of this title.

**Regulations**

tation system, see 36 CFR 212.1 et seq.

**ed by or on account of Forest and moneys erroneously collect-**

of the Forest Service for timber, or revenue, including moneys received e of lands in national forests created neys received on account of permits lands acquired under authority of ; shall be covered into the Treasury ; receipt, and except as provided in is appropriated and made available, ct, out of any funds in the Treasury . may be necessary to make refunds eafter deposited by them to secure oducts or for the use of any land or ess of amounts found actually due so so much as may be necessary to ants such sums as may be found by en erroneously collected for the use resources sold from lands located rests, or for alleged illegal acts done quently found to have been proper

4, 1911, c. 238, 36 Stat. 1253; Mar. 4, 348, § 9, 43 Stat. 655; May 29, 1928, c.

**Historical Note**

**References in Text.** Section 471(b) of this title, referred to in text, was repealed by section 704(a) of Pub.L. 94-579, Title VII, Oct. 21, 1976, 90 Stat. 2792. For further details, see Codification note below.

**Codification.** Section is a combination provision the basis for which is Act Mar. 4, 1907, which superseded previous provisions relating to the disposal of money received from sale of products or use of any land or resources of the forest reserves, contained in Act Feb. 1, 1905, c. 288, § 5, 33 Stat. 628.

Act Mar. 4, 1911 is the source of the last portion of the section beginning with the words, "and also so much as may be necessary," etc. That Act provides that so much of the former Act "which provides for refunds by the Secretary of Agriculture to depositors of money to secure the purchase price of timber or use of lands or resources of the national forests such sums as may be found to be in excess of the amounts found actually due the United States, be, and is hereby, amended hereafter to appropriate and to include so much;".

The words of this section reading, "including moneys received from sale of products from or use of lands in national forests created under section 471(b) of this title" were derived from the fourth sentence of section 9 of Act of June 7, 1924, which reads as follows: "All receipts from the sale of products from or for the use of lands in such national

forests shall be covered into the Treasury as miscellaneous receipts, forest reserve fund, and shall be disposed of in like manner as the receipts from other national forests as provided by existing law." Section 471(b) of this title, referred to in text, was based on the first and fifth sentences of section 9 of the 1924 Act, and was repealed by section 704(a) of Pub.L. 94-579. Section 505 of this title is based on the second and third sentences of section 9 of the 1924 Act.

The words "and moneys received on account of permits for hunting, fishing, or camping on lands acquired under authority of sections 513 to 517 and 521 of this title," are from a provision of Act Mar. 4, 1917, which reads, "Hereafter, all moneys received on account of permits for hunting, fishing, or camping, on lands acquired under authority of said Act [Act Mar. 1, 1911, c. 186, 36 Stat. 961] or any Amendment or extension thereof, shall be disposed of as is provided by existing law for the disposition of receipts from national forests."

The words of this section reading, "except as provided in sections 500 and 501 of this title" are intended to relate this section to the apparent exceptions contained in later law.

1928 Amendment. Act May 29, 1928 deleted provision which required the Secretary of Agriculture to make an annual report to Congress of the amounts refunded under this section.

**Cross References**

- Conservation programs on military reservations, inapplicability to forest lands administered pursuant to this section, see section 670e of this title.
- Deposit in "Oregon and California land-grant fund" of proceeds of sale of timber added to Siskiyou National Forest, see section 487 of this title.
- Payments from account for refund of moneys erroneously received and covered and authorization of appropriation of sums necessary, see section 1322 of Title 31, Money and Finance.

**Notes of Decisions**

- 1. Scope of review  
The discretion of the Secretary of Agriculture in making refunds under this section is absolute only on questions of fact; his rulings on questions of law are reviewable in the court of claims [now Claims Court]. Utah Power & Light Co. v. U. S., 1929, 67 Ct.Cl. 592.

**§ 500. Payment and evaluation of receipts to State or Territory for schools and roads; moneys received; projections of revenues and estimated payments**

On and after May 23, 1908, twenty-five per centum of all moneys received during any fiscal year from each national forest shall be paid, at the end of

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 907 Bowdoin Street  
 Washington, D.C. 20540

such year, by the Secretary of the Treasury to the State or Territory in which such national forest is situated, to be expended ~~as the State or Territorial legislature~~ may prescribe for the benefit of the public schools and public roads of the county or counties in which such national forest is situated; *Provided*, That when any national forest is in more than one State or Territory or county the distributive share to each from the proceeds of such forest shall be proportional to its area therein. In sales of logs, ties, poles, posts, cordwood, pulpwood, and other forest products the amounts made available for schools and roads by this section shall be based upon the stumpage value of the timber. Beginning October 1, 1976, the term "moneys received" shall include all collections under the Act of June 9, 1930, and all amounts earned or allowed any purchaser of national forest timber and other forest products within such State as purchaser credits, for the construction of roads on the National Forest Transportation System within such national forests or parts thereof in connection with any Forest Service timber sales contract. The Secretary of Agriculture shall, from time to time as he goes through his process of developing the budget revenue estimates, make available to the States his current projections of revenues and payments estimated to be made under the Act of May 23, 1908, as amended, or any other special Acts making payments in lieu of taxes, for their use for local budget planning purposes.

May 23, 1908, c. 192, 35 Stat. 260; Mar. 1, 1911, c. 186, § 13, 36 Stat. 963; June 30, 1914, c. 131, 38 Stat. 441; Sept. 21, 1944, c. 412, Title II, § 212, 58 Stat. 737; Apr. 24, 1950, c. 97, § 17(b), 64 Stat. 87; Oct. 22, 1976, Pub.L. 94-588, § 16, 90 Stat. 2961.)

#### Historical Note

**References in Text.** The Act of June 9, 1930, referred to in text, is Act June 9, 1930, c. 416, 46 Stat. 527, as amended, popularly known as the Knutson-Vandenberg Act, which is classified generally to sections 576, 576a, and 576b of this title. For complete classification of this Act to the Code, see Short Title note set out under section 576 of this title and Tables volume.

The Act of May 23, 1908, referred to in text, is Act May 23, 1908, c. 192, 35 Stat. 251, as amended. A portion of that Act appearing at 35 Stat. 260 is classified to this section. For complete classification of this Act to the Code, see Tables volume.

**Codification.** "National forest" was substituted for "forest reserve" the first, third and fourth time appearing, and for "reserve" the second time appearing, and "forest" was substituted for "reserve", on authority of Act Mar. 4, 1907, c. 2907, 34 Stat. 1269, which provided that forest reserves shall hereafter be known as national forests.

Section is a combination of Acts May 23, 1908, as amended, and Mar. 1, 1911, as amended.

**1976 Amendment.** Pub.L. 94-588 added provision that beginning Oct. 1, 1976, the term "moneys received" would include all collections under the Act of June 9, 1930, and all amounts earned or allowed any purchaser of national forest timber and other forest products within such State as purchaser credits, for the construction of roads on the National Forest Transportation System within such national forests or parts thereof in connection with any Forest Service timber sales contract, and that the Secretary of Agriculture shall, from time to time as he goes through his process of developing the budget revenue estimates, make available to the States his current projections of revenues and payments estimated to be made under the Act of May 23, 1908, as amended, or any other special Acts making payments in lieu of taxes, for their use for local budget planning purposes.

**1950 Amendment.** Act Apr. 24, 1950 deleted second proviso relating to limitation paid county.

**1944 Amendment.** Act Sept. 21, 1944 added sentence relating to stumpage value of the timber.

PAYMENT TO STATE OF ALASKA FROM NATIONAL FOREST RECEIPTS

FEDERAL FISCAL YEARS 1959 TO 1990

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FEDERAL FISCAL YEAR	CHUGACH NF	TONGASS NF	TOTAL PAYMENT
1956	\$ 8,255.	\$ 150,038.	\$ 158,263.
1960	8,466.	189,655.	198,131.
1961	10,425.	202,006.	212,431.
1962	10,455.	161,137.	171,592.
1963	4,842.	208,332.	213,174.
1964	5,476.	231,512.	236,988.
1965	4,656.	212,576.	217,232.
1966	7,323.	276,162.	283,485.
1967	5,044.	399,923.	404,967.
1968	7,435.	510,123.	517,558.
1969	17,678.	557,097.	574,775.
1970	23,283.	1,057,638.	1,080,921.
1971	20,993.	1,031,200.	1,052,193.
1972	30,806.	851,337.	882,143.
1973	47,692.	926,223.	973,915.
1974	44,811.	643,322.	688,133.
1975	31,630.	1,014,448.	1,046,078.
1976	31,849.	437,689.	469,538.
1977	90,066.	2,465,222.	2,555,288.
1978	139,820.	2,970,500.	3,110,320.
1979	112,596.	3,461,103.	3,573,699.
1980	21,957.	6,506,123.	6,523,080.
1981	23,208.	3,751,986.	3,775,194.
1982	24,681.	5,405,691.	5,430,372.
1983	33,589.	1,341,479.	1,341,479.
1984	36,299.	1,015,797.	1,052,096.
1985	37,154.	52,308.	89,462.
1986	53,719.	491,810.	545,529.
1987	0.	0.	0.
1988	101,989.	308,167.	410,156.
1989	60,241.	5,045,783.	5,106,024.
1990	54,558.	9,002,560.	9,057,119.

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This table of payments to the State of Alaska from National Forest receipts indicates the final payments derived from the National Forests in Alaska for the period requested (16 U.S.C. 500 as amended by P.L. 94-588)



**SOUTHEAST  
ISLAND  
SCHOOL  
DISTRICT**

1621 TONGASS AVENUE SUITE 301  
POST OFFICE BOX 8340  
KETCHIKAN, ALASKA 99901  
(907) 225-9658 OR 225-9659

March 5, 1991

Robert Weinstein  
SUPERINTENDENT

Senator Steve Frank, Chairman  
Community and Regional Affairs Committee  
Alaska State Senate  
P. O. Box V  
Juneau, Alaska 99811

Dear Senator Frank:

This letter is to ask for your support of SB 121, proposed legislation addressing distribution of National Forest receipts in the unorganized borough.

At the beginning of this century, the United States Congress passed legislation which provided that 25 percent of timber receipts from national forests would be paid to the state in which the forest was located, to be distributed by the state to benefit schools and roads of the area in which the national forest is situated. Federal law provided that each state could determine the proportion of funds between schools and roads, and also provided that the funds would be prorated on a geographical area basis if a national forest crossed state or local boundaries. Under existing state statute, AS 41.15.180, income from national forest land within borough boundaries is distributed to those boroughs for schools and roads. Income from national forest land in the unorganized borough is earmarked for public schools and roads on a 25%/75% basis.

It appears that the Department of Community and Regional Affairs receives the funds, distributes the boroughs' share, and simply retains the remaining funds until the end of a fiscal year whereupon it "lapses" into the general fund. It is not only not spent in the manner intended by Congress; it is also not spent in the manner already prescribed by state statute.

We believe that SB 121 will bring the state distribution method into compliance with federal statutes. It is our position that current implementation of state statute does not meet federal intent, in that income generated by national forests located within unorganized areas of the state is not expended on schools and roads of the area in which the national forest is situated. We also believe that the current practice of the Department of Community and Regional Affairs to withhold funds until they lapse at the end of the fiscal year is not appropriate as well.

For your information, over 50 percent of the Tongass National Forest is located within Southeast Island School District boundaries. Eleven of the nineteen communities in which we have schools are logging related, with significant direct impacts by the logging industry on our schools and school district. We have a very high turnover of children, with various adverse impacts upon educational programs, creating special needs and at-risk situations for a significant number of students. For a number of reasons, the Southeast Island School District is not eligible for most of the federal financial assistance programs which provide

Senator Steve Frank, Chairman  
March 5, 1991  
Page 2

supplemental monies to many other school districts in Alaska to address special educational needs of children. In addition, we have communities which move, which means that we have some unique impacts by the logging industry in that we have to move school buildings and teacher housing for which we receive no special state support.

It should be noted that the proposed legislation would distribute 25 percent of the unorganized borough's forest income to school districts impacted by national forest harvest and processing activities (while 75 percent would be retained by the state for roads in national forest-impacted areas of the unorganized borough). We believe that these funds are necessary to offset the direct impacts which the logging industry has upon our schools, and we believe that such funds were intended by Congress for exactly this type of situation. I therefore urge your support of SB 121.

Sincerely,



Robert Weinstein  
Superintendent

RW:CM

# Alaska State Legislature

Chair, Resources Committee  
Vice-chair, Transportation Committee  
Member, Rules Committee  
Member, Committee on Committees



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**Senator Lloyd Jones**

## MEMORANDUM

TO: Senator Steve Frank, Chairman  
Senate Community and Regional Affairs Committee

FROM: Senator Lloyd Jones 

DATE: March 6, 1991

SUBJECT: Senate Bill 121, National Forest Income Receipts

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Each year the federal government pays back to the State of Alaska 25% of the revenues it receives from activities within the National Forests in the state. This money, as mandated in federal law, is to be used "for the benefit of the public schools and public roads of the county or counties in which such national forest is situated." This money is to be paid out based on the area the "county or counties" have within the national forest.

Within the Tongass National Forest, approximately 30% of the forest falls within the boundaries of organized boroughs. Organized boroughs have been found to be legally analogous to counties. Thus,, approximately 30% of the revenues generated by activities on the national forests have actually found their way back to the areas within the forest as is mandated by federal law. The remaining 70% of the forest is accounted for by unorganized borough area. There has been no method for distributing the funds back to this area, and so approximately 70% of the revenue generated by this forest has gone, unaccounted for, into the general fund.

Senate Bill 121 identifies these funds and creates a mechanism for the disbursement of this money back to the timber-harvest impacted areas. This legislation allows the affected agencies to determine what areas in the unorganized borough are most impacted by timber harvest and processing activities and to make sure these funds are spent in the areas as is mandated in federal law.



STATE OF ALASKA  
OFFICE OF THE GOVERNOR

**BILL ANALYSIS**

DEPARTMENT Community & Regional Affairs	DIVISION MRAD	BILL NUMBER SB 121	SPONSOR Sen. Jones
SHORT TITLE OF BILL An act relating to distribution of income from National Forest land in the unorganized borough			
DEPARTMENT POSITION Support the concept; do not support methodology for distributing funds			
PREPARED BY Peter Freer	DATE 3/6/91	COMMISSIONER'S SIGNATURE <i>[Signature]</i>	DATE 3/07/91

**SUMMARY**

OTHER AGENCIES AFFECTED BY BILL DOT/PF Education	CONSTITUENT GROUP(S) AFFECTED BY BILL REAA's, municipal school districts, municipalities & unincorporated communities in the unorganized borough
ORGANIZATIONAL SUPPORT FOR BILL REAA's	ORGANIZATIONAL OPPOSITION TO BILL unknown

FISCAL IMPACT:  NONE  FISCAL NOTE ATTACHED

BACKGROUND/LEGISLATIVE INTENT  
Second year in a row Sen Jones has introduced a bill widening the distribution of forest receipts. Under this bill's formula, it appears substantial funds could to the REAA's.

ANALYSIS OF BILL/PROGRAM EFFECTS  
The bill would distribute national forest receipts in the unorganized boroughs based on a formula tied to (1) the effects of timber harvest and processing and (2) the overall populations of the community living and working on national forest land. The effect of this, it appears, is to skew funding toward REAA's and away from communities in the unorganized borough not engaged in timber harvest or processing on federal land or affected by those areas on federal land.

- AMENDMENTS PROPOSED
1. expand formula to include Chugach National Forest
  2. restrict funding to REAA's
  3. clarify formula to clearly indicate who is, and who is not, eligible for funding.

PLEASE ATTACH A SEPARATE SHEET FOR ADDITIONAL COMMENTS OR ANALYSIS.

