

ALASKA LEGISLATURE COMMITTEE FILES 1993-1994 8672

8225 SENATE COMMUNITY & REGIONAL AFFAIRS

490

Senior Citizens/Disabled Veterans  
 Property Tax Rebate Program  
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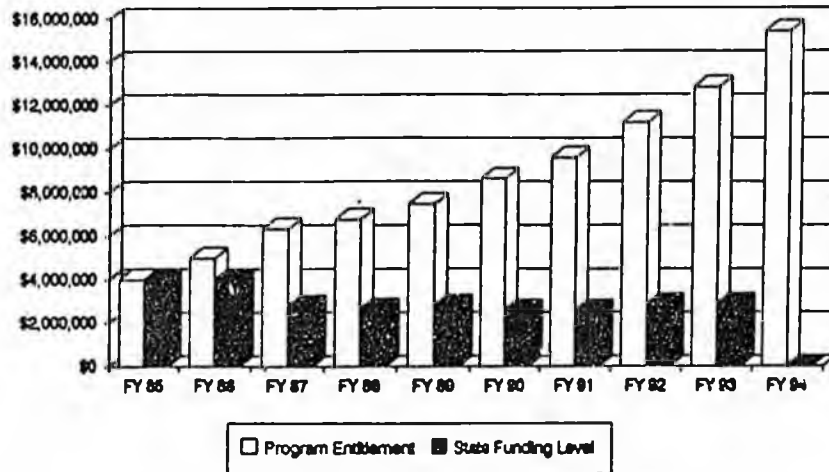
**Table 1: FY 92 Cost to Individual Municipalities of Underfunding of the Senior Citizens/Disabled Veterans Tax Exemption Program**

| Municipality                    | Cost of<br>FY 92 Underfunding |
|---------------------------------|-------------------------------|
| Anchorage                       | \$4,234,348                   |
| Bristol Bay Borough             | 2,937                         |
| Cordova                         | 15,653                        |
| Craig                           | 3,549                         |
| Dillingham                      | 8,978                         |
| Eagle                           | 224                           |
| Fairbanks North Star Borough    | 1,049,667                     |
| Haines Borough                  | 43,617                        |
| Juneau                          | 691,369                       |
| Kenai Peninsula Borough         | 640,660                       |
| Ketchikan Gateway Borough       | 329,244                       |
| Kodiak Island Borough           | 100,150                       |
| Matanuska-Susitna Borough       | 988,536                       |
| Nenana                          | 6,634                         |
| Nome                            | 42,263                        |
| North Slope Borough             | 15,455                        |
| Pelican                         | 1,049                         |
| Petersburg                      | 94,472                        |
| Sitka                           | 90,278                        |
| Skagway                         | 15,134                        |
| Unalaska                        | 2,518                         |
| Valdez                          | 28,511                        |
| Whittier                        | 514                           |
| Wrangell                        | 41,938                        |
| Yakutat                         | 6,652                         |
| <b>Total Shortfall in FY 92</b> | <b>\$8,454,350</b>            |

Source: Department of Community and Regional Affairs

The last year the legislature provided full funding for the homeowners program was 1985, when 5,418 taxpayers were eligible for the exemption and just over \$4 million was appropriated. Since then the number of applicants for the exemption has more than doubled, with nearly 11,000 senior citizens and disabled veterans claiming the exemption for FY 93. The growth in exemptions claimed was 14 percent from FY 92 to FY 93 alone. In 1990 the average value of the exemption per person was estimated to be \$1,000, and for FY 93 the average exemption claimed was \$1,374.

**Figure 1: Senior Citizens/Disabled Veterans Property Tax Exemption Program**



During those same years, Alaskan municipalities have been forced by inflation, population increases, and cutbacks in state aid to increase property tax rates, which has intensified the impact of the shortfunding on municipal budgets and local taxpayers. In the last eight years, the unwillingness of the legislature and the administration to appropriate adequate funding for this state-mandated program has cost local taxpayers nearly \$45 million. In FY 93 alone, for instance, non-exempt taxpayers in Alaska's municipalities were required to pay an additional \$10 million in property taxes, or 78 percent of the cost of the program, because reimbursement for the mandatory exemption was underfunded.

Table 1 shows the cost of FY 92 underfunding to individual municipalities and their taxpayers; FY 93 data are not yet final.

Local taxpayers should not have to pay the costs of this state-mandated program without having a chance to make a conscious decision on whether or not they want to provide the tax exemption for senior citizens and disabled veterans. If the legislature wants to provide tax relief for these groups, it should be provided through state-administered tax rebate programs.

The 1993 Alaska Municipal League Policy Statement includes the following statement with reference to state-mandated tax exemption programs: "The League opposes the imposition of state-mandated exemptions of certain classes of property, individuals, organizations, or commodities from the application of taxes unless full compensation is made for revenues lost due to these exemptions. If the reimbursements for state-mandated exemptions are not fully funded, currently or in the future, the exemptions should be repealed or prorated."