Position Title Grant Administrator		No. of Positions 1	Range / Step 13A	Barg. Unit GGU
Time Status	Staff Months	Location Juneau		Election District
<b>TYPE OF EXPENDITURE</b>		<b>Amount</b>	<b>Justification</b>  This position is required to administer the grants to the Unincorporated Communities under HB 54. These additional grants will impact the existing grant section within the agency. This low range position would be responsible for administering this grant program. Contractual and supplies covers normal office expenses. Equipment funds would purchase one terminal and installation charges.	
Salary		27,336		
Benefits		11,640		
Premium Pay				
Other				
Total Personal Services		38,976		
Travel				
Contractual		1,500		
Commodities		500		
Equipment		2,000		
Other				
Total Cost		42,776		
<b>FUNDING SOURCE FOR TOTAL COST</b>				
Federal Receipts	1002			
G.F. Match	1003			
General Fund	1004	42,776		
I-A Receipts	1007			
CIP Receipts	1061			
Other				

**Request For  
New Position**

AGENCY Community & Regional Affairs  
 BRU Administration and Support  
 COMPONENT Administrative Services

**FY** 92

Page 2 of 3  
 Revised Date: \_\_\_\_\_



FISCAL NOTE

STATE OF ALASKA  
1991 LEGISLATIVE SESSION

BILL NO. SB 121

Revision Date: \_\_\_\_\_ Department Affected: Community & Regional Affairs  
Title: "An Act relating..to National Forest Receipts...." BRU: Community Assistance Grants

Sponsor: Senator Jones

Component: National Forest Receipts

Requestor: \_\_\_\_\_

COMPONENT SERIAL NO.

	6	6	6
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Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES	54,500	57,498	59,509	61,593	63,749	65,980
TRAVEL						
CONTRACTUAL	2,000	2,000	2,000	2,000	2,000	2,000
SUPPLIES	600					
EQUIPMENT	3,000					
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	60,100	59,498	61,509	63,593	65,749	67,980

CAPITAL						
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REVENUE						
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FUNDING: (Thousands of Dollars)

GENERAL FUND	60,100	59,498	61,509	63,593	65,749	67,980
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME	1	1	1	1	1	1
PART-TIME	1	1	1	1	1	1
TEMPORARY						

Estimate of current year impact: None

ANALYSIS: (Attach a separate page if necessary.)

See attached.

Prepared By: RA Remond Henderson, Director

Phone: 465-4708

Division: Administrative Services

Date: 3/7/91

Approved by Commissioner: [Signature]

Agency: Community & Regional Affairs

Date: 3/7/91

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

# STATE OF ALASKA

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

WALTER J. HICKEL, GOVERNOR

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949 E. 36TH AVENUE, SUITE 400  
ANCHORAGE, ALASKA 99508-4302  
PHONE: (907) 563-1073

March 6, 1991

## POSITION PAPER

RE: Senate Bill 121

SPONSOR: Senator Jones

### Program Effects of Bill

Existing statute permits the distribution of National Forest Receipts to organized boroughs only. This bill would widen the distribution to include Regional Education Attendance Areas (REAA's), municipal school districts and communities within the unorganized borough, "affected by national forest timber harvest and processing activities.". Funds would be distributed 25 percent for public schools and 75 percent for public roads.

### Comments

The Department supports the concept of distributing National Forest Receipts to communities in the unorganized borough (UOB). The bill as it is currently written, appears to direct funding toward those entities that have been affected by national forest timber harvest and processing activities.

Distribution of receipts under the bill would occur according to a formula yet to be developed. Funding for public schools under this formula would consider the average daily membership of school districts affected by national forest timber harvest and processing activities, and would apply a weighting factor based upon the overall population of the community living and working on national forest land. Funds for public roads would be used to benefit communities that are affected by national forest timber harvest and processing activities.

The formula appears conceived to maximize funding to locations most affected by timber harvest activities. Because most timber harvest activities occur outside home rule and first class cities in the unorganized borough, it appears that the primary beneficiaries in the Tongass National Forest would be the Regional Education Attendance Areas. Further analysis based upon the actual terms of a formula, and upon actual numbers of people living and working in the national forest, would be needed to refine this assumption. The assumption is based on the fact that the REAA is the school district for all logging camps and second class cities dependent upon logging in the UOB. Additionally, some communities may not be engaged in timber harvest or processing but may view themselves as affected by those activities to the extent it occurs on nearby streams or watersheds. It is unclear if these communities, or if communities unaffected by logging such as Hyder, would receive funds under the bill.

The bill fails to address funding for communities in the unorganized borough of the Chugach National Forest, where there is little timber harvest on national forest lands and forest receipts are derived from other sources of forest income such as Special Use Permits and Recreation User Fees.

### Conclusion

The Department supports the concept of widening the distribution of National Forest Receipts funds to enfranchise communities in the unorganized borough. However, we have identified three areas in the bill that we believe need further analysis and possibly more work. First, the bill appears to direct funding toward REAA's in the way the formula is presented. Second, it appears that communities actually engaged in harvesting and processing would be weighted favorably, while those not engaged in these activities or adversely affected by them would not be. This needs to be clarified to clearly show who would, and who would not, receive funding. Finally, the bill does not appear to take into account the distribution of funds to communities in the unorganized borough of the Chugach National Forest.

  
Edgar Blatchford, Commissioner



*Department of Transportation  
and Public Facilities*

# POSITION PAPER

BILL NO: SB 121

APPROVED:

A handwritten signature in dark ink, appearing to read "W. Dupont", written over a horizontal line.

TITLE: Receipts for National Forest Land

DATE: March 6, 1991

At the present time, organized boroughs receive forest receipt funds. The funds are sent to the boroughs by the Department of Community and Regional Affairs. Allocations are based on the number of acres of forest within each borough. The funds are to be spent, by federal designation, on education and roads. The state has decided that 25% of the funds are to go to education, and 75% to roads. In 1990, boroughs received approximately \$2.8 million dollars from the program. The remaining \$6.2 million dollars went to the state's general fund.

In areas where direct significant impacts of logging activities occur, such as Prince of Wales Island, there is no borough government and therefore no distribution of forest receipts.

SB 121 proposes to distribute forest receipt funds to communities in timber harvest impact areas outside the organized boroughs.

SB 121 would direct the Commissioner of the Department of Administration to develop a formula for the allocation of funds for education (25% of forest receipts), in cooperation with the Commissioner of the Department of Education. The public roads portion of the funds (75%) would be spent in cooperation with the Department of Transportation and Public Facilities, "to benefit communities within the unorganized borough ... that are affected by national forest timber harvest and processing activities."

The major timber harvest impacts to roads outside of organized boroughs occur on highways used by both the public and the logging industry. Using funds from the forest receipts program to reconstruct and improve maintenance of those roads would be a significant step toward enhancing

*For Further Information contact Katy McHugh at 465-3900.*

BILL NO: SB 121

DATE: March 6, 1991

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safety and community access. A priority system for improvements based on technical data could be developed in cooperation with the local communities.

Given the lack of federal funds for reconstruction as well as the diminishing level of maintenance funds, this source of funding would be a strong asset to the road systems, communities, and people most directly affected by timber harvesting communities.

The Department of Transportation and Public Facilities supports SB 121.

**FISCAL NOTE**

Revision Date:  
Title: Receipts for National Forest Land

Department Affected: DOT&PF  
BRU: Southeast Region

Sponsor: Jones  
Requestor:

Component: Planning, D&C, M&O  
Component Serial Number:

**EXPENDITURES/REVENUES: (Thousands of Dollars)**

OPERATING	FY92	FY93	FY94	FY95	FY96	FY97
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
<b>TOTAL OPERATING:</b>	0	0	0	0	0	0
<b>CAPITAL</b>	0	0	0	0	0	0
<b>REVENUE</b>	0	0	0	0	0	0

**FUNDING: (Thousands of Dollars)**

GENERAL FUNDS	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
<b>TOTAL FUNDING:</b>	0	0	0	0	0	0

**POSITIONS**

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

Estimate of current year impact: \_\_\_\_\_

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

None.

Prepared by: Mike McKinnon

Phone: 789-6264

Division: Southeast Region Planning

Date: March 6, 1991

Approved by Commissioner:   
Frank G. Yurpin

Phone: 465-3900

Agency: Department of Transportation and Public Facilities

Date: March 6, 1991

Distribution By Preparer: Legislative Finance, Legislative Sponsor, Requestor, OMB, Impacted Agency(ies).

PAYMENTS TO STATES FROM NATIONAL FOREST RECEIPTS  
 FISCAL YEAR 1990  
 OCT 1, 1989 THRU SEP 30, 1990  
 \*---NATIONAL FOREST SUMMARY---\*

NATIONAL FOREST *-----*	STATE *---*	BOROUGH *-----*	FY-90 ACRES *---*	TOTAL PAYMENT *-----*
CHUGACH	ALASKA	Anchorage	274,290	\$ 2,633.80
		Kenai Penin.	1,139,903	10,945.63
		Kodiak Is.	214,824	2,062.79
		Matanuska-Su	43,386	416.60
		Unorganized	4,009,473	38,499.95
NATIONAL FOREST TOTAL:			5,681,876*	\$ 54,558.77*

TONGASS	ALASKA	Haines	918,072	\$ 493,478.14
		Juneau	1,654,618	889,383.22
		Ktn. Gateway	748,337	402,242.91
		Sitka	1,814,934	975,555.59
		Unorganized	11,612,499	6,241,900.96
NATIONAL FOREST TOTAL:			16,748,460*	\$9,002,560.82*

REGION TOTAL: 22,430,336\*\* \$9,057,119.59\*\*

Actual Interim Payment Made Effective 10/1/90	\$ 6,521,913.20
Final Payment Made 12/7/90	2,535,206.39
	-----
Total State of Alaska Payment	\$ 9,057,119.59
	=====

PAYMENT TO STATE OF ALASKA FROM NATIONAL FOREST RECEIPTS

FEDERAL FISCAL YEARS 1959 TO 1990

\*\*\*\*\*  
\*\*\*\*\*

<u>FEDERAL FISCAL YEAR</u>	<u>CHUGACH NF</u>	<u>TONGASS NF</u>	<u>TOTAL PAYMENT</u>
1956	\$ 8,255.	\$ 150,038.	\$ 158,263.
1960	8,466.	189,655.	198,131.
1961	10,425.	202,006.	212,431.
1962	10,455.	161,137.	171,592.
1963	4,842.	208,332.	213,174.
1964	5,476.	231,512.	236,988.
1965	4,656.	212,576.	217,232.
1966	7,323.	276,162.	283,485.
1967	5,044.	399,923.	404,967.
1968	7,435.	510,123.	517,558.
1969	17,678.	557,097.	574,775.
1970	23,283.	1,057,638.	1,080,921.
1971	20,993.	1,031,200.	1,052,193.
1972	30,806.	851,337.	882,143.
1973	47,692.	926,223.	973,915.
1974	44,811.	643,322.	688,133.
1975	31,630.	1,014,448.	1,046,078.
1976	31,849.	437,689.	469,538.
1977	90,066.	2,465,222.	2,555,288.
1978	139,820.	2,970,500.	3,110,320.
1979	112,596.	3,461,103.	3,573,699.
1980	21,957.	6,506,123.	6,523,080.
1981	23,208.	3,751,986.	3,775,194.
1982	24,681.	5,405,691.	5,430,372.
1983	33,589.	1,341,479.	1,341,479.
1984	36,299.	1,015,797.	1,052,096.
1985	37,154.	52,308.	89,462.
1986	53,719.	491,810.	545,529.
1987	0.	0.	0.
1988	101,989.	308,167.	410,156.
1989	60,241.	5,045,783.	5,106,024.
1990	54,558.	9,002,560.	9,057,119.

\*\*\*\*\*  
\*\*\*\*\*

This table of payments to the State of Alaska from National Forest receipts indicates the final payments derived from the National Forests in Alaska for the period requested (16 U.S.C. 500 as amended by P.L. 94-588)



**SOUTHEAST  
ISLAND  
SCHOOL  
DISTRICT**

1621 TONGASS AVENUE SUITE 301  
POST OFFICE BOX 8340  
KETCHIKAN, ALASKA 99901  
(907) 225-9658 OR 225-9659

Robert Weinstein  
SUPERINTENDENT

March 5, 1991

Senator Steve Frank, Chairman  
Community and Regional Affairs Committee  
Alaska State Senate  
P. O. Box V  
Juneau, Alaska 99811

Dear Senator Frank:

This letter is to ask for your support of SB 121, proposed legislation addressing distribution of National Forest receipts in the unorganized borough.

At the beginning of this century, the United States Congress passed legislation which provided that 25 percent of timber receipts from national forests would be paid to the state in which the forest was located, to be distributed by the state to benefit schools and roads of the area in which the national forest is situated. Federal law provided that each state could determine the proportion of funds between schools and roads, and also provided that the funds would be prorated on a geographical area basis if a national forest crossed state or local boundaries. Under existing state statute, AS 41.15.180, income from national forest land within borough boundaries is distributed to those boroughs for schools and roads. Income from national forest land in the unorganized borough is earmarked for public schools and roads on a 25%/75% basis.

It appears that the Department of Community and Regional Affairs receives the funds, distributes the boroughs' share, and simply retains the remaining funds until the end of a fiscal year whereupon it "lapses" into the general fund. It is not only not spent in the manner intended by Congress; it is also not spent in the manner already prescribed by state statute.

We believe that SB 121 will bring the state distribution method into compliance with federal statutes. It is our position that current implementation of state statute does not meet federal intent, in that income generated by national forests located within unorganized areas of the state is not expended on schools and roads of the area in which the national forest is situated. We also believe that the current practice of the Department of Community and Regional Affairs to withhold funds until they lapse at the end of the fiscal year is not appropriate as well.

For your information, over 50 percent of the Tongass National Forest is located within Southeast Island School District boundaries. Eleven of the nineteen communities in which we have schools are logging related, with significant direct impacts by the logging industry on our schools and school district. We have a very high turnover of children, with various adverse impacts upon educational programs, creating special needs and at-risk situations for a significant number of students. For a number of reasons, the Southeast Island School District is not eligible for most of the federal financial assistance programs which provide

Senator Steve Frank, Chairman

March 5, 1991

Page 2

supplemental monies to many other school districts in Alaska to address special educational needs of children. In addition, we have communities which move, which means that we have some unique impacts by the logging industry in that we have to move school buildings and teacher housing for which we receive no special state support.

It should be noted that the proposed legislation would distribute 25 percent of the unorganized borough's forest income to school districts impacted by national forest harvest and processing activities (while 75 percent would be retained by the state for roads in national forest-impacted areas of the unorganized borough). We believe that these funds are necessary to offset the direct impacts which the logging industry has upon our schools, and we believe that such funds were intended by Congress for exactly this type of situation. I therefore urge your support of SB 121.

Sincerely,



Robert Weinstein  
Superintendent

RW:CM

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- MICHAEL T THOMAS
- LEROY J BARKER
- \*\*L G BERRY
- HAROLD E SNOW JR
- \*\*CARL W WINNER
- SUSAN M WEST
- \*\*JULIA B ROCKMOM
- JOSEPH D DARNELL
- GREGORY G SILVEY
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- \*\*BRADLEY D GILMAN

**ROBERTSON, MONAGLE & EASTAUGH**

A PROFESSIONAL CORPORATION  
ATTORNEYS AT LAW  
JUNEAU ALASKA 99802

March 6, 1991

**JUNEAU OFFICE**

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PHONE (907) 586-3340  
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ROYAL ARCH GUNNISON (1873-1918)  
H E ROBERTSON (1885-1961)  
M E MONAGLE (1902-1985)

F O EASTAUGH (RETIRED)

- JAMES F CLARK
- PAUL M HOFFMAN
- D ELIZABETH CUADRA\*\*
- MARY A NORDALE
- ROBERT P BLASCO
- ELIZABETH A ZIEGLER

ADMITTED IN WASHINGTON DC\*\*  
AND ALASKA

ALL OTHERS ADMITTED  
IN ALASKA

The Honorable Steve Frank, Chairman  
Senate Community & Regional  
Affairs Committee  
Alaska Legislature  
Capitol Building  
Juneau, Alaska

Re: SB 121: Distribution of National Forest Receipts to  
Impacted Communities in the Unorganized Borough

Dear Senator Frank:

The following testimony is submitted on behalf of the  
City of Craig, Alaska.

The City of Craig supports state legislation which would  
amend AS 41.15.180 so as to remedy the existing situation under  
which federal funds intended for municipalities impacted by  
national forest activities have not actually been reaching those  
municipalities that are located within the unorganized borough.

Federal law, 16 U.S.C. 500 enacted in 1908, provides that  
25% of all money the federal government receives each fiscal year  
from each national forest shall be paid to the state or territory  
in which the national forest is located, to be distributed for the  
benefit of the public schools and public roads of the county or  
counties in which each such national forest is located. Obviously  
Congress could not have meant the distribution to be strictly  
limited to counties as such, as there were no such entities (or  
even their equivalents by other names) in the territories.

Under present state law, the state has been distributing  
about 30% of these monies to the organized boroughs which have  
national forest lands within their boundaries, but has been  
basically pocketing the other 70% without any accounting for how or

Senator Steve Frank  
March 6, 1991  
Page 2

where the money is spent. This other 70%, arising from forest acreage within the unorganized borough, was intended by Congress to be used (for public schools and public roads) to alleviate the impacts upon communities within or near the forest that generated the income.

There are significant forest-related impacts upon communities in the Tongass National Forest which presently receive none of these funds. Tom Briggs, the City Administrator of the City of Craig, provided the House Community and Regional Affairs Committee with testimony showing how the City of Craig has been impacted by forestry activities (partly on nearby federal forest lands), without any financial assistance from national forest receipts to help alleviate the increasing demands upon the City. A copy of his testimony is attached.

The Prince of Wales Community Advisory Council includes the communities of Craig, Hollis, Kasaan, Klawock, Hydaburg, Coffman Cove, Thorne Bay and Whale Pass. The Council has adopted a resolution urging amendment of the state statute so as to require national forest receipts generated within the unorganized borough to be distributed to communities within that borough, as the federal statute intended. A copy of that resolution is attached.

It cannot be too strongly emphasized that these national forest receipts are not state monies, and that the state can only act as a trustee to administer the distribution of the monies in accordance with the intention of Congress in enacting the federal statute. Some court decisions interpreting the statute have even characterized these funds as a "trust" to be administered by the states. Furthermore, there have been a number of court decisions making it clear that Congress intended these national forest receipt funds to be distributed to communities where there are impacts from the forestry activities in the forest which generated the funds. Please refer to the attached opinion letter dated February 26, 1991.

Turning to SB 121, the City of Craig has several major problems with the bill as presently drafted:

(1) SB 121 fails to preserve the barrier between individual national forests, and would allow a cross-flow of funds generated in the Tongass National Forest to communities in or adjoining the Chugach National Forest. This result would contravene the congressional intention to respond to impacts, and would violate the words of the federal statute itself.

(2) SB 121 fails to remove the existing artificial 75%/25% split between roads and schools as end uses for the funds.

Senator Steve Frank  
March 6, 1991  
Page 3

This split does not appear in the federal statute and should be removed from the state statute. The organized boroughs do not labor under this constraint on their use of national forest receipts, and neither should the communities which will begin receiving national forest receipts if appropriate legislation is adopted by this Legislature. The Manager of the Ketchikan Gateway Borough, in testimony before the House Community and Regional Affairs Committee on HB 54, recommended against the artificial 75%/25% split between roads and schools, noted with approval that the proposed HB 54 would do nothing to take away any funds being received by the organized boroughs, and registered his support for HB 54.

(3) SB 121 would give state agencies too much unfettered discretion in deciding on the distribution of funds. The Legislature should be far more specific about how the funds are to be distributed. Craig likes the system established in CS HB 54 (C&RA). Please note that in the past, the distribution of funds generated from forest lands within the unorganized borough has not even been administered by the agency designated in state law (Department of Administration). Again, we emphasize that these funds are not state money, but are federal funds, which the state is to administer for the purposes intended by Congress.

(4) SB 121 does not establish a separate fund or account, for keeping track of the expenditures of national forest receipts; i.e., to whom they are distributed and for what purposes. In this regard, your attention is invited to the audit report by the Division of Legislative Audit, for fiscal year ended June 30, 1989, pages 88-89, which criticizes the inadequate tracking of national forest receipts funds generated within the unorganized borough. Presently, it is not even possible to be sure they were used for the purposes of public schools and public roads at all.

In past years, the Department of Community & Regional Affairs has not been very sympathetic toward amendment of the state statute, to distribute those funds generated within forest lands in the unorganized borough to municipalities and communities impacted by those forests, as Congress intended. We believe this may have been because DC&RA wanted to encourage the formation of more boroughs. However, we were pleasantly surprised when representatives of both the Commissioner's office and the Governor's office testified before the House Community & Regional Affairs Committee that they do support CS HB 54 (C&RA).

Senator Steve Frank  
March 6, 1991  
Page 4

Thank you for considering the views of the City of Craig.

Sincerely,



D. Elizabeth Cuadra  
Craig City Attorney

DEC:sd/305

Enclosures:

Testimony of Tom Briggs  
Prince of Wales Community Advisory Council Resolution 90-7  
Letter to Representative Jerry Mackie (2/26/91)

cc (w/encls.): Senator Lloyd Jones

TESTIMONY BEFORE THE  
HOUSE COMMUNITY & REGIONAL AFFAIRS COMMITTEE

Subject: HB 54, Distribution of National Forest Receipts to  
Impacted Communities in the Unorganized Borough

Mr. Chairman, members of the committee:

My name is Tom Briggs, and I am the City Administrator for Craig, Alaska, a first-class city of 1,535 persons located on Prince of Wales Island, approximately 60 air miles west of Ketchikan.

We thank you for the opportunity to speak to this bill that is so important to so many communities in Southeast Alaska.

The National Forest Receipts Program was enacted by Congress in 1908 in recognition and acknowledgement of the effect management of the national forests has on communities within these national forests. The federal law creating the program, 16 USC 500, states:

On and after May 23, 1908, twenty-five per centum of all moneys received during any fiscal year from each national forest shall be paid, at the end of such year, by the Secretary of the Treasury to the State or Territory in which such national forest is situated to be expended as the State or Territorial legislature may prescribe for the benefit of the public schools and public roads of the county or counties in which such national forest is situated:

Clearly, it is the intent of this federal statute that federal activities within the national forests are recognized as having impact on the roads and schools within these same forests. The federal government also recognizes it has a moral if not legal obligation to provide assistance to the local governments affected by these activities. Numerous courts, interpreting 16 USC 500, have held that Congress intended these funds as impact aid (to alleviate the impacts of forestry-related activities on communities) and not as payments in lieu of taxes.

Within the last eleven years, revenues generated by federal activities within the Tongass National Forest have totaled almost \$132,000,000. The federal government, in accordance with 16 USC 500, has paid almost \$33,000,000 over these eleven years to the State of Alaska for distribution to communities within the Tongass National Forest. Again, the purpose of the distribution is "for the benefit of the public schools and public roads" within the national forest. The State has in fact distributed only 31% of these revenue rebates, or just over \$10,000,000, to organized boroughs in the Tongass National Forest. The balance of almost \$23,000,000 has been retained by the State in the General Fund to be used for general purposes. The reason given for not distributing the rest of this money is that the revenue was

generated in the Unorganized Borough and the State statute, AS 41.15.180, does not allow the money to be distributed to impacted communities.

Those of us in the Unorganized Borough have heard this before. Every time inquiries are made as to why revenues collected to mitigate impact on communities affected by resource extraction, whether it be timber or fish, are not being spent in our communities, we are told that since we are in the Unorganized Borough, we are not entitled to receive any of these revenues, even though the resource is extracted from our forest or our fish-management area. Because we are located in the Unorganized Borough, an area comprising nearly 70% of the Tongass National Forest alone, we are treated as though we have no legitimate claim to the resources of our area. Whenever we question why we don't receive our share, we are told by the executive agencies that before we can receive these impact monies, we must form into an organized borough and add another level of government.

Both the State Constitution and State statutes provide for the existence of Unorganized Boroughs. In fact, the State Legislature is empowered by the Constitution to administer the Unorganized Borough in place of an Assembly. State statute, AS 29.05.031, enables an area that shares particular things in common to incorporate as a borough, but by no means does either the Constitution or this statute require borough incorporation. I emphasize the fact that the Constitution and statutes are enabling and require the area to petition with 15 percent of the registered voters as signators in the affirmative. Communities in the Unorganized Borough area of the Tongass National Forest have never expressed an interest in organizing.

The City of Craig today, as I've said above, is a community of 1,535 residents. Ten years ago, the population was only 500. Craig is the third fastest growing city in Alaska, and Prince of Wales Island is the second fastest growing area in Alaska. The growth is primarily the result of logging activities on the Island. The Island is covered entirely by the Tongass National Forest and all of the Island is in the Unorganized Borough. The impact of logging for the last eleven years has been tremendous on Craig and the entire Island community. All of the logging has taken place in old-growth forests. It is estimated that logging at the present rate can continue for almost another decade, but will decrease dramatically after the year 2000. The effect of the logging activity, however, is considerable now and will continue to be felt for years to come.

National Forest Receipts  
Testimony, City of Craig

Evidence of impact can be seen in the fact that the budgeted expenditures per student in the Craig School District are the lowest in the State of Alaska. This is the result of inordinate growth in school populations attributable to logging activities without commensurate increases of revenues to mitigate the logging impact. Further impact is evident by the fact that City roads are unpaved, narrow, are at sub-standard grades resulting in high-tide storm washouts, and are badly in need of utility and sub-surface upgrades. Because of the inordinate logging-related growth, the City sewer system has been declared overloaded by DEC and consequently been classified as sub-standard, preventing approval of any new, much-needed subdivisions. The only road work performed in the City of Craig, or for that matter, on the entire Island, has been done with federal highway funds through joint DOT/Federal efforts. Requests to the State made by the City or School District of Craig for funds to assist us in mitigating the impact of the logging related growth are invariably denied on the basis that no funds are available. Nothing could be further from the truth, because the State has, as I've said above, received over \$22,000,000 from the federal government for roads and schools support in the Unorganized Borough of the Tongass National Forest.


This bill, then, Mr. Chairman, is desperately needed by all of the communities in the Unorganized Borough of the Tongass from Yakutat to Hydaburg. Without it, the many communities of the Unorganized Borough of Southeast Alaska will continue to be unable to provide the essential services of adequate roads and schools mandated by federal and State law. The quality of life in these communities will continue to be affected if revenues generated by resource utilization continue to be withheld. We therefore urge the committee to support HB 54 in its entirety. Thank you, Mr. Chairman.



March 7, 1991

MEMORANDUM

TO: Senator Steve Frank, Chair  
Members, Senate Committee on Community and Regional Affairs

FROM: Scott A. Burgess, Executive Director 

SUBJECT: SB 121 - Distribution of National Forest Receipts

On behalf of the 126 municipal members of the Alaska Municipal League, I am writing today to express the League's general support for the concept of distributing the National Forest Receipts revenue to municipalities located within the national forests but in the unorganized borough. I would also like to provide some background and raise some questions about specific provisions of SB 121. I apologize for not being at the hearing in person, but am out of state attending a meeting of the National League of Cities.

National Forest Receipts are revenue earned from activity on the national forests. Federal law provides that each year 25 percent of the gross revenue from each forest shall be returned to the state in which it is located. The states, in turn, are to distribute the funds under state law for the benefit of the public schools and roads of the county or counties in which the national forest is located.

Under the provisions of AS 41.15.180, Alaska's revenue from the National Forest Receipts program is distributed to organized boroughs that contain national forest land, based on the proportion of the forest located within each borough. The balance goes to the state for the provision of education and roads in the unorganized borough. Since 1965, the state statute has specified that 25 percent of those funds should be used for public education and 75 percent for roads.

Municipalities located within the unorganized borough in the national forest are affected by the presence of the national forest and provide public services to their residents, who include federal employees, logging company employees, and others whose employment supports the timber industry. Among those services are education and roads. At the present time, however, these municipalities receive no tax revenue from the national forest land.

Since the federal legislation was written long before Alaskan statehood and written to apply to states that were completely organized into counties, no provision was made in federal law to provide revenues to support local public services in national forests to other levels of local government, i.e., cities. However, state law can be changed to allow distribution of these funds in a different way.

Senate Community and Regional Affairs Committee  
Testimony on SB 121  
March 7, 1991  
page 3

5. First class, home rule, and some second class cities provide roads within their jurisdictions, yet SB 121 does not call for sharing the National Forest receipts with these entities. Would it not be a good idea to give these funds directly to these municipalities to offset the costs of providing roads within their boundaries?

In summary, the Alaska Municipal League supports the concept of sharing National Forest Receipts with those municipalities affected by the forests who do not currently receive any of these funds. The League and its members urge the committee to consider the questions outlined above in its deliberations on SB 121 and to consider alternate solutions to the problem. I look forward to working with you to resolve these issues and find alternate solutions.

# **CORRECTION**

**THIS DOCUMENT  
HAS BEEN REPHOTOGRAPHED  
TO ASSURE LEGIBILITY**

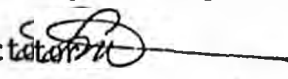


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March 7, 1991

MEMORANDUM

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Members, Senate Committee on Community and Regional Affairs

FROM: Scott A. Burgess, Executive Director 

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Under the provisions of AS 41.15.180, Alaska's revenue from the National Forest Receipts program is distributed to organized boroughs that contain national forest land, based on the proportion of the forest located within each borough. The balance goes to the state for the provision of education and roads in the unorganized borough. Since 1965, the state statute has specified that 25 percent of those funds should be used for public education and 75 percent for roads.

Municipalities located within the unorganized borough in the national forest are affected by the presence of the national forest and provide public services to their residents, who include federal employees, logging company employees, and others whose employment supports the timber industry. Among those services are education and roads. At the present time, however, these municipalities receive no tax revenue from the national forest land.

Since the federal legislation was written long before Alaskan statehood and written to apply to states that were completely organized into counties, no provision was made in federal law to provide revenues to support local public services in national forests to other levels of local government, i.e., cities. However, state law can be changed to allow distribution of these funds in a different way.

The League's 1991 Policy Statement (p. 19) includes the following statement:

National Forest Receipts Shared Revenue: The League supports the full funding and distribution of National Forest Receipts to municipalities within the national forests. The League urges the Congress or the Legislature to amend the law to require distribution of the funds currently deposited in the State's general fund for the area in the unorganized borough within national forests, on a per capita basis, to incorporated cities located in the national forests in the unorganized borough for school and road purposes."

On this basis, then, the League supports the general problem addressed by SB 121. However, the League has concerns about several issues raised by the current version of the bill and asks the committee to consider these questions in its deliberations:

1. Should National Forest Receipts be distributed to Rural Education Attendance Areas (REAs)? REAs are fully funded by the state to provide education within their service areas and are not required to contribute local funds, so any funds distributed to them under the provisions of SB 121 would be over and above the "full cost" of educating their students.
2. What is the basis for the 25/75 split for education and public roads contained in the current state statute and included in SB 121? Is this an arbitrary requirement, and should it be changed?
3. Should all the money currently not distributed be included in the distribution established by SB 121 or should a portion be reserved by the state for the benefit of other citizens living in the affected areas of the unincorporated borough? Should some cap be placed on the distribution to keep it in line with the per capita amount received by the incorporated boroughs?