The League's Policy Statement and AML Resolution No. 93-3 also oppose the imposition of unfunded mandates on local government by the state. The tax exemption program for senior citizens and disabled veterans is an excellent example of the way state-mandated programs that are not accompanied by adequate funding impose an unfair burden on citizens and their local governments. Governor Hickel's proposed FY 94 budget, which was released in December 1992, calls for no state funding at all for this mandated exemption, which would place the entire burden of the estimated \$15.4 million cost on municipalities. The governor has indicated he will introduce legislation that would eliminate the state mandate and make the program entirely a local option.

**Table 2: Senior Citizens/Disabled Veterans  
 Property Tax Exemption Program**

| Fiscal Year | Entitlement             | State Appropriation | Shortfall/<br>Cost to<br>Municipal<br>Taxpayers <sup>a</sup> | % <sup>b</sup> |
|-------------|-------------------------|---------------------|--|----------------|
| 1985        | \$ 4,005,075            | \$ 4,005,075        | \$ 0   | 100.0          |
| 1986        | 4,977,451               | 4,008,600           | 968,851  | 79.5           |
| 1987        | 6,325,763               | 2,770,300           | 3,555,463  | 43.8           |
| 1988        | 6,753,663               | 2,622,969           | 4,130,694  | 38.8           |
| 1989        | 7,464,557               | 2,782,300           | 4,682,257  | 37.3           |
| 1990        | 8,627,081               | 2,557,900           | 6,069,151  | 29.6           |
| 1991        | 9,585,192               | 2,557,900           | 7,027,292  | 26.7           |
| 1992        | 11,293,150              | 2,838,800           | 8,454,350  | 25.1           |
| 1993        | 12,829,291 <sup>c</sup> | 2,838,800           | 9,990,491  | 22.1           |
| 1994        | 15,395,149 <sup>d</sup> | 0 <sup>e</sup>      | 15,395,149   | 0.0            |

<sup>a</sup> The actual cost to municipalities exceeds this figure by \$100,000 - \$160,000, depending on the underfunding of the renters program.

<sup>b</sup> Ratio of state appropriation (reimbursement to municipalities) to the total cost of the program.

<sup>c</sup> FY 93 figures are estimated and subject to final audit.

<sup>d</sup> Estimate as of January 1993

<sup>e</sup> Governor Hickel's proposed FY 94 budget, released in December 1992, includes no funding for this program nor for the renters rebate program. Governor Hickel has indicated that he will introduce legislation to eliminate the state-mandated program and make it a local option.

Source: Department of Community and Regional Affairs

Senior Citizens/Disabled Veterans  
Property Tax Rebate Program  
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The Alaska Municipal League urges the Alaska State Legislature to accept full responsibility for the state's senior citizen/disabled veteran property tax exemptions by amending the statutes governing the program to base direct state rebates for local property taxes paid by eligible senior citizens and disabled veterans on the level of state funding appropriated. This would give senior citizens and disabled veterans a tax exemption based on the state's commitment to the program and remove the ever-growing burden the current program has placed on local taxpayers, who have had no opportunity to approve it.

# MEMORANDUM

## State of Alaska

Department of Community  
and Regional Affairs

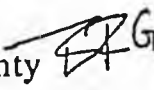
TO: Senator Randy Phillips  
Senate CRA Committee, Chairman

DATE: February 23, 1993

FILE NO: CS SB 102/CRA/2-23

THRU:

TELEPHONE:(907) 465-4700

FROM: Bruce R. Geraghty   
Deputy Commissioner

SUBJECT: Additional CS SB 102  
Information

Attached you will find, additional information regarding the proposed CS for SB 102. This information was requested during the February 18 committee hearing.:

- 1) DCRA Tax Year '92 - FY 93 Senior Citizen Disabled Veteran Property Tax Exemption Program. This shows the percentages and costs of only the Disabled Veterans portion of the existing program.
- 2) DCRA analysis of the Senior Citizen/Disabled Veteran Property Tax Exemption Program FY 93/TY 92
- 3) DCRA analysis of the Effect of HB 66/SB 102 on Local Contribution Requirement to School Districts
- 8) DCRA estimates of HB 66 Impact on FY 94 SRS Program. SRS is short for State Revenue Sharing.

Please distribute this information to your committee. Thank you.