As the committee may know, because of the dramatic rise in the level of National Forest Receipts in recent years and the provision that boroughs receive their share based on the proportion of forest within their boundaries, distribution of the currently undistributed portion of the funds to communities within the unorganized borough on a per capita basis (or using a formula that considers the average daily membership of the school districts) could result in those communities receiving many times more dollars than some of the organized boroughs.

4. If REAs and municipal school districts received additional funds for education as a result of the distribution of National Forest Receipts, would this exacerbate the funding disparity problems faced by the state in qualifying for PL 874 funds?

Senate Community and Regional Affairs Committee  
Testimony on SB 121  
March 7, 1991  
page 3

5. First class, home rule, and some second class cities provide roads within their jurisdictions, yet SB 121 does not call for sharing the National Forest receipts with these entities. Would it not be a good idea to give these funds directly to these municipalities to offset the costs of providing roads within their boundaries?

In summary, the Alaska Municipal League supports the concept of sharing National Forest Receipts with those municipalities affected by the forests who do not currently receive any of these funds. The League and its members urge the committee to consider the questions outlined above in its deliberations on SB 121 and to consider alternate solutions to the problem. I look forward to working with you to resolve these issues and find alternate solutions.

CSS/TEST:SB121.307



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Louisiana-Pacific Corporation

MAR 08 1991

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March 7, 1991

The Honorable Steve Frank  
Alaska State Senator  
State of Alaska  
Post Office Box V  
Juneau, Alaska 99811

VIA TELECOPY c/o 465-3922

Dear Senator Frank:

This letter is submitted in support of legislation which would bring the State of Alaska into compliance with the intent of federal legislation requiring the distribution of a designated portion (25%) of national forest income to the income generating and impacted areas of the states in which national forests are located. We support the current efforts of both Representative Mackie and Senator Jones who have introduced legislation concerning the distribution of such income in the unorganized borough. We also urge that the legislature clarify the formula for distributing national forest income to organized boroughs.

The federal legislation, 16 USC § 500, provides that twenty-five percent (25%) of all monies received during any fiscal year from each national forest shall be paid annually to the state in which the national forest is located. The funds are to be expended by the state for the benefit of public schools and public roads in the county or counties in which national forests generating the receipts are situated. In enacting this statute, Congress recognized the desirability of designating a portion of the stumpage and other receipts generated by logging and other multiple use activities on our national forests to support the infrastructure needs of schools and roads associated with the jobs and presence of families working on the national forests.

The Alaska Statute which implements the federal law is AS 41.15.180. The Alaska Statute assumes that a borough is the equivalent of a county under the federal act, and provides that an organized borough shall receive a share of the national forest income in proportion to the area of the national forest located within its boundaries. The organized

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Alaska State Senator  
March 7, 1991  
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boroughs must expend these funds for public schools or roads. Funds received by the State for national forest land located in the unorganized borough are deposited in the general fund of the State. The statute requires that twenty-five percent (25%) of the income be expended for public schools and seventy-five percent (75%) for roads in the unorganized borough. It appears, however, that the Department of Community and Regional Affairs has historically allowed the unorganized borough's share of national forest income to lapse, rather than distribute the funds as intended by the federal legislation and the Alaska Statute.

Clearly the Alaska Statute, in a number of ways, does not distribute the national forest income receipts in accordance with the intent of the federal legislation. The State's present distribution formula falls short in providing funding for the infrastructure needs of many of the areas which are actually impacted by logging and other multiple use activities in the national forest. The formula which has been used for distribution to organized boroughs is based on total national forest acreage within a given borough, regardless of whether there are any forest harvest and stumpage generating activities within that borough. The national forest income received by the State for national forest land in the unorganized borough is currently not even being specifically allocated to schools or roads in the unorganized borough.

Ketchikan Pulp Company operations generate direct employee payrolls of \$36,000,000.00 annually distributed throughout southern Southeast Alaska, including a number of Prince of Wales communities and logging operations in the unorganized borough. A number of the logging camps have grown into permanent communities. We believe that the State Statute should clearly reflect the principal of shared timber receipts reaching the needs of schools and roads in both the organized and unorganized borough areas where timber harvest is actually occurring. Logging and related forest products operations develop an economic base and provide employment in the impacted area. The legislation should direct that the funds go to the impacted area of the forest where it is needed.

It is our understanding that there are presently two bills in the Alaska legislature which address the distribution of timber receipts for the unorganized borough. Senator Jones of Ketchikan has introduced Senate Bill 121, and Representative Mackie of Craig has introduced House Bill 54. It appears that both bills attempt to ensure that the State of Alaska actually allocate and expend income in the unorganized borough for public schools and roads. Of the two bills, it appears that Senator Jones' bill most closely relates the receipt of income to the actual impact of logging activities and presence on the national forest. Senator Jones' bill requires that seventy-five percent (75%) of the

The Honorable Steve Frank  
Alaska State Senator  
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timber receipts for the unorganized borough be spent by the Department of Transportation for public roads in the unorganized borough, and that twenty-five percent (25%) of the funds be allocated among the impacted school districts in the unorganized borough in proportion to the degree of impact which they experience.

We again urge your support of legislation which implements the intent of the federal law. Specifically, legislation which provides for the distribution of national forest income to those school districts and communities in both the organized and unorganized borough which are significantly impacted by the presence of the national forest, and by the logging and log processing activities which occur in or near the forest.

Again, we sincerely appreciate and support the efforts of Representative Mackie and Senator Jones, and hope that through their efforts legislation will be passed that directs these funds where they are needed.

Sincerely,

KETCHIKAN PULP COMPANY

By *M. R. Pihl*  
M. R. Pihl  
General Manager

MRP/TNS:cz

PRINCE OF WALES  
COMMUNITY ADVISORY COUNCIL

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February 7, 1991

Representative Jerry Mackie  
P.O. Box V  
Juneau, AK 99811

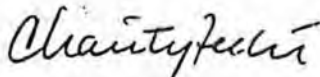
SUBJECT: Receipts from National Forest Lands

Dear Representative Mackie:

Enclosed is a copy of Prince of Wales Community Advisory Council (POWCAC) Resolution 90-7. This resolution strongly urges a legislative amendment to and gubernatorial support of a change in the way forest receipts are distributed. Specifically, it encourages amending AS 41.14.180 to include the distribution of national forest income generated within the unorganized borough to communities within this borough to be used for roads and schools in accordance with the intent of 16 USC 500.

This resolution was passed unanimously by the POWCAC. The member communities of Craig, Hollis, Kasaan, Klawock, and Thorne Bay have endorsed it. If you have any questions about this resolution or the Council, please call me at 826-3275, or Ginny Tierney (Chairman) at 828-3380.

Sincerely,



Charity Fechter  
Secretary Treasurer

Enclosure

cc: Council Members  
Sen. Eliason  
Rep. MacLean, House Finance  
Rep. Navarre, House Finance  
Sen. Kerttulla, Senate Finance  
Sen. Pourchot, Senate Finance  
Gov. Hickel

RESOLUTION 90-7

A JOINT RESOLUTION BY AND BETWEEN THE PRINCE OF WALES COMMUNITY ADVISORY COUNCIL MEMBERS LISTED BELOW URGING THE ALASKA STATE LEGISLATURE AND THE GOVERNOR OF THE STATE OF ALASKA TO DISTRIBUTE INCOME FROM NATIONAL FOREST LANDS IN THE UNORGANIZED BOROUGH TO MUNICIPALITIES AND COMMUNITY ASSOCIATIONS IN THE UNORGANIZED BOROUGH TO USE FOR ROADS AND SCHOOLS.

WHEREAS, federal law 16 USC 500 provides that 25% of all moneys received from each national forest shall be distributed to the State legislature to be spent for the benefit of the roads and schools in such national forest; and

WHEREAS, the intent of this federal law is to provide funds to support roads and schools of communities within the affected national forest, thereby mitigating any associated impact; and

WHEREAS, 70% of the Tongass National Forest is contained within the Unorganized Borough of the State of Alaska and thereby a majority of forest income for the Tongass is generated within the Unorganized Borough; and

WHEREAS, the Legislature for the State of Alaska is the governing body of the unorganized borough and is responsible for providing regional services to the unorganized borough to include the distribution of federal funds according to federal intent; and

WHEREAS, AS 41.15.180 limits the distribution of national forest income to organized boroughs only;

BE IT THEREFORE RESOLVED that the Prince of Wales Community Advisory Council strongly urges the Alaska legislature to amend, and the Governor of the State of Alaska to support the amendment of, AS 41.15.180 to include the distribution of national forest income generated within the unorganized borough to communities within this borough to be used for roads and schools in accordance with the intent of 16 USC 500.

PASSED AND APPROVED ON Oct. 16, 1990.

PRINCE OF WALES COMMUNITY  
ADVISORY COUNCIL

BY Annex D. Terney

ATTEST: Charity Fetter  
SECRETARY

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February 26, 1991

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ROYAL ARCH GUNNISON (1873-1918)  
R E ROBERTSON (1885-1961)  
M E MCNAGLE (1902-1985)

FO EASTAUGH (RETIRED)

JAMES F CLARK  
PAUL M HOFFMAN  
D ELIZABETH CUADRA\*\*  
MARY A NORDALE  
ROBERT P BLASCO  
ELIZABETH A ZIEGLER

ADMITTED IN WASHINGTON DC\*\*  
AND ALASKA

ALL OTHERS ADMITTED  
IN ALASKA

The Honorable Jerry Mackie, Chairman  
House Community & Regional Affairs Committee  
Alaska Legislature  
Capitol Building  
Juneau, Alaska 99801

RE: HB 54: Distribution of National Forest Receipts

Dear Representative Mackie:

This is to provide you with certain information concerning the intent of Congress in enacting the federal statute (including amendments) which is codified at 16 USC 500. You and the committee members are already familiar with that statute, but the full text of 16 USC 500 is attached for convenient reference.

For our purposes, the key portion of the statute reads as follows:

"On and after May 23, 1908, twenty-five per centum of all moneys received during any fiscal year from each national forest shall be paid, at the end of such year, by the Secretary of the Treasury to the State or Territory in which such national forest is situated, to be expended as the State or Territorial legislature may prescribe for the benefit of the public schools and public roads of the county or counties in which such national forest is situated: ..." [emphasis added]

Several court decisions made it clear that Congress intended these national forest receipts funds to be a special grant, related to the impacts which forestry activities have upon the local

The Honorable Jerry Mackie, Chairman  
February 26, 1991  
Page 2

communities, to provide them with a special assistance fund for road and school purposes; the same court decisions have made it clear that these monies are not to be construed as "payments in lieu of taxes" (PILT) funds. The concept behind PILT funds is that federal property is not subject to taxation by state or local governments, and that therefore (under certain other federal statutes) the federal government pays PILT funds. A familiar example would be where the non-taxable land of a military base is located within a municipality.

The question of whether Congress intended national forest receipts to be impact funds or PILT funds has arisen in several different contexts, but most frequently as part of the question whether the state or local government has been preempted by the federal statute from applying some form of state or local taxation. If the national forest receipts monies were PILT funds, then the state and local governments would be federally preempted from taxation, but if instead they are impact funds, then there is no federal preemption.

For example, an appellate court in Louisiana held that national forest receipts funds under 16 USC 500 are not payments in lieu of taxes (PILT), and that therefore a state severance tax on the activity of gravel mining could lawfully be enforced, where gravel was being mined from a national forest. Bartlett v. Collector of Revenue, 285 So.2d 246 (La. App. 1973). The Louisiana appellate court cited several other court decisions and relied especially upon Georgia Pacific Corporation v. County of Mendocino, 340 F.Supp. 1041 (N.D. Cal. 1973), aff'd 515 F.2d 285 (9th Cir. 1974), in which a federal district court had held that payments made under 16 USC 500 are not payments in lieu of taxes. Instead, the national forest receipts were intended to be a public grant for the purposes of roads and schools where the forests are located. In the Georgia Pacific case, the federal courts upheld the legality of a property tax on the possessory interest in standing timber (taxed to the purchaser of the timber) in national forests involving the counties of Mendocino, Siskiyou and Tehama in Northern California.

The Idaho Supreme Court has held that national forest receipts under 16 USC 500 are not payments in lieu of taxes, and that therefore it is not unlawful for a personal property tax to be applicable to logs harvested from forest service lands. Tree Farmers, Inc. v. Goeckner, 385 P.2d. 649 (Idaho 1963). The Idaho Supreme Court held that, instead of being a payment in lieu of taxes, the national forest receipts money was in the nature of an assistance grant with a special purpose.

The Honorable Jerry Mackie, Chairman  
February 26, 1991  
Page 3

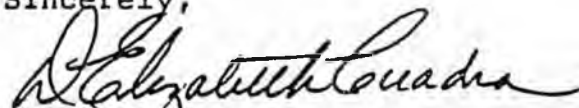
A California appellate court held that the federal statute, 16 USC 500, was not intended to provide money in lieu of local taxes (payments in lieu of taxes), and went on to uphold an interpretation of the state's distribution statute (apportioning these funds to school districts "lying within or adjacent to" national forests), where the interpretation had extended monies to certain school districts that were not immediately adjacent to national forest boundaries but were financially impacted by forestry activities going on within the national forest. That is, the state statute had made eligibility for funds dependent upon both geography and financial impact combined. Anderson Union High School District v. Schreder, 128 Cal. Rptr. 529 (Cal. App. 1976).

These courts have looked to the Congressional intent behind the federal statute, 16 USC 500, in reaching their decisions. The implication of these decisions is that a state statutory distribution scheme for national forest receipts which views the monies as impact funds and sets up some rational criteria for eligibility (as CS HB 54 does), will be far more in line with what Congress intended (and thus more lawful) than Alaska's present handling of national forest receipts generated from forest lands within the unorganized borough.

A further implication which arguably flows from these judicial interpretations of 16 USC 500 is that these funds are in addition to any funds available for roads and schools from other sources, and should not be used to replace or substitute for those other funds, nor be imbedded in a "priority system" that is applied to other funds and based on other considerations.

On behalf of the City of Craig, let me add that the City does support the Committee Substitute for HB 54, and urges your committee to pass it out (with "do pass" recommendations) without delay. The existing inequitable situation needs to be remedied during the current legislative session.

Sincerely,



D. Elizabeth Cuadra  
Craig City Attorney

DEC\k11.226  
Enclosures: 16 USC 500

of the national forests, shall be covered into the Treasury and shall constitute a special fund, which is appropriated and made available until expended, as the Secretary of Agriculture may direct, for the payment of the expenses of said investigations, protection, or improvements by the Forest Service, and for refunds to the contributors of amounts heretofore or hereafter paid in by them in excess of their share of the cost of said investigations, protection, or improvements.

(June 30, 1914, c. 131, 38 Stat. 430; May 29, 1928, c. 901, § 1(99), 45 Stat. 993.)

#### Historical Note

1928 Amendment. Act May 29, 1928 deleted provision which required that annual reports be made to Congress of moneys received as contributions for cooperative work.

#### Cross References

Classification as trust funds, appropriation and disbursement of funds appearing on books of government as "Cooperative work, Forest Service", see section 1321 of Title 31, Money and Finance.

Contributions received toward reforestation or for administration or protection of lands within forests to be covered into Treasury and constitute special fund which may be appropriated for purposes for which contributed, see section 372 of this title.

#### Code of Federal Regulations

Administration of forest development transportation system, see 36 CFR 212.1 et seq.