Tax Year '92 -- FY 93 Senior Citizen Disabled Veteran Property Tax Exemption Program

| Municipality                 | 1992 Disabled Veteran | 1992 Disabled Veteran Exempt Value | 1992 Disabled Veteran Exempt Tax |
|------------------------------|-----------------------|------------------------------------|----------------------------------|
| Municipality of Anchorage    | 421                   | \$43,808,744                       | \$753,880                        |
| Bristol Bay Borough          | 0                     | \$0                                | \$0                              |
| Cordova                      | 0                     | \$0                                | \$0                              |
| Craig                        | 2                     | \$91,060                           | \$546                            |
| Dillingham                   | 0                     | \$0                                | \$0                              |
| Eagle                        | 0                     | \$0                                | \$0                              |
| Fairbanks North Star Borough | 97                    | \$1,847,423                        | \$118,772                        |
| Haines Borough               | 2                     | \$100,200                          | \$960                            |
| City & Borough of Juneau     | 26                    | \$3,125,000                        | \$43,107                         |
| Kenai Peninsula Borough      | 34                    | \$2,388,950                        | \$28,118                         |
| Ketchikan Gateway Borough    | 6                     | \$645,400                          | \$8,434                          |
| Kodiak Island Borough        | 9                     | \$814,525                          | \$6,465                          |
| Matanuska-Susitna Borough    | 96                    | \$8,431,100                        | \$140,226                        |
| Nonana                       | 1                     | \$26,548                           | \$327                            |
| Nome                         | 1                     | \$112,400                          | \$1,040                          |
| North Slope Borough          | 0                     | \$0                                | \$0                              |
| Pelican                      | 0                     | \$0                                | \$0                              |
| Petersburg                   | 3                     | \$325,450                          | \$3,255                          |
| City & Borough of Sitka      | 1                     | \$129,000                          | \$774                            |
| Skagway                      | 1                     | \$120,400                          | \$920                            |
| Unalaska                     | 0                     | \$0                                | \$0                              |
| Valdez                       | 3                     | \$136,950                          | \$2,696                          |
| Whittier                     | 0                     | \$0                                | \$0                              |
| Wrangell                     | 0                     | \$0                                | \$0                              |
| City & Borough of Yakutat    | 0                     | \$0                                | \$0                              |
| <b>STATEWIDE DV TOTALS:</b>  | <b>703</b>            | <b>\$62,103,150</b>                | <b>\$1,109,520</b>               |
| <b>STATEWIDE TOTAL WISC:</b> | <b>10,719</b>         | <b>\$883,539,005</b>               | <b>\$13,669,469</b>              |
| <b>% of DV Participants:</b> | <b>7%</b>             | <b>7%</b>                          | <b>8%</b>                        |

Total cost  
Reimbursement  
Level  
609%

\$ 230,419.<sup>00</sup>  
out of

\$ 2.883 billion

Effect of HB66/SB102 on Local Contribution Requirement to School Districts

| Municipality                 | 1992 Full Value<br>Determination | 1992 SC/DV<br>Exempt Value | Total Full Value with<br>SC/DV Exempt Value | Required Millage                                 |   | Required Millage                                 |   | Local<br>Additional Contribution<br>AS14.17.025 | % Change |
|------------------------------|----------------------------------|----------------------------|---|--|---|--|---|---|----------|
|                              |                                  |                            |   | Equivalency Contribution<br>W/SC/DV Exempt Value | Equivalency Contribution<br>WO/SC/DV Exempt Value | Equivalency Contribution<br>W/SC/DV Exempt Value | Equivalency Contribution<br>WO/SC/DV Exempt Value |   |          |
| Aleutians East Borough       | \$86,859,000                     | N/A                        | \$86,859,000                                | \$347,436  | \$347,436   | \$347,436  | \$0   | 0   |          |
| Municipality of Anchorage    | \$11,256,384,640                 | \$409,111,032              | \$11,665,495,672                            | \$45,025,539                                     | \$46,661,983                                      | \$46,661,983                                     | \$1,636,444                                       | 4%  |          |
| Bristol Bay Borough          | \$173,673,500                    | \$880,203                  | \$174,553,703                               | \$694,694  | \$698,215   | \$698,215  | \$3,521   | 1%  |          |
| Cordova                      | \$151,877,040                    | \$3,121,040                | \$154,998,080                               | \$607,508  | \$619,992   | \$619,992  | \$12,484  | 2%  |          |
| Craig                        | \$50,954,200                     | \$1,382,282                | \$52,336,482                                | \$203,817  | \$209,346   | \$209,346  | \$5,529   | 3%  |          |
| Dillingham                   | \$121,235,100                    | \$2,648,830                | \$123,883,930                               | \$484,940  | \$495,536   | \$495,536  | \$10,595  | 2%  |          |
| Fairbanks North Star Borough | \$3,256,294,590                  | \$86,472,935               | \$3,342,767,525                             | \$13,025,178                                     | \$13,371,070                                      | \$13,371,070                                     | \$345,892   | 3%  |          |
| Galena                       | \$19,965,100                     | N/A                        | \$19,965,100                                | \$79,860   | \$79,860  | \$79,860   | \$0   | 0%  |          |
| Haines Borough               | \$122,749,700                    | \$8,278,375                | \$131,028,075                               | \$490,999  | \$524,112   | \$524,112  | \$33,114  | 7%  |          |
| Hoonah                       | \$22,813,100                     | N/A                        | \$22,813,100                                | \$91,252   | \$91,252  | \$91,252   | \$0   | 0%  |          |
| Hydaburg                     | \$5,736,300                      | N/A                        | \$5,736,300                                 | \$22,945   | \$22,945  | \$22,945   | \$0   | 0%  |          |
| City & Borough of Juneau     | \$1,566,985,160                  | \$73,804,100               | \$1,640,789,260                             | \$6,267,941                                      | \$6,563,157                                       | \$6,563,157                                      | \$295,216   | 5%  |          |
| Kake                         | \$16,951,200                     | N/A                        | \$16,951,200                                | \$67,805   | \$67,805  | \$67,805   | \$0   | 0%  |          |
| Kenai Peninsula Borough      | \$3,465,369,120                  | \$88,648,599               | \$3,554,017,719                             | \$13,861,476                                     | \$14,216,071                                      | \$14,216,071                                     | \$354,594   | 3%  |          |
| Ketchikan Gateway Borough    | \$933,887,400                    | \$38,087,600               | \$971,975,000                               | \$3,735,550                                      | \$3,887,900                                       | \$3,887,900                                      | \$152,350   | 4%  |          |
| Klawock                      | \$14,793,800                     | N/A                        | \$14,793,800                                | \$59,175   | \$59,175  | \$59,175   | \$0   | 0%  |          |
| Kodiak Island Borough        | \$829,302,700                    | \$16,464,204               | \$845,766,904                               | \$3,317,211                                      | \$3,383,068                                       | \$3,383,068                                      | \$65,857  | 2%  |          |
| Lake & Peninsula Borough     | \$68,423,800                     | N/A                        | \$68,423,800                                | \$273,695  | \$273,695   | \$273,695  | \$0   | 0%  |          |
| Matanuska-Susitna Borough    | \$2,020,623,780                  | \$97,234,600               | \$2,117,858,380                             | \$8,082,495                                      | \$8,471,434                                       | \$8,471,434                                      | \$388,938   | 5%  |          |
| Nenana                       | \$15,112,200                     | \$918,542                  | \$16,030,742                                | \$60,449   | \$64,123  | \$64,123   | \$3,674   | 6%  |          |
| Nome                         | \$126,631,300                    | \$4,996,402                | \$131,627,702                               | \$506,525  | \$526,511   | \$526,511  | \$19,986  | 4%  |          |
| North Slope Borough          | \$12,537,472,080                 | \$1,188,570                | \$12,538,660,650                            | \$5,014,989                                      | \$5,015,464                                       | \$5,015,464                                      | \$475   | 0.01%   |          |
| Northwest Arctic Borough     | \$326,931,100                    | N/A                        | \$326,931,100                               | \$1,307,724                                      | \$1,307,724                                       | \$1,307,724                                      | \$0   | 0%  |          |
| Pelican                      | \$13,922,600                     | \$254,750                  | \$14,177,350                                | \$55,690   | \$56,709  | \$56,709   | \$1,019   | 2%  |          |
| Petersburg                   | \$186,577,700                    | \$13,216,531               | \$199,794,231                               | \$746,311  | \$799,177   | \$799,177  | \$52,866  | 7%  |          |
| City & Borough of Sitka      | \$517,476,500                    | \$23,012,580               | \$540,489,080                               | \$2,069,906                                      | \$2,161,956                                       | \$2,161,956                                      | \$92,050  | 4%  |          |
| Skagway                      | \$76,393,200                     | \$2,635,253                | \$79,028,453                                | \$305,573  | \$316,114   | \$316,114  | \$10,541  | 3%  |          |
| St. Mary's                   | \$4,459,300                      | N/A                        | \$4,459,300                                 | \$17,837   | \$17,837  | \$17,837   | \$0   | 0%  |          |
| Tanana                       | \$11,245,600                     | N/A                        | \$11,245,600                                | \$44,982   | \$44,982  | \$44,982   | \$0   | 0%  |          |
| Unalaska                     | \$331,802,860                    | \$265,940                  | \$332,068,800                               | \$1,327,211                                      | \$1,328,275                                       | \$1,328,275                                      | \$1,064   | 0.08%   |          |
| Valdez                       | \$1,146,257,830                  | \$2,809,747                | \$1,149,067,577                             | \$1,375,509                                      | \$1,378,881                                       | \$1,378,881                                      | \$3,372   | 0.25%   |          |
| Wrangell                     | \$132,997,300                    | \$6,922,290                | \$139,919,590                               | \$531,989  | \$559,678   | \$559,678  | \$27,689  | 5%  |          |
| City & Borough of Yakutat    | \$19,957,200                     | \$742,650                  | \$20,699,850                                | \$79,829   | \$82,799  | \$82,799   | \$2,971   | 4%  |          |