### § 499. Disposal of money received by or on account of Forest Service; refund of excess and moneys erroneously collected; receipts from permits

All money received by or on account of the Forest Service for timber, or from any other source of national-forest revenue, including moneys received from sale of products from or for the use of lands in national forests created under section 471(b) of this title, and moneys received on account of permits for hunting, fishing, or camping on lands acquired under authority of sections 513 to 517 and 521 of this title, shall be covered into the Treasury of the United States as a miscellaneous receipt, and except as provided in sections 500 and 501 of this title, there is appropriated and made available, as the Secretary of Agriculture may direct, out of any funds in the Treasury not otherwise appropriated, so much as may be necessary to make refunds to depositors of money heretofore or hereafter deposited by them to secure the purchase price on the sale of any products or for the use of any land or resources of the national forests in excess of amounts found actually due from them to the United States and also so much as may be necessary to refund or pay over to the rightful claimants such sums as may be found by the Secretary of Agriculture to have been erroneously collected for the use of any lands, or for timber or other resources sold from lands located within, but not a part of, the national forests, or for alleged illegal acts done upon such lands, which acts are subsequently found to have been proper and legal.

(Mar. 4, 1907, c. 2907, 34 Stat. 1270; Mar. 4, 1911, c. 238, 36 Stat. 1233; Mar. 4, 1917, c. 179, 39 Stat. 1149; June 7, 1924, c. 348, § 9, 43 Stat. 655; May 29, 1928, c. 901, § 1(97), 45 Stat. 993.)

#### Historical Note

References in Text. Section 471(b) of this title, referred to in text, was repealed by section 704(a) of Pub.L. 94-579, Title VII, Oct. 21, 1976, 90 Stat. 2792. For further details, see Codification note below.

Codification. Section is a combination provision the basis for which is Act Mar. 4, 1907, which superseded previous provisions relating to the disposal of money received from sale of products or use of any land or resources of the forest reserves, contained in Act Feb. 1, 1903, c. 288, § 5, 33 Stat. 628.

Act Mar. 4, 1911 is the source of the last portion of the section beginning with the words, "and also so much as may be necessary," etc. That Act provides that as much of the former Act "which provides for refunds by the Secretary of Agriculture to depositors of moneys to secure the purchase price of timber or the use of lands or resources of the national forests such sums as may be found to be in excess of the amounts found actually due the United States, be, and is hereby, amended hereafter to appropriate and to include so much,"

The words of this section reading, "including moneys received from sale of products from or use of lands in national forests created under section 471(b) of this title" were derived from the fourth sentence of section 9 of Act of June 7, 1924, which reads as follows: "All receipts from the sale of products from or for the use of lands in such national

forests shall be covered into the Treasury as miscellaneous receipts, forest reserve fund, and shall be disposed of in like manner as the receipts from other national forests as provided by existing law." Section 471(b) of this title, referred to in text, was based on the first and fifth sentences of section 9 of the 1924 Act, and was repealed by section 704(a) of Pub.L. 94-579. Section 505 of this title is based on the second and third sentences of section 9 of the 1924 Act.

The words "and moneys received on account of permits for hunting, fishing, or camping on lands acquired under authority of sections 513 to 517 and 521 of this title," are from a provision of Act Mar. 4, 1917, which reads, "Hereafter, all moneys received on account of permits for hunting, fishing, or camping, on lands acquired under authority of said Act [Act Mar. 1, 1911, c. 186, 36 Stat. 961] or any Amendment or extension thereof, shall be disposed of as is provided by existing law for the disposition of receipts from national forests."

The words of this section reading, "except as provided in sections 500 and 501 of this title" are intended to relate this section to the apparent exceptions contained in later law.

1928 Amendment. Act May 29, 1928 deleted provision which required the Secretary of Agriculture to make an annual report to Congress of the amounts refunded under this section.

#### Cross References

Conservation programs on military reservations, inapplicability to forest lands administered pursuant to this section, see section 670e of this title.

Deposit in "Oregon and California land-grant fund" of proceeds of sale of timber added to Siskiyou National Forest, see section 487 of this title.

Payments from account for refund of moneys erroneously received and covered and authorization of appropriation of sums necessary, see section 1322 of Title 31, Money and Finance.

#### Notes of Decisions

##### 1. Scope of review

The discretion of the Secretary of Agriculture in making refunds under this section is absolute only on questions of fact; his rulings

on questions of law are reviewable in the court of claims [now Claims Court]. *Utah Power & Light Co. v. U. S.*, 1929, 67 Ct.Cl. 602.

### § 500. Payment and evaluation of receipts to State or Territory for schools and roads; moneys received; projections of revenues and estimated payments

On and after May 23, 1908, twenty-five per centum of all moneys received during any fiscal year from each national forest shall be paid, at the end of

such year, by the Secretary of the Treasury to the State or Territory in which such national forest is situated, to be expended as the State or Territorial legislature may prescribe for the benefit of the public schools and public roads of the county or counties in which such national forest is situated: *Provided*, That when any national forest is in more than one State or Territory or county the distributive share to each from the proceeds of such forest shall be proportional to its area therein. In sales of logs, ties, poles, posts, cordwood, pulpwood, and other forest products the amounts made available for schools and roads by this section shall be based upon the stumpage value of the timber. Beginning October 1, 1976, the term "moneys received" shall include all collections under the Act of June 9, 1930, and all amounts earned or allowed any purchaser of national forest timber and other forest products within such State as purchaser credits, for the construction of roads on the National Forest Transportation System within such national forests or parts thereof in connection with any Forest Service timber sales contract. The Secretary of Agriculture shall, from time to time as he goes through his process of developing the budget revenue estimates, make available to the States his current projections of revenues and payments estimated to be made under the Act of May 23, 1908, as amended, or any other special Acts making payments in lieu of taxes, for their use for local budget planning purposes.

May 23, 1908, c. 192, 35 Stat. 260; Mar. 1, 1911, c. 186, § 13, 36 Stat. 963; June 30, 1914, c. 131, 38 Stat. 441; Sept. 21, 1944, c. 412, Title II, § 212, 58 Stat. 737; Apr. 24, 1950, c. 97, § 17(b), 64 Stat. 87; Oct. 22, 1976, Pub.L. 94-588, § 16, 90 Stat. 2961.)

#### Historical Note

**References in Text.** The Act of June 9, 1930, referred to in text, is Act June 9, 1930, c. 416, 46 Stat. 527, as amended, popularly known as the Knutson-Vandenberg Act, which is classified generally to sections 576, 576a, and 576b of this title. For complete classification of this Act to the Code, see Short Title note set out under section 576 of this title and Tables volume.

The Act of May 23, 1908, referred to in text, is Act May 23, 1908, c. 192, 35 Stat. 251, as amended. A portion of that Act appearing at 35 Stat. 260 is classified to this section. For complete classification of this Act to the Code, see Tables volume.

**Codification.** "National forest" was substituted for "forest reserve" the first, third and fourth time appearing, and for "reserve" the second time appearing, and "forest" was substituted for "reserve", on authority of Act Mar. 4, 1907, c. 2407, 34 Stat. 1269, which provided that forest reserves shall hereafter be known as national forests.

Section is a combination of Acts May 23, 1908, as amended, and Mar. 1, 1911, as amended.

**1976 Amendment.** Pub.L. 94-588 added provision that beginning Oct. 1, 1976, the term "moneys received" would include all collections under the Act of June 9, 1930, and all amounts earned or allowed any purchaser of national forest timber and other forest products within such State as purchaser credits, for the construction of roads on the National Forest Transportation System within such national forests or parts thereof in connection with any Forest Service timber sales contract, and that the Secretary of Agriculture shall, from time to time as he goes through his process of developing the budget revenue estimates, make available to the States his current projections of revenues and payments estimated to be made under the Act of May 23, 1908, as amended, or any other special Acts making payments in lieu of taxes, for their use for local budget planning purposes.

**1950 Amendment.** Act Apr. 24, 1950 deleted second proviso relating to limitation paid county.

**1944 Amendment.** Act Sept. 21, 1944 added sentence relating to stumpage value of the timber.

**1914 Amendment.** Act June 30, 1914 changed the per centum to be paid to each State from five to twenty-five.

**Savings Provisions.** Provisions of Federal Land Policy and Management Act of 1976, Pub.L. 94-579, Oct. 21, 1976, 90 Stat. 2743, not to be construed as affecting the distribution of livestock grazing revenues to local governments under this section, see section 701(j) of Pub.L. 94-579, set out as a note under section 1701 of Title 43, Public Lands.

**Similar Provisions.** Provisions similar to this section were contained in the following prior appropriation Acts:

June 28, 1944, c. 296, § 1, 58 Stat. 444

July 12, 1943, c. 215, § 1, 57 Stat. 412

July 22, 1942, c. 516, § 1, 56 Stat. 680

July 1, 1941, c. 267, § 1, 55 Stat. 623

**Legislative History.** For legislative history and purpose of Act Apr. 24, 1950, see 1950 U.S. Code Cong Service, p. 2135. See, also, Pub.L. 94-588, 1976 U.S. Code Cong. and Adm. News, p. 6662.

#### Cross References

- Income received for schools and roads under this section—  
 Apportioned with respect to Olympic National Park, see section 253 of this title  
 Expenditure of funds for benefit of Pendleton and Grant Counties, West Virginia, see section 460p-2 of this title.  
 Inapplicability to national-forest lands added to or extended in public lands in northern Minnesota, see sections 577g and 577g-1 of this title.  
 Residue removal credit in pilot wood utilization projects considered as, see section 168J of this title.  
 Unaffected by establishment of North Cascades National Park, see section 903 of this title.  
 Notification by Secretary of Agriculture of intention to issue regulations, see section 580k of this title.  
 Reduction of payment for entitlement land by amounts received under this section, see section 6903 of Title 31, Money and Finance.  
 Reforestation Trust Fund, distribution of funds for use in state forestry programs, see section 1606a of this title.

#### Code of Federal Regulations

Nondiscrimination in federally-assisted programs of Department of Agriculture, see 7 CFR 15.1 et seq.

#### Notes of Decisions

- |  |  |
|--|--|
| Apportionment of funds 7               | 3, 18. U.S. v. Griffin, D.C. Va 1932, 58 F.2d 674  |
| Constitutionality 1                    |  |
| Construction                           | 2. Construction  |
| Generally 2                            | This section should be interpreted and construed, if possible, primarily from its own language. <i>Trinity Independent School Dist. v. Walker County, Tex.</i> Civ. App. 1956, 287 S.W.2d 717, ref. n.r.c. |
| With other laws 3                      |  |
| Jurisdiction of                        |  |
| District court 10                      |  |
| State court 11                         |  |
| Lands adjacent to forest 8             |  |
| Moneys received 6                      |  |
| Persons entitled to maintain action 12 |  |
| Purpose 4                              |  |
| Questions for Congress 5               |  |
| Questions of fact 14                   |  |
| Summary judgment 13                    |  |
| Taxation 9                             |  |
- I. Constitutionality**  
 This section is constitutional as being authorized by U.S.C.A. Const. Art. 1, § 8, els.

# STATE OF ALASKA

**DEPT. OF COMMUNITY & REGIONAL AFFAIRS**

**OFFICE OF THE COMMISSIONER**

WALTER J. HICKEL, GOVERNOR

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March 6, 1991

## POSITION PAPER

RE: Senate Bill 121

SPONSOR: Senator Jones

### Program Effects of Bill

Existing statute permits the distribution of National Forest Receipts to organized boroughs only. This bill would widen the distribution to include Regional Education Attendance Areas (REAA's), municipal school districts and communities within the unorganized borough, "affected by national forest timber harvest and processing activities.". Funds would be distributed 25 percent for public schools and 75 percent for public roads.

### Comments

The Department supports the concept of distributing National Forest Receipts to communities in the unorganized borough (UOB). The bill as it is currently written, appears to direct funding toward those entities that have been affected by national forest timber harvest and processing activities.

Distribution of receipts under the bill would occur according to a formula yet to be developed. Funding for public schools under this formula would consider the average daily membership of school districts affected by national forest timber harvest and processing activities, and would apply a weighting factor based upon the overall population of the community living and working on national forest land. Funds for public roads would be used to benefit communities that are affected by national forest timber harvest and processing activities.

The formula appears conceived to maximize funding to locations most affected by timber harvest activities. Because most timber harvest activities occur outside home rule and first class cities in the unorganized borough, it appears that the primary beneficiaries in the Tongass National Forest would be the Regional Education Attendance Areas. Further analysis based upon the actual terms of a formula, and upon actual numbers of people living and working in the national forest, would be needed to refine this assumption. The assumption is based on the fact that the REAA is the school district for all logging camps and second class cities dependent upon logging in the UOB. Additionally, some communities may not be engaged in timber harvest or processing but may view themselves as affected by those activities to the extent it occurs on nearby streams or watersheds. It is unclear if these communities, or if communities unaffected by logging such as Hyder, would receive funds under the bill.

The bill fails to address funding for communities in the unorganized borough of the Chugach National Forest, where there is little timber harvest on national forest lands and forest receipts are derived from other sources of forest income such as Special Use Permits and Recreation User Fees.

### Conclusion

The Department supports the concept of widening the distribution of National Forest Receipts funds to enfranchise communities in the unorganized borough. However, we have identified three areas in the bill that we believe need further analysis and possibly more work. First, the bill appears to direct funding toward REAA's in the way the formula is presented. Second, it appears that communities actually engaged in harvesting and processing would be weighted favorably, while those not engaged in these activities or adversely affected by them would not be. This needs to be clarified to clearly show who would, and who would not, receive funding. Finally, the bill does not appear to take into account the distribution of funds to communities in the unorganized borough of the Chugach National Forest.

  
Edgar Blatchford, Commissioner

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CS FOR SENATE BILL NO. 129 (CRA)  
IN THE LEGISLATURE OF THE STATE OF ALASKA  
SEVENTEENTH LEGISLATURE - FIRST SESSION

BY THE SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

Offered:

Referred:

Funding Information:	General Fund	\$4,644,000
	Other Funds	<u>-0-</u>
		\$4,644,000

Sponsor(s): SENATORS POURCHOT, Kerttula, Uehling, Duncan, Rodey, Menard, Zharoff, Pearce, Fahrenkamp, Sturgulewski

A BILL

FOR AN ACT ENTITLED

1 "An Act making supplemental appropriations to the Department of Community and  
2 Regional Affairs for day care programs; and providing for an effective date."

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

4 \* Section 1. The sum of \$3,812,200 is appropriated from the general fund to the Department of  
5 Community and Regional Affairs for the day care assistance program under AS 44.47.260.

6 \* Sec. 2. The sum of \$831,800 is appropriated from the general fund to the Department of  
7 Community and Regional Affairs for the child care grant program under AS 44.47.305.

8 \* Sec. 3. The appropriations made by this Act lapse June 30, 1991.

9 \* Sec. 4. This Act takes effect immediately under AS 01.10.070(c).

DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS

CHILD CARE GRANT PROGRAM

Estimated shortfall if rate is raised from \$25.00 per child, to \$50.00 per child.

FY91 Authorization	\$2,390,000
Expended to Date	[934,502]
Projected Expenditures	
December Billings	[50,000]
January Billings	[180,000]
February Billings	[180,000]
March Billings	[395,000]
April Billings	[395,000]
May Billings	[395,000]
June Billings	<u>[375,000]</u>

Anticipated shortfall for payments of \$50.00 per child for period of March - June	\$ [514,502]
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Projections based on following assumptions:

- \* Payment of \$50/child-months of March, April, May, and June
- \* 360 providers in November 1990, which billed a total of \$156,587
- \* In May and June, 1990, there were 361 and 338 providers, respectively, which billed \$392,604.57 and \$373,557.25, respectively. This occurred where the rate per child was raised to \$50 for these two months.
- \* Assume level of participation in program is approximately 60%. If level of participation jumps to 95%, expenditures for March, April, May and June will be approximately \$693,000 per month. This will increase the shortfall to \$1,212,000.