2/22/93

(S) CRA  
(H) HESS

Senior Citizen/Disabled Veteran Property Tax Exemption Program FY 93/TY 92

| BOROUGHS                         | TY91/FY92<br>NUMBER OF<br>APPLICANTS<br>APPROVED | TY92/FY93<br>NUMBER OF<br>APPLICANTS<br>APPROVED | TY91/FY92<br>TOTAL<br>ASSESSED<br>VALUE<br>EXEMPT | TY92/FY93<br>TOTAL<br>ASSESSED<br>VALUE<br>EXEMPT | TY91/FY92<br>TOTAL<br>TAX<br>EXEMPT | TY92/FY93<br>TOTAL<br>TAX<br>EXEMPT | TY91/FY92<br>PRORATED<br>PAYMENT | TY92/FY93<br>PRORATED<br>PAYMENT | TY91/FY92<br>REMBURSE-<br>MENT<br>SHORTAGE | TY92/FY93<br>REMBURSE-<br>MENT<br>SHORTAGE | TY91/FY92<br>AVERAGE<br>EXEMPT<br>VALUE<br>PER APP. | TY92/FY93<br>AVERAGE<br>EXEMPT<br>VALUE<br>PER APP. | TY91/FY92<br>AVERAGE<br>EXEMPT<br>TAX<br>PER APP. | TY92/FY93<br>AVERAGE<br>EXEMPT<br>TAX<br>PER APP. | % INCREASE/<br>DECREASES IN<br>PROGRAM<br>COST |
|----------------------------------|--|--|---|---|-------------------------------------|-------------------------------------|----------------------------------|----------------------------------|--|--|---|---|---|---|--|
| Municipality of Anchorage        | 4,325  | 4,751  | 330,769,989                                       | 409,111,032                                       | 5,656,157                           | 7,082,897                           | 1,421,809                        | 1,470,937                        | 4,234,348                                  | 5,611,960                                  | 76,479  | 86,111  | 1,306   | 1,491   | 0.20   |
| Bristol Bay Borough              | 14   | 13   | 784,657   | 880,203   | 3,923                               | 4,401                               | 986                              | 914                              | 2,937                                      | 3,487                                      | 56,047  | 67,708  | 280   | 339   | 0.11   |
| Fairbanks North Star Borough     | 1,306  | 1,379  | 82,932,034  | 86,472,935  | 1,402,124                           | 1,665,069                           | 352,457                          | 345,792                          | 1,049,667                                  | 1,319,276                                  | 63,501  | 62,707  | 1,074   | 1,207   | 0.16   |
| Haines Borough                   | 101  | 110  | 7,326,875   | 8,278,375   | 58,263                              | 71,402                              | 14,646                           | 14,828                           | 43,617                                     | 56,574                                     | 72,543  | 75,258  | 577   | 649   | 0.18   |
| City & Borough of Juneau         | 698  | 714  | 67,004,000  | 73,804,100  | 923,516                             | 1,017,742                           | 232,148                          | 211,359                          | 691,369                                    | 806,383                                    | 95,994  | 103,367   | 1,323   | 1,425   | 0.09   |
| Kenai Peninsula Borough          | 1,035  | 1,108  | 74,518,204  | 88,648,599  | 855,781                             | 1,007,552                           | 215,121                          | 209,243                          | 640,660                                    | 798,309                                    | 71,998  | 80,008  | 827   | 909   | 0.15   |
| Kechikan Gateway                 | 430  | 436  | 36,090,974  | 38,087,600  | 438,787                             | 509,577                             | 110,553                          | 105,826                          | 329,244                                    | 403,751                                    | 83,932  | 87,357  | 1,023   | 1,169   | 0.14   |
| Kodiak Island Borough            | 209  | 181  | 15,591,524  | 16,464,204  | 133,778                             | 127,227                             | 33,628                           | 26,422                           | 100,150                                    | 100,805                                    | 74,601  | 90,962  | 640   | 703   | -0.05  |
| Matanuska-Susitna Borough        | 1,133  | 1,249  | 79,829,563  | 97,234,600  | 1,320,466                           | 1,633,159                           | 331,930                          | 339,166                          | 988,536                                    | 1,293,994                                  | 70,459  | 77,850  | 1,165   | 1,308   | 0.19   |
| North Slope Borough              | 20   | 22   | 1,133,642   | 1,188,570   | 20,644                              | 20,946                              | 5,189                            | 4,350                            | 15,455                                     | 16,596                                     | 56,682  | 54,026  | 1,032   | 952   | 0.01   |
| City & Borough of Seward         | 201  | 226  | 20,096,445  | 23,012,580  | 120,591                             | 138,025                             | 30,313                           | 28,664                           | 90,278                                     | 109,361                                    | 99,992  | 101,826   | 600   | 611   | 0.13   |
| <b>Borough Subtotal</b>          | <b>9,472</b>                                     | <b>10,189</b>                                    | <b>716,079,907</b>                                | <b>843,182,798</b>                                | <b>10,935,040</b>                   | <b>13,277,997</b>                   | <b>2,748,780</b>                 | <b>2,757,501</b>                 | <b>8,186,261</b>                           | <b>10,520,496</b>                          | <b>75,600</b>                                       | <b>82,754</b>                                       | <b>1,154</b>                                      | <b>1,303</b>                                      | <b>0.18</b>                                    |
| <b>CITIES</b>                    |  |  |   |   |                                     |                                     |                                  |                                  |  |  |   |   |   |   |  |
| CORDOVA                          | 40   | 41   | 2,947,465   | 3,121,040   | 20,909                              | 34,331                              | 5,256                            | 7,130                            | 15,653                                     | 27,201                                     | 73,687  | 76,123  | 523   | 837   | 0.39   |
| CRAIG                            | 11   | 20   | 782,478   | 1,382,282   | 4,741                               | 8,294                               | 1,192                            | 1,722                            | 3,549                                      | 6,571                                      | 71,134  | 69,114  | 431   | 415   | 0.43   |
| DILLINGHAM                       | 23   | 23   | 2,663,130   | 2,648,830   | 9,321                               | 11,920                              | 2,343                            | 2,475                            | 6,978                                      | 9,444                                      | 115,788   | 115,167   | 405   | 518   | 0.22   |
| EAGLE                            | 5  | 6  | 299,540   | 317,550   | 300                                 | 318                                 | 75                               | 66                               | 224  | 252  | 59,908  | 52,925  | 60  | 53  | 0.06   |
| ENHANA                           | 19   | 21   | 937,666   | 918,542   | 11,533                              | 11,298                              | 2,899                            | 2,346                            | 8,634                                      | 8,952                                      | 49,351  | 43,740  | 607   | 538   | -0.02  |
| NOVE                             | 77   | 76   | 5,018,169   | 4,996,402   | 56,455                              | 46,217                              | 14,191                           | 9,598                            | 42,263                                     | 36,619                                     | 65,171  | 65,742  | 733   | 608   | -0.22  |
| PELICAN                          | 5  | 5  | 254,750   | 254,750   | 1,401                               | 1,401                               | 352                              | 291                              | 1,039                                      | 1,110                                      | 50,950  | 50,950  | 280   | 280   | 0.00   |
| PETERSBURG                       | 133  | 135  | 12,619,436  | 13,216,531  | 126,194                             | 132,165                             | 31,722                           | 27,447                           | 94,472                                     | 104,718                                    | 94,883  | 97,900  | 949   | 979   | 0.05   |
| SKAGWAY                          | 38   | 38   | 2,511,267   | 2,635,253   | 20,216                              | 18,390                              | 5,082                            | 3,819                            | 15,134                                     | 14,571                                     | 66,086  | 69,349  | 532   | 484   | -0.10  |
| UNALASKA                         | 4  | 4  | 285,500   | 265,940   | 3,363                               | 3,133                               | 845                              | 651                              | 2,518                                      | 2,482                                      | 71,375  | 66,485  | 841   | 783   | -0.07  |
| VALDEZ                           | 37   | 38   | 2,343,968   | 2,809,747   | 38,084                              | 55,314                              | 9,573                            | 11,487                           | 28,511                                     | 43,826                                     | 63,350  | 73,941  | 1,029   | 1,456   | 0.31   |
| WHITTIER                         | 7  | 6  | 137,400   | 124,400   | 687                                 | 622                                 | 173                              | 129                              | 514  | 493  | 19,629  | 20,733  | 98  | 104   | -0.10  |
| WRANGELL                         | 104  | 106  | 6,563,021   | 6,922,290   | 56,020                              | 58,935                              | 14,082                           | 12,239                           | 41,938                                     | 46,696                                     | 63,106  | 65,305  | 539   | 556   | 0.05   |
| YAKUTAT                          | 11   | 11   | 722,400   | 742,650   | 8,886                               | 9,135                               | 2,235                            | 1,837                            | 6,652                                      | 7,238                                      | 65,673  | 67,514  | 808   | 830   | 0.03   |
| <b>CITIES SUBTOTAL</b>           | <b>514</b>                                       | <b>530</b>                                       | <b>38,086,190</b>                                 | <b>40,356,207</b>                                 | <b>358,110</b>                      | <b>391,472</b>                      | <b>90,020</b>                    | <b>81,299</b>                    | <b>268,089</b>                             | <b>310,173</b>                             | <b>74,098</b>                                       | <b>76,144</b>                                       | <b>697</b>  | <b>739</b>  | <b>0.09</b>                                    |
| <b>FY 93 STATEWIDE TOTAL</b>     | <b>9,986</b>                                     | <b>10,719</b>                                    | <b>754,166,097</b>                                | <b>883,539,005</b>                                | <b>11,293,150</b>                   | <b>13,669,469</b>                   | <b>2,836,800</b>                 | <b>2,838,800</b>                 | <b>8,454,350</b>                           | <b>10,830,669</b>                          | <b>75,522</b>                                       | <b>82,427</b>                                       | <b>1,131</b>                                      | <b>1,275</b>                                      | <b>0.21</b>                                    |
| <b>FISCAL YR. FUNDING LEVELS</b> |  |  |   |   |                                     |                                     |                                  |                                  |  |  |   |   |   |   |  |
| <b>FF SHORTAGE</b>               |  |  |   |   |                                     |                                     |                                  |                                  |  |  |   |   |   |   |  |
|                                  |  |  |   |   | (FY92 Shortage)                     | (FY93 Shortage)                     |                                  |                                  |  |  |   |   |   |   |  |
|                                  |  |  |   |   | Prorations %                        | 0.25137362                          | 0.207674488                      |                                  |  |  |   |   |   |   |  |