# ALASKA STATE LEGISLATURE

SENATE STATE AFFAIRS,  
CHAIR

ETHICS COMMITTEE,  
CHAIR



ANCHORAGE  
P.O. BOX 104836  
ANCHORAGE, AK 99510  
(W) (907) 561-7623  
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JUNEAU  
P.O. BOX V  
STATE CAPITOL  
JUNEAU, AK 99811  
(907) 465-3712

Senator Pat Pourchot

## MEMORANDUM

TO: Senator Steve Frank, Chair  
Senate Community and Regional  
Affairs Committee

DATE: February 20, 1991

FR: Senator Pat Pourchot

RE: Scheduling of SB 129 (Supplemental Appropriation for the Day  
Care Assistance Program)

From recent public hearings on the state budget, it became evident that supplemental funding for day care assistance is critically needed. Many parents testified that their ability to get off welfare was directly attributable to the assistance this program provided. Additionally, as of February 1, 910 children were still on the waiting list.

The FY 91 budget underfunded the day care assistance program by \$1.27 million and no request for supplemental funding has been forthcoming from the administration. To provide for the 910 children still on the waiting list would require an additional \$964,600. To meet this critical need, I introduced SB 129 which would provide \$2,234,600 in state funds to fully fund current recipients and children now wait-listed through the current fiscal year.

I would greatly appreciate your scheduling the bill for a hearing at your earliest convenience.

# STATE OF ALASKA

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

DIVISION OF ADMINISTRATIVE SERVICES

WALTER J. HICKEL, GOVERNOR

P.O. BOX B  
JUNEAU, ALASKA 99811-2100  
PHONE: (907) 465-4709

949 E. 36TH AVENUE, SUITE 400  
ANCHORAGE, ALASKA 99508-4302  
PHONE: (907) 563-1073

February 28, 1991

The Honorable Lyman Hoffman  
Alaska State Legislature  
P.O. Box V  
Juneau, AK 99811

FEB 28 1991

Dear Senator Hoffman:

As requested, attached is the information on Waitlist for the Day Care Assistance program and the Estimate of Expenditure of Supplemental Funds for the Child Care Grant program as funded in CSSB 129.

Sincerely,

*Remond Henderson*

Remond Henderson  
Director

Attachments

cc: Senator Arliss Sturgulewski  
1. Senator Steve Frank  
Senator Fred Zharoff  
Senator Drue Pearce

DEPARTMENT OF COMMUNITY & REGIONAL AFFAIRS  
 FY91 WAITLIST FOR DAY CARE ASSISTANCE PROGRAM

2/19/91

The following information is based on the most recent statistical reports received by the department from the Day Care Assistance Local Administrators. The Municipality of Anchorage (MOA) wait list numbers change on a daily basis, however, the number listed below is based on the last written statistical report received from the MOA which is December, 1991.

<u>Community</u>	<u>Last Billing Month</u>	<u>Number of Children on Waitlist</u>	<u>Dollars</u>
Anchorage	December	698	\$227,481.00
Aniak	January	-0-	-0-
Cordova	January	-0-	-0-
Craig	January	-0-	-0-
Delta Junction	December	-0-	-0-
Dillingham	December	1	380.00
Fairbanks	December	-0-	-0-
Fort Greely	December	-0-	-0-
Glennallen	December	-0-	-0-
Haines	December	-0-	-0-
Homer	December	10	1,833.00
Juneau	November	62	19,376.25
Kenai	December	40	6,124.00
Ketchikan	November	56	16,475.76
Kodiak	December	8	2,264.00
Kotzebue	December	23	9,876.00
Mat-Su	December	95	27,785.00
Metlakatla	December	-0-	-0-
Nenana	December	-0-	-0-
Nome	December	-0-	-0-
N.S.B.--Barrow	December	-0-	-0-
N.S.B.--Pt. Hope	November	-0-	-0-
Petersburg	November	-0-	-0-
Seward	December	28	9,988.00
Sitka	December	33	9,017.00
Skagway	September	-0-	-0-
Soldotna	December	45	11,452.05
Valdez	December	-0-	-0-
Wrangell	December	-0-	-0-
Totals		1,099	\$342,052.06

(N.S.B. = North Slope Borough)

2/19/91

DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS

CHILD CARE OPERATING GRANT PROGRAM

ESTIMATE OF EXPENDITURE OF SUPPLEMENTAL FUNDS IN CSSB 129

<u>Community</u>	* Percentage of FY90 <u>Dollar Total</u>	Dollar Amount of Supplemental <u>Request</u>
Anchorage	44.44%	228.7
Aniak	0.26%	1.3
Bethel	1.11%	5.7
Cordova	0.86%	4.4
Craig	0.59%	3.0
Delta Junct.	0.19%	1.0
Dillingham	0.49%	2.5
Fairbanks	18.71%	96.3
Glennallen	0.22%	1.1
Haines	0.14%	0.7
Healy	0.27%	1.4
Homer	0.80%	4.1
Juneau	8.35%	43.0
Kenai	0.77%	4.0
Ketchikan	2.52%	13.0
Kodiak	3.28%	16.9
Kotzebue	1.26%	6.5
Mat-Su	4.91%	25.3
Metlakatla	0.38%	2.0
Nenana	0.09%	0.5
Nome	0.61%	3.1
No. Kenai	0.53%	2.7
No. Slope	1.46%	7.5
Petersburg	0.85%	4.4
Seward	1.03%	5.3
Sitka	2.68%	13.8
Skagway	0.15%	0.8
Soldotna	1.94%	10.0
Valdez	0.67%	3.4
Wrangell	0.44%	2.3
<b>Total</b>	<b>100%</b>	<b>514.5</b>

\* Percentages were arrived at by looking at the amount expended by each community in FY 90. The percentage of the amount expended by each community in FY 90 was applied to the amount which will be available if CSSB 129 passes and these supplemental funds are available.

DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS  
RURAL DEVELOPMENT DIVISION

CHILD CARE PROGRAMS

The Child Care programs work to promote high quality early childhood programs for Alaskan children and their families. Reliable and affordable child care is a vital underpinning of each community's labor force. The Day Care programs have been designed to ensure the "seamless net" of services is available to the parents assisted. Parents eligible under Family Support Act programs may or may not be currently assisted under the Day Care programs. However, parents are transferred to the federally funded programs whenever possible.

THE CHILD CARE PROGRAMS

The Day Care Assistance Program subsidizes from 25% up to 100% of the costs of licensed child care for parents with low and moderate incomes who are working, in training, or seeking work. This program began in 1976 and is now available in 32 communities which have licensed child care centers and homes. Parents select the child care arrangement and payments are made on their behalf to licensed homes and centers. This is a fully state-funded program.

Family Support Act Programs:

1. The Transitional Child Care Program was implemented April 1, 1990. This program is available statewide to former AFDC parents who have worked off AFDC due to income. They are guaranteed a maximum of one year of child care. Parents may choose to place the child in licensed care or in self-certified care, which means a friend or relative may be paid for providing the necessary child care. Funding for this program is 50% state funded and 50% federal funded.
2. The JOBS Child Care Program was implemented October 1, 1990. This program is available statewide to current AFDC parents who are participating in an approved training program. Parents may choose licensed or self-certified care under this program also. Benefits do not have time restrictions. Funding for this program is 50% federal and 50% general fund.
3. The Child Care Resource and Referral Services Program is designed to create a system of community-based child care resource and referral agencies to facilitate consumer access to an adequate supply of appropriate, high quality child care. Resource and referral services in Alaska's three major cities will be concentrated in one central office while also providing education and training services for

eligible participants region-wide. Core resource and referral services include a full array of services to parents; a data base of child care supply and parent demand; and a wide range of services to child care providers, employers, and communities. The intent is to provide "one-stop shopping" for service to all parties and to develop a statewide data base on child care supply/demand.

4. The Child Care Grant Program promotes quality child care in licensed homes and centers by partially funding operating expenses such as staff wages and benefits, food, developmentally appropriate toys for children in care, and staff training. Currently, 187 centers and 209 homes participate statewide and receive \$25 per child, per month for all children attending (including non-subsidized as well as subsidized attendance.)

#### HEAD START PROGRAMS

The State Share Head Start Program funds ten agencies which also receive federal Head Start money. These agencies operate programs in 66 communities in urban and rural Alaska. It is a comprehensive early childhood program for children and families that meet federal poverty guidelines. Head Start performance standards mandate quality in components for education, parent involvement, special needs, health, nutrition, mental health, social services and training. An additional \$3.5 million for Head Start was received for FY 91. A Task Force was appointed by the Commissioner to recommend criteria and standards for the new State programs. \$1 million was let through a competitive RFP process to expand program, improve core capability and program improvements. Five new communities and approximately 200 additional children have been added. \$2.2 million remains in the capital budget with \$.3 million in the administrative budget for monitoring, program regulations, staffing and a dental grant.

The Kawerak Early Childhood Program is modeled after the Head Start Program and is available in four small communities in the Norton Sound Area.

DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS  
CHILD CARE APPROPRIATION SUMMARY

	<u>Authorized FY91</u>			<u>FED</u>	<u>FY92 Request</u>		
	<u>G/F or G/F Match</u>	<u>I/A</u>	<u>Total</u>		<u>G/F or G/F Match</u>	<u>I/A</u>	<u>Total</u>
<u>FSA Child Care</u>							
JOBS	1099.3	1099.3	2198.6	-0-	1532.4	1532.4	3064.8
Transitional Child Care	463.4	463.4	926.8	-0-	484.4	484.4	968.8
Restricted Excess Authority	-0-	500.0	500.0	-0-	-0-	45.9	45.9
TOTAL	<u>1562.7</u>	<u>2062.7</u>	<u>3625.4</u>	<u>-0-</u>	<u>2016.8</u>	<u>2062.7</u>	<u>4079.5</u>
<u>FSA Child Care Management</u>							
Administration	449.5	492.9	992.4	-0-	167.7	161.1	328.8
Resource & Referral Grants	-0-	-0-	-0-	-0-	170.0	170.0	340.0
TOTAL	<u>-0-</u>	<u>-0-</u>	<u>992.4</u>	<u>-0-</u>	<u>337.7</u>	<u>331.1</u>	<u>668.8</u>
<u>Child Care</u>							
Administration	557.7	-0-	557.7	-0-	530.5	-0-	530.5
Grants:							
Day Care Assistance-Grants	9376.8	-0-	9376.8	-0-	9376.8	-0-	9376.8
Day Care Assistance-Local Administrators	1041.9	-0-	1041.9	-0-	1041.9	-0-	1041.9
Education & Training Grants	200.0	-0-	200.0	-0-	200.0	-0-	200.0
Child Care Grants	2390.0	-0-	2390.0	-0-	1912.0	-0-	1912.0
Kawerek Early Childhood	197.4	-0-	197.4	-0-	-0-	-0-	-0-
Dependent Care Grant	-0-	-0-	-0-	50.0	-0-	-0-	50.0
TOTAL	<u>13763.8</u>	<u>-0-</u>	<u>13763.8</u>	<u>50.0</u>	<u>13061.2</u>	<u>-0-</u>	<u>13111.2</u>
<u>Head Start (Operating Budget)</u>							
Administration	58.2	-0-	58.2	-0-	246.0	-0-	246.0
Grants:							
Kawerek Early Childhood	-0-	-0-	-0-	-0-	197.4	-0-	197.4
Head Start Grantees	4964.8	-0-	4964.8	-0-	4964.8	-0-	4964.8
TOTAL	<u>5023.0</u>	<u>-0-</u>	<u>5023.0</u>	<u>-0-</u>	<u>5408.2</u>	<u>-0-</u>	<u>5408.2</u>
<u>Head Start</u>							
State Capital Budget	2500.0	-0-	2500.0	-0-	2200.0	-0-	2200.0
In-kind	N/A	N/A	1590.0	-0-	N/A	N/A	1600.0
Federal (Direct)	N/A	N/A	5031.2	-0-	N/A	N/A	6031.2

1) FY90 Contracts —

1 mil obligated will lapse FY91

2) 200K Child Care Grant  
FY91

926

2

DAY CARE ASSISTANCE PROGRAM  
STATUS SHEET  
FY 91

FY 91 CURRENT SHORTFALL

Subsidy Shortage	\$2,098.5
Local Admin (10%)	\$ 209.8
Total Shortfall	<u>\$2,308.3</u>

Projections based on all billings received as of 2/15/91 (\$1,702.7-Anchorage).

FY 91 WAIT LIST NEEDS

<u># children</u>	<u>Cost per child</u>	<u>Total per month</u>
1,099	\$311	\$341.8
Mar-June projection	\$1,367.2	
Local Admin (10%)	136.7	
Total Waitlist Need	<u>\$1,503.9</u>	

(based on statewide average cost per child of \$311 and 1,099 children currently reported statewide, 698 in Anchorage)

TOTAL FY 91 NEED

Current families	\$2,308.3
Wait List	1,503.9
Total*	<u>\$3,812.2</u>

FY92 STATUS SHEET

FY 92 MAINTENANCE

Shortage	\$3,812.2
Annualized Wait List	3,007.8
Increment for Maintenance*	<u>\$6,820.0</u>

FY 92 ESTIMATED GROWTH

We estimate a 33% growth in the coming years (1,099 children on current wait list/3300 children served monthly=33%).

TOTAL FY 92 NEED

FY 91 Base	\$10,418.0
Maintenance	6,820.0
Growth(33%)	4,812.0
New Site (Adak)	250.0
Total Need*	<u>\$22,300.0</u>

\* Total figures include applicable Local Administration (10%)

ESTIMATED SHORT FALL

FY91 DCAP

<u>Provider</u>	<u>Short Fall</u>	<u>Children</u>
Anchorage	\$1,702.8	1414
Bethel	52.6	35
Dillingham	6.1	16
Ft. Greely	3.6	21
Glennallen	1.8	2
Haines	2.4	10
Homer	12.6	34
Juneau	87.5	163
Kenai	28.1	31
Ketchikan	109.8	104
Kodiak	11.4	45
Mat-Su	213.6	154
Seward	18.9	14
Soldotna	50.6	53
Valdez	6.5	16
SUBTOTAL	\$2,308.3	2132
Other communities with no shortfalls	0	<u>1174</u>
TOTAL	2308.3	3306

FACTORS CREATING SHORTEFALL

FY 90 grant funds exceeded FY 91 grant funds due to carryover funds reappropriated in FY 90. As a result children were taken off of wait lists in the latter part of FY 90 with the additional funds. No additional funds were appropriated in FY 91 to sustain the same level.

Day Care Assistance (provider) rates increased an average of 10 to 15% statewide in FY 91 (20% in some areas) due to market rate survey.