SB 102/HB 66 IMPACT ON FY 94 SRS PROGRAM  
ESTIMATES ONLY! DATA NOT FINAL

|                             | \$<br>Difference |
|-----------------------------|------------------|
| Municipality of Anchorage   | (\$54,532)       |
| Bristol Bay Borough         | \$487            |
| Cordova                     | \$9              |
| Craig                       | (\$330)          |
| Dillingham                  | (\$83)           |
| Eagle                       | \$7              |
| City and Borough of Juneau  | (\$43,519)       |
| Kenai Peninsula Borough     | (\$2,432)        |
| Ketchikan Gateway Borough   | (\$3,746)        |
| Kodiak Island Borough       | \$235            |
| Matanuska-Susitna Borough   | (\$15,554)       |
| Nenana                      | (\$637)          |
| Nome                        | (\$3,101)        |
| North Slope Borough         | \$3,562          |
| Pelican                     | \$7              |
| Petersburg                  | (\$7,601)        |
| City and Borough of Sitka   | (\$6,141)        |
| Skagway                     | (\$264)          |
| Unalaska                    | \$4,690          |
| Valdez                      | \$1,944          |
| Whittier                    | \$5              |
| Wrangell                    | (\$3,624)        |
| City and Borough of Yakutat | (\$286)          |



ALASKA STATE LEGISLATION  
ALASKA SENIOR CITIZEN/DISABLED VETERANS  
PROPERTY TAX RELIEF PROGRAM  
POSITION PAPER  
1993

AARP POSITION

The Alaska State Legislative Committee of the American Association of Retired Persons supports the Alaska Senior Citizen/Disabled Veterans Property Tax Relief Program and urges the state to resume complete responsibility for full funding as well as to continue the program.

Discussion

The Alaska Senior Citizen/Disabled Veterans Property Tax Relief Program (Chapter 118, SLA 72, effective January 1, 1973), by allowing property tax forgiveness, helps Alaskans over age 65 to remain in their homes.

Tax forgiveness and renter rebates, under the program, have been made available through cooperation between the state and local property taxing authority. When the local authority grants forgiveness under the program this revenue loss to the local taxing authority is expected to be covered from state appropriation to reimburse the local taxing authority. Originally, the total cost was borne by the state.

Alaska legislative action (Chapter 70, SLA 86) amended the initial program providing an upper limit of property tax forgiveness of \$150,000 per applicant but provided also permissive authorization for a municipality to exceed the limit. Legislative appropriations required to reimburse local authorities have been seriously reduced in recent years. These reductions have created financial problems for the local taxing authorities.

There is an approximate 15 to 20 year period in life in which a retiree can generally live independently and contribute to the economic base and social structure of a community if permitted. According to information received in a survey of retirees in Juneau, almost 3/4 of all the persons over age 65 own their own home and want to continue to live in them as long as possible. By continuing to live independently, nursing home and other long-term care costs are reduced and the retiree is allowed to serve in volunteer work as well as contribute retirement income locally.

The Alaska Senior Citizen/Disabled Veterans Property Tax Relief Program under full funding operation accomplished the initial objective for the program. The program contributes to economic security of all Alaskans. It provides intergenerational support mechanisms which bolster social as well as economic support to community life.



ALASKA STATE LEGISLATION  
COMPREHENSIVE REVENUE REFORM  
POSITION PAPER  
1993

AARP POSITION

The Alaska State Legislative Committee of the American Association of Retired Persons advocates comprehensive state revenue reform that is progressive and equitable.

Background

Many groups and individuals are advocating different forms of revenue enhancement for the state of Alaska, in view of a projected decline in oil revenue. Every effort should be made to determine how essential state services may be provided efficiently in contrast with a negative approach in which essential services are eliminated.

Reform should include reestablishment of authorization for a State Income Tax; this additional source of income would be available when growth of state government has been slowed to the point when actual levy of such a tax would be generally acceptable. While there are other forms of revenue enhancement to be examined, the time may not be appropriate for using them. A state wide sales or property taxation are examples.