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Anchorage DCAP Expenditures FY91

<u>Month</u>	<u>Total Billed</u>
July	540,809.37
August	577,098.11
September	545,702.04
October	569,475.91
November	521,107.31
TOTAL	2,754,192.74
Avg per month	550,838.55
Avg per year	6,610,062.60
Less Allocation	-4,907,279.00
	1,702,783.60

<u>PROVIDER</u>	<u>FY99 CONTRACT</u>	<u>FY90 CONTRACT</u>	<u>FY91 CONTRACT</u>
Anchorage	4,608,894.00	5,407,625.00	4,907,279.00
Aniak	29,906.00	32,266.00	25,063.00
Bethel	136,598.00	134,956.00	110,209.00
Cordova	95,124.00	80,629.00	61,618.00
Craig	67,572.00	74,600.00	74,400.00
Delta Junction	15,001.00	32,215.00	22,075.00
Dillingham	25,086.00	48,241.00	44,637.00
Fairbanks	2,031,098.00	2,315,995.00	2,324,488.00
Ft. Greely	26,434.00	26,303.00	17,237.00
Galena	5,669.00	No Program	No Program
Glennallen	15,215.00	19,631.00	8,282.00
Haines	34,690.00	39,540.00	20,481.00
Healy	6,026.00	7,505.00	2,350.00
Homer	73,244.00	82,114.00	99,055.00
Juneau	590,078.00	673,636.00	645,730.00
Kenai	184,245.00	166,571.00	82,648.00
Ketchikan	363,642.00	333,885.00	366,963.00
Kodiak	239,330.00	221,157.00	187,543.00
Kotzebue	122,046.00	112,407.00	107,994.00
Mat-Su	670,123.60	541,073.80	447,303.00
Metlakatla	72,491.00	97,998.00	97,329.00
Nenana	0	9,059.80	5,599.00
Nome	76,491.00	64,399.00	59,974.00
North Slope	26,760.00	12,635.00	24,050.00
Petersburg	71,414.00	63,979.00	52,404.00
Seward	71,460.00	70,631.00	66,590.00
Sitka	211,401.00	267,314.00	210,353.00
Skagway	7,941.00	12,137.00	11,404.00
Soldotna	138,356.00	203,712.00	203,785.00
Valdez	70,802.00	69,131.00	59,048.00
Wrangell	46,281.00	62,676.00	49,116.00
TOTAL	10,133,186.60	* 11,284,020.80 **	10,395,012.00

\* - FY90 -

Total amt still encumbered but not spent = 51,011,797.39  
 Funds are in collo codes: 90-21232120 - 9980,083.73  
 90-21212120 - 828,062.50  
 90-21212302 - 53,651.16

\*\* - FY91 - Total amt under contract = 99,448,486.00  
 Total amt still unobligated = 833,698.00

FY 90 TRANSITIONAL CHILD CARE BENEFITS - APRIL THRU JUNE, 1990

Community	April Children	April \$ Amount	May Children	May \$ Amount	June Children	June \$ Amount
Anchorage	-0-	\$ -0-	-0-	\$ -0-	-0-	\$ -0-
Bethel	-0-	\$ -0-	-0-	\$ -0-	1	\$ 561.65
Fairbanks	-0-	\$ -0-	6	\$1,033.21	12	\$3,529.52
Juneau	-0-	\$ -0-	1	\$ 171.00	2	\$ 496.85
Ketchikan	-0-	\$ -0-	-0-	\$ -0-	2	\$ 720.50
Kodiak	-0-	\$ -0-	-0-	\$ -0-	-0-	\$ -0-
Kotzebue	-0-	\$ -0-	-0-	\$ -0-	-0-	\$ -0-
Mat-Su	-0-	\$ -0-	-0-	\$ -0-	-0-	\$ -0-
Nome	-0-	\$ -0-	1	\$ 418.00	1	\$ 418.00
Petersburg	-0-	\$ -0-	-0-	\$ -0-	-0-	\$ -0-
Sitka	-0-	\$ -0-	-0-	\$ -0-	-0-	\$ -0-
Soldotna	-0-	\$ -0-	-0-	\$ -0-	-0-	\$ -0-
Wrangell	-0-	\$ -0-	-0-	\$ -0-	-0-	\$ -0-
TOTALS	-0-	\$ -0-	8	\$1,622.21	18	\$5,726.52

JOBS Child Care Program  
FY 91 Expenditure Report

	* Grant Amount (Oct-Jun)	# Families (Oct-Dec Report)	# Children (Oct-Dec Report)
DHSS Public Assistance Division	\$1,431,455.00	134	169
Assoc. Village Council Presidents	76,380.00	0	0
Bristol Bay Native Association	8,456.00	0	0
Central Council Tlinglit & Haida	52,979.00	0	0
Cook Inlet Tribal Council	118,953.00	4	6
Copper River Native Association	0.00	0	0
Kodiak Area Native Association (in progress)	0.00	0	0
Kawerak Incorporated	24,125.00	0	0
Maniilaq Manpower	0.00	0	0
Metlakatla Indian Community	2,692.00	0	0
North Pacific Rim	0.00	0	0
Tanana Chiefs Conference, Inc.	69,787.00	0	0
Unobligated Funds	<u>413,973.00</u>	<u>      </u>	<u>      </u>
<b>TOTAL</b>	<b>\$2,198,800.00</b>	<b>138</b>	<b>175</b>

\* Grant Agreements are from October 1990 to June 1991.

SENATE COMMITTEE REPORT  
FIRST COMMITTEE OF REFERRAL

DATE: 2/19/91

FURTHER: Finance

Date of 5-Day Notice: \_\_\_\_\_  
(in accordance with Uniform Rule 23)

DATE TURNED  
INTO OFFICE: \_\_\_\_\_

C&RA Committee considered SB 129

Supplemental appropriation to the Dept. of Community and Regional Affairs for the day care assistance program; efd.

and recommended:

replace with \_\_\_\_\_ CS SB 129 (CRA)  same title  
 attached amendment(s)  new title  
 \_\_\_\_\_ letter of intent adopted

do pass

do not pass

no recommendation

individual recommendations

further referral to \_\_\_\_\_

ATTACHES NEW FISCAL NOTE(S):

Department(s)/Date:

Department(s)/Date:

fiscal note(s) \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

zero fiscal note(s) \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

appropriation-no fiscal note

Governor's bill w/fiscal note

SIGNING DO PASS:

Julie Stangor  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

OTHER RECOMMENDATIONS:

Spice House No Rec.  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Michael D. Pass  
Chair: Signature and Recommendation

# Alaska State Legislature

3111 C Street, Suite 150  
Anchorage, Alaska 99503  
(907) 561 2038



*During Session:*  
P.O. Box V  
Juneau, Alaska 99811  
(907) 465-4993

**Senator Drue Pearce**  
District G

## MEMORANDUM

TO: Rick Solie  
FROM: Meg Simonian  
DATE: February 25, 1991  
RE: CS for Day Care Grants

The number to fully fund the Day Care Grant Program at \$50 per child will be \$8,318,304. This is to correct the problem of only providing \$25 per child, which currently exists.

**DAY CARE ASSISTANCE PROGRAM  
STATUS SHEET  
FY 91**

*5352  
REVISED*

**FY 91 CURRENT SHORTFALL**

Subsidy Shortage	\$2,098.5
Local Admin (10%)	\$ 209.8
<b>Total Shortfall</b>	<b>\$2,308.3</b>

Projections based on all billings received as of 2/15/91 (\$1,702.7-Anchorage).

**FY 91 WAIT LIST NEEDS**

<u># children</u>	<u>Cost</u>	<u>Total</u>
1,099	<u>per child</u>	<u>per month</u>
	\$311	\$341.8

Mar-June projection	\$1,367.2
Local Admin (10%)	136.7
<b>Total Waitlist Need</b>	<b>\$1,503.9</b>

(based on statewide average cost per child of \$311 and 1,099 children currently reported statewide, 698 in Anchorage)

*figures were based on 1990 - 1991*

**TOTAL FY 91 NEED**

Current families	\$2,308.3
Wait List	1,503.9
<b>Total*</b>	<b>\$3,812.2</b>

*actual billings that have been received*

*billings for 550 thru a month*

**STATUS SHEET  
FY92**

**FY 92 MAINTENANCE**

Shortage	\$3,812.2
Annualized Wait List	3,007.8
<b>Increment for Maintenance*</b>	<b>\$6,820.0</b>

**FY 92 ESTIMATED GROWTH**

We estimate a 33% growth in the coming years (1,099 children on current wait list/3300 children served monthly=33%).

**TOTAL FY 92 NEED**

FY 91 Base	\$10,418.0
Maintenance	6,820.0
Growth(33%)	4,812.0
New Site (Adak)	250.0
<b>Total Need*</b>	<b>\$22,300.0</b>

\* Total figures include applicable Local Administration (10%)

Item Subject: DCAP shortfall figures

OLD

DAY CARE ASSISTANCE PROGRAM  
FY 92 BUDGET PROJECTIONS

FY 91 CURRENT SHORTFALL

Shortage \$1,270.0

Projections based on all billings received as of 1/23/91 (\$970.0-Anchorage, conservatively):

FY 91 WAIT LIST NEEDS

<u># children</u>	<u>Cost per child</u>	<u>Total per month</u>	<u>Mar-June projection</u>
910	\$265	\$241.2	\$964.6

(based on statewide average cost per child of \$265 and 910 children currently reported statewide, 650 in Anchorage)

<u>TOTAL FY 91 NEED</u>	
Current families	\$1,270.0
Wait List	964.6
<b>Total</b>	<b>\$2,234.6</b>

SENATOR  
POUR CHAT'S  
Bill

FY 92 MAINTENANCE

Shortage	\$2,234.6
Annualized Wait List	1,929.2
<b>Increment for Maintenance</b>	<b>\$4,163.8</b>

FY 92 ESTIMATED GROWTH

We estimate a 28% growth in the coming years (910 children on current wait list/3300 children served monthly=28%).

TOTAL FY 92 NEED

FY 91 Base	\$10,418.0
Maintenance	4,163.8
New Site (Adak)	250.0
Growth(28%)	4,082.9
<b>Total Need</b>	<b>\$18,914.7</b>

**CS FOR SENATE BILL NO. 129 (CRA)**  
**IN THE LEGISLATURE OF THE STATE OF ALASKA**  
**SEVENTEENTH LEGISLATURE - FIRST SESSION**

**BY THE SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE**

**Offered:**

**Referred:**

<b>Funding Information:</b>	<b>General Fund</b>	<b>\$4,644,000</b>
	<b>Other Funds</b>	<b><u>-0-</u></b>
		<b>\$4,644,000</b>

**Sponsor(s): SENATORS POURCHOT, Kerttula, Uehling, Duncan, Rodey, Menard, Zharoff, Pearce, Fahrenkamp, Sturgulewski**

**A BILL**

**FOR AN ACT ENTITLED**

**1 "An Act making supplemental appropriations to the Department of Community and  
2 Regional Affairs for day care programs; and providing for an effective date."**

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

**4 \* Section 1.** The sum of \$3,812,200 is appropriated from the general fund to the Department of  
**5 Community and Regional Affairs for the day care assistance program under AS 44.47.260.**

**6 \* Sec. 2.** The sum of \$831,800 is appropriated from the general fund to the Department of  
**7 Community and Regional Affairs for the child care grant program under AS 44.47.305.**

**8 \* Sec. 3.** The appropriations made by this Act lapse June 30, 1991.

**9 \* Sec. 4.** This Act takes effect immediately under AS 01.10.070(c).



Alaska State Legislature  
Senate

Office of the Secretary

OFFICIAL BUSINESS

PO BOX V  
CAPITOL BUILDING  
JUNEAU, ALASKA 99811

FOR YOUR IMMEDIATE ATTENTION

TO SENATE COMMITTEE: C&RA

*Sen. Frank*

FROM: Office of the Senate Secretary

DATE: March 6, 1991

A Sponsor Substitute has been introduced on the following bill/resolution that is pending in your Committee.

SENATE BILL NO. 152

Temporary grant program for certain individuals who served in active duty in the Persian Gulf...; efd.

*ref. to Finance*

Please pull this bill/blue back from your files and give to the page delivering this message. The bill/resolution will be returned to you with the Sponsor Substitute. Thank you.

*Dia Storer*  
SIGNATURE OF PERSON RECEIVING THIS MESSAGE

JR/s

SB

1411

STATE OF ALASKA  
THE LEGISLATURE

LEGISLATIVE AFFAIRS AGENCY  
LEGISLATIVE REFERENCE LIBRARY

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

Copies of minutes listed below were originally included in this file. The minutes are available on the STAIRS database CMPR. In order to save space copies of minutes have not been left in the files.

Mary Van Nimwegen

SB 141

Senate CERA

3/14/91

# STATE OF ALASKA

OFFICE OF THE GOVERNOR  
OFFICE OF MANAGEMENT AND BUDGET  
OFFICE OF THE DIRECTOR

WALTER J. HICKEL, GOVERNOR

P.O. BOX AM  
JUNEAU, ALASKA 99811-0100  
PHONE: (907)-465-3658  
FAX: (907)-465-2090

March 7, 1991

Senator Steve Frank  
Chairman, Community and Regional Affairs Committee  
Alaska State Legislature  
P.O. Box V (MS 3100)  
Juneau, Alaska 99811

MAR 08 1991

Dear Senator Frank:

Re: Request for Hearing on Senate Bill 141 and Senate Bill 142  
(Capital Project Matching Grant Program)

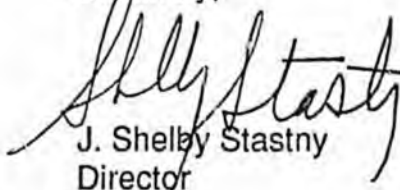
The Office of the Governor respectfully requests that a hearing be scheduled in the near future before the Senate Community and Regional Affairs Committee on Senate Bill No. 141 and Senate Bill No. 142, regarding Governor Hickel's proposed capital project matching grant program for municipalities and unincorporated communities.

These bills, comprising the enabling legislation for the proposed grant program and the accompanying set of proposed grant appropriations, represent major priorities for Governor Hickel and constitute an integral part of his proposed FY 1991 supplemental capital budget package. In view of this, and in view of the importance of the subject matter, we would greatly appreciate an opportunity for discussion of them as soon as possible within the scheduling constraints of the Committee.

Attached for your reference are copies of SB 141 and SB 142, as well as a sectional analysis of SB 141 and a detailed table showing the development of the appropriation amounts contained in SB 142 (as proposed for amendment in my letter to you of March 4, 1991).

Thank you for your assistance in this matter. Should you have any questions, or need any additional information, please contact me at 465-3568.

Sincerely,



J. Shelby Stastny  
Director

Attachments: (4)

Capital Project Matching Grant Program  
Enabling Legislation  
Office of the Governor

**SECTIONAL ANALYSIS**

**I. SECTION ONE**

Section 1 of the bill establishes the capital project matching grant program for municipalities, establishes a fund for the receipt and tracking of grant awards, describes how appropriations to the program will be allocated among grantees, and sets out the formula for determining grantees' local matching shares.

"Municipality" is defined in the bill to include all political subdivisions incorporated under the laws of Alaska that are home rule or general law cities, home rule or general law boroughs, or unified municipalities, per AS 29.71.800(13).

Under the approach taken in the legislation, incorporated boroughs are the instrumentalities for receiving and administering grants for projects affecting unincorporated communities that lie within borough boundaries.

Subsection (a)

This section establishes the grant program for municipalities, as well as a fund for holding and administering grants to municipalities, within the Department of Administration.

The section stipulates that the amount annually appropriated to the municipal fund will be allocated to municipal grantees pro rata on the basis of their population, and credited to individual accounts for them within the fund. Annual grant awards will accumulate, subject to the limitations in subsection (i).

The section also establishes the requirement that each time a grantee wishes to draw funds against its allocation, for a project or projects which it has identified, it must make a matching contribution per the formula set out in subsection (d).

Subsection (b)

This subsection stipulates that all money appropriated to the municipal fund remains in the fund until drawn by grantees, and that the fund's interest earnings are to be credited to the general fund.

Subsection (c)

This subsection essentially stipulates that grantees will be responsible for providing for the maintenance and operating costs of the projects or facilities financed by grants under this program, unless the State already has the responsibility and the cost of such will not rise substantially due to the effects of the grant project. This is the same requirement used in the State's current revenue sharing program.

Subsection (d)

The formula set out in this section calculates the local share, in dollars, required to match each draw that the municipal grantee makes on its grant balance. The general effect of the formula is that the larger a municipal grantee is in terms of its population, and the wealthier it is in terms of its per capita real and personal property valuation, the larger is its required local share for any draw of its grant funds; and vice versa.

The basic relationship reflected in the formula is that for each project, portion of a project, or group of projects - - i.e., for each use to which grant awards are put by a municipality - - the municipality should put up a share, and the State should put up a share. In practice, the State's share would be the amount of any particular draw by a grantee against its outstanding grant balance, and the grantee's share for that draw would be the local share defined in this subsection.

The ratio of the local share to the State share, for any given draw, is defined in this subsection as the grantee's local share factor. That is:

$$\text{Local Share Factor} = \frac{\text{Local Share (as a \%)}}{\text{State Share (as a \% )}}$$

The local share factor multiplied by the dollar amount of the given draw therefore equals the dollar amount due from the grantee as the local share for that draw, as shown below:

$$\text{Since: } \frac{\text{Local Share (in \$)}}{\text{State Share (in \$)}^*} = \frac{\text{Local Share (as a \%)}}{\text{State Share (as a \% )}}$$

$$\text{Then: } \text{Local Share (in \$)} = \frac{\text{Local Share (as a \%)}}{\text{State Share (as a \% )}} \times \text{State Share (in \$)}^*$$

\* State Share (in \$) = Draw Amount

Since the State share in dollars is known (the draw amount), and since, the local share and the State share must, when expressed as percentages, add up to 1, the major part of the local share formula is involved with determining the grantee's local share expressed as a percentage of the total proposed outlay - - i.e., with determining the grantee's local share percentage.

Calculation of the local share percentage is straightforward: it equals the product of the municipal grantee's population factor and its local wealth factor. Population factors for municipalities are designated in this subsection, according to municipal population sizes. The local wealth factor for a grantee is simply the grantee's per capita real and personal property valuation divided by the statewide average for all municipalities - - i.e., the grantee's per capita wealth relative to that of other municipalities, where the statewide average local wealth factor is 1.0.

The constraints on the local share factor contained in (d)(1)(B) and (d)(1)(C) ensure that the effective local share percentage for any grantee will not exceed 50 percent or be lower than 10 percent, per the limitations provided under subsection (f).

Subsection (d) also stipulates that if the grantee is an organized borough, the population and valuation data used in its local share formula calculation are to be net of the population and valuation components attributable to any incorporated municipality located within the borough. This reflects the approach taken in the design of this program that incorporated boroughs would be the instrumentalities responsible for receiving and administering grants for projects affecting unincorporated communities which are located within organized boroughs.

#### Subsection (e)

This subsection effectively stipulates that the minimum grant to a municipality under this program will be \$25 thousand per year, subject to the actual level of appropriation for the municipal program.

#### Subsection (f)

This subsection effectively limits the amount of the local share, by stipulating that the grantee's local share percentage as defined under subsection (d) can not exceed 50 percent, and can not be less than 10 percent.

#### Subsection (g)

This subsection stipulates that a grantee can use almost any source of money for its local share (with precise in-kind contributions effectively to be defined in regulations), except money from State sources.

Subsection (h)

This subsection stipulates that the population data and local valuation data used for municipal grantees shall be the same as that compiled and developed by the Department of Community and Regional Affairs for the State revenue sharing program.

Subsection (i)

This subsection stipulates that if a grantee makes no draws against a particular annual grant appropriation or allocation for five years, the money lapses into the general fund. It also stipulates that, once a draw has been made, progress on the project or projects for which the draw was made must be begun within five years of the draw, or else the drawn money must be returned to the grantee's account in the municipal grant fund, where it will remain available for later use by the grantee.

Subsection (j)

This subsection requires grantees and their contractors to adhere to the established hiring preferences and requirements for economically distressed or disadvantaged individuals, zones and geographic areas set out by the Department of Labor under AS 36.10.

Subsection (k)

This subsection contains several definitions essential for interpreting the provisions of Section 1 of the bill.

## SECTION TWO

This section of the bill effectively repeals the existing prohibition against the promulgation of regulations and guidelines for existing grant programs for municipalities, unincorporated communities and named recipients, and explicitly allows the promulgation of regulations and guidelines for those programs as well as for the municipal grant program established under this bill.

## SECTION THREE

Section 3 of the bill establishes the capital project matching grant program for unincorporated communities, establishes a fund for the receipt and tracking of grant awards, describes how appropriations to the program will be allocated among grantees, and sets out a fixed percentage for determining grantees' local matching shares.

"Unincorporated Community" is defined in the bill as any place in the unorganized borough that is not incorporated as a city and in which 25 or more persons reside as a social unit, per AS 29.60.140(b). This is the definition used in the Department of Community and Regional Affairs' state revenue sharing program.

Subsection (a)

This section establishes the grant program for unincorporated communities located in the unorganized borough, as well as a fund for holding and administering grants to those communities, within the Department of Community and Regional Affairs.

The section stipulates that the amount annually appropriated to the unincorporated community fund will be allocated to grantees pro rata on the basis of the number of unincorporated communities participating in the program, and credited to individual accounts for them within the fund. Annual grant awards will accumulate, subject to the limitations in subsections (d) and (h).

The section also establishes the requirement that each time a grantee wishes to draw funds against its allocation, for a project or projects which it has identified, it must make a matching contribution per the stipulation set out in subsection (f).

Subsection (b)

This subsection stipulates that all money appropriated to the unincorporated community fund remains in the fund until drawn by grantees, and that the fund's interest earnings are to be credited to the general fund.

Subsection (c)

This subsection essentially stipulates that grantees will be responsible for providing for the maintenance and operating costs of the projects or facilities financed by grants under this program, unless the State already has the responsibility and the cost of such will not rise substantially due to the effects of the grant project. This is the same requirement used in the State's current revenue sharing program.

Subsection (d)

This subsection essentially sets out the procedures which the Department of Community and Regional Affairs must use in identifying potential grant recipients for unincorporated communities. The procedures and limitations entailed are those currently required in the State revenue sharing program.

Subsection (e)

This subsection effectively stipulates that the minimum grant to an unincorporated community under this program will be \$15 thousand per year, subject to the actual level of appropriation for the municipal program.

Subsection (f)

This subsection stipulates that the required local share for unincorporated communities under this program is 10 percent of the sum of the local share and the draw taken.

Subsection (g)

This subsection stipulates that a grantee can use almost any source of money for its local share (with precise in-kind contributions effectively to be defined in regulations), except money from State sources.

Subsection (h)

This subsection stipulates that if a grantee makes no draws against a particular annual grant appropriation or allocation for five years, the money lapses into the general fund. It also stipulates that, once a draw has been made, progress on the project or projects for which the draw was made must be begun within five years of the draw, or else the drawn money must be returned to the grantee's account in the unincorporated community grant fund, where it will remain available for later use by the grantee.

Subsection (i)

This subsection requires grantees and their contractors to adhere to the established hiring preferences and requirements for economically distressed or disadvantaged individuals, zones and geographic areas set out by the Department of Labor under AS 36.10.

Subsection (j)

This subsection allows the promulgation of regulations and guidelines for unincorporated community matching grant program established under this bill.

Subsection (k)

This subsection stipulates that the program cost ceiling set in AS 44.47.140 does not apply to the unincorporated community matching grant program established under this bill.

Subsection (l)

This subsection contains several definitions essential for interpreting the provisions of Section 1 of the bill.

## SECTION FOUR

This section of the bill sets the effective date for the capital projects matching grant program as the start of FY 1992.

## FY 1991 SUPPLEMENTAL CAPITAL BUDGET

## COMMUNITY MATCHING GRANT ALLOCATIONS

## A. MUNICIPALITIES

The sum of \$58,830,000 is allocated below for FY 1991 supplemental capital projects and capital improvements for municipalities pursuant to AS 37.05.319 (proposed), to be allocated as follows:

	<u>State Share</u>	<u>Local Share</u>	<u>Local Match %</u>
Akhiok	\$ 25,000	\$ 2,778	10.00%
Akiak	28,776	3,197	10.00%
Akutan	47,996	5,333	10.00%
Alakanuk	62,773	6,975	10.00%
Aleknagik	25,000	2,778	10.00%
Aleutians East Borough	25,000	2,778	10.00%
Allakaket	25,000	2,778	10.00%
Ambler	34,331	3,815	10.00%
Anaktuvuk Pass	28,220	3,136	10.00%
Anchorage, Municipality of	24,770,319	24,770,319	50.00%
Anderson	70,550	7,839	10.00%
Angoon	76,105	8,456	10.00%
Aniak	61,995	6,888	10.00%
Anvik	25,000	2,778	10.00%
Atka	25,000	2,778	10.00%
Atkasuk	24,998	2,778	10.00%
Barrow	375,416	41,713	10.00%
Bethel	487,740	103,659	17.50%
Bettles	25,000	2,778	10.00%
Brevig Mission	25,000	2,778	10.00%
Bristol Bay Borough	161,210	84,416	34.40%
Buckland	33,553	3,728	10.00%
Chefomak	33,220	3,691	10.00%
Chevak	65,995	7,333	10.00%
Chignik	25,000	2,778	10.00%
Chuathbaluk	25,000	2,778	10.00%
Clark's point	25,000	2,778	10.00%
Coffman cove	25,000	2,778	10.00%
Cold bay	25,000	2,778	10.00%
Cordova	290,978	72,094	19.90%
Craig	136,767	21,897	13.80%
Deering	25,000	2,778	10.00%

	<u>State Share</u>	<u>Local Share</u>	<u>Local Match %</u>
Delta Junction	131,657	14,629	10.00%
Dillingham	247,981	71,861	22.50%
Diomedea	25,000	2,778	10.00%
Eagle	25,000	2,778	10.00%
Eek	30,998	3,444	10.00%
Ekwok	25,000	2,778	10.00%
Elim	32,664	3,029	10.00%
Emmonak	74,994	8,333	10.00%
Fairbanks	3,138,759	3,138,759	50.00%
Fairbanks North Star Borough	4,721,859	4,721,859	50.00%
Fort Yukon	71,328	7,925	10.00%
Galena	103,103	11,456	10.00%
Gambell	57,773	6,419	10.00%
Golovin	25,000	2,778	10.00%
Goodnews Bay	25,554	2,839	10.00%
Grayling	25,331	2,815	10.00%
Haines	128,879	29,430	18.60%
Haines Borough	187,208	28,646	13.30%
Holy Cross	30,664	3,407	10.00%
Homer	481,963	120,911	20.10%
Hoonah	99,326	11,036	10.00%
Hooper Bay	89,660	9,962	10.00%
Houston	81,994	9,110	10.00%
Hughes	25,000	2,778	10.00%
Huslia	24,998	2,778	10.00%
Hydaburg	50,774	5,642	10.00%
Juneau, City and Borough of	3,327,078	3,327,078	50.00%
Kachemak	46,441	5,160	10.00%
Kake	75,328	8,370	10.00%
Kaktovik	24,887	2,765	10.00%
Kaltag	29,775	3,308	10.00%
Kasaan	25,000	2,778	10.00%
Kenai	726,944	535,575	42.40%
Kenai Peninsula Borough	2,431,591	2,431,591	50.00%
Ketchikan	858,823	858,823	50.00%
Ketchikan Gateway Borough	510,183	260,809	33.80%
Kiana	45,996	5,111	10.00%
King Cove	87,771	9,752	10.00%
Kivalina	33,109	3,679	10.00%
Klawock	99,659	11,073	10.00%
Kobuk	25,000	2,778	10.00%
Kodiak	752,609	752,609	50.00%
Kodiak Island Borough	857,267	265,953	23.70%
Kotlik	50,218	5,580	10.00%
Kotzebue	411,635	54,969	11.80%
Koyuk	24,887	2,765	10.00%
Koyukuk	25,000	2,778	10.00%
Kupreanof	25,000	2,778	10.00%
Kwethluk	60,106	6,678	10.00%
Lake and Peninsula Borough	133,101	22,893	14.70%
Larsen Bay	25,000	2,778	10.00%
Lower Kalskag	30,331	3,370	10.00%

	<u>Slate Share</u>	<u>Local Share</u>	<u>Local Match %</u>
Manokotak	41,108	4,568	10.00%
Marshall	32,664	3,629	10.00%
Matanuska-Susitna Borough	3,434,958	3,434,958	50.00%
McGrath	59,218	6,580	10.00%
Mekoryuk	25,000	2,778	10.00%
Mountain Village	82,438	9,160	10.00%
Napakiak	34,997	3,889	10.00%
Napaskiak	36,775	4,086	10.00%
Nenana	61,662	6,851	10.00%
New Stuyahok	41,552	4,617	10.00%
Newhalen	25,000	2,778	10.00%
Nikolai	25,000	2,778	10.00%
Nome	478,074	74,993	13.60%
Nondalton	25,442	2,827	10.00%
Noorvik	66,662	7,407	10.00%
North Pole	178,875	168,296	48.50%
North Slope Borough	253,869	253,869	50.00%
Northwest Arctic Borough	34,997	3,889	10.00%
Nuiqsut	35,997	4,000	10.00%
Nulato	40,219	4,469	10.00%
Nunapitchuk	41,330	4,592	10.00%
Old Harbor	35,775	3,975	10.00%
Ouzinkie	25,000	2,778	10.00%
Palmer	331,974	57,412	14.70%
Pelican	27,887	3,099	10.00%
Petersburg	382,193	95,349	20.00%
Pilot Station	50,552	5,617	10.00%
Point Hope	67,773	7,530	10.00%
Port Alexander	25,000	2,778	10.00%
Port Heiden	25,000	2,778	10.00%
Port Lions	33,331	3,703	10.00%
Quinhagak	55,440	6,160	10.00%
Ruby	26,998	3,000	10.00%
Russian Mission	29,553	3,284	10.00%
Sand Point	110,325	12,258	10.00%
Savoonga	56,773	6,308	10.00%
Saxman	34,220	3,802	10.00%
Scammon Bay	33,997	3,777	10.00%
Selawik	74,661	8,296	10.00%
Seldovia	62,773	6,975	10.00%
Seward	314,309	82,892	20.90%
Shageluk	25,000	2,778	10.00%
Shaktolik	25,000	2,778	10.00%
Sheldon Point	25,000	2,778	10.00%
Shishmaref	47,774	5,308	10.00%
Shungnak	25,000	2,778	10.00%
Sitka, City and Borough of	917,374	917,374	50.00%
Skagway	78,216	9,562	10.90%
Soldotna	414,746	121,832	22.70%
St. George	25,000	2,778	10.00%
St. Mary's	54,551	6,061	10.00%
St. Michael	33,664	3,740	10.00%

	<u>State Share</u>	<u>Local Share</u>	<u>Local Match %</u>
St. Paul	65,106	7,234	10.00%
Stebbins	43,774	4,864	10.00%
Tanana	45,996	5,111	10.00%
Teller	26,331	2,926	10.00%
Tenakee Springs	25,000	2,778	10.00%
Thorne Bay	58,329	6,481	10.00%
Togiak	79,216	8,802	10.00%
Toksook Bay	49,552	5,506	10.00%
Tuluksak	39,664	4,407	10.00%
Unalakleet	82,216	9,135	10.00%
Unalaska	251,647	69,652	21.70%
Upper Kalskag	25,000	2,778	10.00%
Valdez	799,161	799,161	50.00%
Wainwright	56,885	6,321	10.00%
Wales	25,000	2,778	10.00%
Wasilla	371,305	150,888	28.90%
White Mountain	25,000	2,778	10.00%
Whittier	33,220	3,691	10.00%
Wrangell	292,200	62,914	17.70%
Yakutat	58,551	6,506	10.00%
<b>TOTAL:</b>	<b>\$58,830,000</b>	<b>\$48,591,990</b>	<b>45.2%</b>

#### B. UNINCORPORATED COMMUNITIES IN UNORGANIZED BOROUGH

The sum of \$1,170,000 is allocated below for FY 1991 supplemental capital projects and capital improvements for municipalities pursuant to AS 44.47.195 (proposed), to be allocated as follows:

[Each community shown in 2/29/91 appropriation bill is allocated \$15 thousand.]