It is important that new forms of revenue be applied in an equitable fashion to the citizens of this state and that the style of taxation be progressive rather than regressive. At the same time, efforts to limit and slow the growth of state government will create a wider level of support among citizens of all ages for revenue enhancements.

If we wait until all persons are satisfied with a smaller government, too many people suffer from lack of essential services.

For further information, please contact:

Mary Lou Meiners, Chair  
State Legislative Committee  
(907) 586-2568

Joe Alter, Coordinator  
Capital City Task Force  
(907) 586-6580

Seattle Office  
9750 Third Ave, NE Ste. 400  
Seattle, WA 98115  
(206) 526-7918

John J. Shaffer, Chair  
Economic Security Subcommittee  
(907) 747-8425

Adopted: December 8, 1992  
akrevref.pos

FEB 11 1993

# MEMORANDUM

## State of Alaska

Department of Community  
and Regional Affairs

**TO:** Senator Randy Phillips  
Chairman, CRA Committee

**DATE:** February 11, 1993

**FILE NO:** SB102/CRA/2-11

**THRU:**

**TELEPHONE NO:** (907) 465-4700

**FROM:** Bruce R. Geraghty *BRG*  
Deputy Commissioner

**SUBJECT:** REQUEST FOR HEARING  
SB 102

Please schedule SB 102 for public hearing in your committee at the earliest possible time. This is An Act relating to municipal property tax exemptions for certain residences and to property tax equivalency payments for certain residents; and providing for an effective date.

It has been determined during hearings in the House Community and Regional Affairs Committee that the language contained in Section 1 of the bill is unnecessary. We support the House CRA Committee version, and recommend preparation of a Senate CRA Committee Substitute to be presented at the initial hearing. With this in mind, we are providing you with the following information:

- 1) Governor Hickel's transmittal letter (SB 102);
- 2) a copy of a proposed Senate CS for which the Fiscal notes are provided;
- 3) the departments two zero fiscal notes (CS SB 102);
- 4) the departments support position paper (CS SB 102);
- 5) the departments sectional analysis of CS SB 102 (CRA);
- 6) excerpts from the 1993 AML platform pamphlet;
- 7) a department summary of each program effected by the bill;
- 8) a graft showing the history of program funding 1983-1992; and
- 9) two spreadsheets enumerating each programs costs.

Our major concern is to ensure that this property tax exemption becomes a local option, rather than the extremely under funded state mandate it is today.

Please distribute this information to your committee. We are at your service to answer any question you or your committee members may have.

Thank you for your prompt consideration of this legislation.

STATE OF ALASKA  
DEPARTMENT OF COMMUNITY  
& REGIONAL AFFAIRS

POSITION PAPER

Bill No.: CS SB 102(CRA)  
Sponsor: Governor

DCRA FN: Zero (attached)  
Position: Support

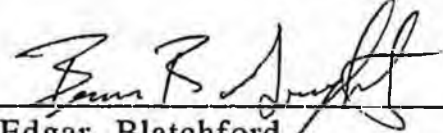
**Title:** An Act relating to municipal property tax exemptions for certain residences and to property tax equivalency payments for certain residents; and providing for an effective date.

This bill effectively repeals the mandatory provisions of the senior citizens, disabled veterans, and their widow or widowers, property tax exemption; and the renters rebate program for this class of individuals.

The legislature created the tax exemption program in 1973 but, since 1985, has failed to fully refund to communities (only 20% in FY 93) the total cost of this mandated exemption. The renters rebate program was established in 1976 as a means of providing the same benefit to seniors and disabled veterans that rent residences. The rebate program was funded at 85% of those eligible. The estimated cost of the property tax program in FY 94 is \$15.4 million. The estimated cost of the renters rebate program in FY 94 is \$1.3 million. The departments proposed FY 94 budget does not fund either program.

The department supports the amendment made in CRA committee. Due to consultations between the Department of Law and Legislative Legal Services, it was determined that section 1 in the original bill was unnecessary.

The department strongly supports making this program available to municipalities as an optional local tax exemption program. Encouraging seniors citizens and disabled veterans to remain in their own residences, is an issue best handled at the local level. Local governments are in the best position to evaluate the needs of their population with regard to local property taxation issues. In light of the legislative funding history, it is important to afford municipalities the taxing flexibility to appropriately meet the needs of their community.

  
\_\_\_\_\_  
for Edgar Blatchford  
Commissioner

2-11-93  
\_\_\_\_\_  
Date

WALTER J. HICKEL  
GOVERNOR



4 5 5 1 1 2 0 3  
Juneau, Alaska 99801  
907 481 3111

STATE OF ALASKA  
OFFICE OF THE GOVERNOR  
JUNEAU

February 5, 1993

The Honorable Rick Halford  
President of the Senate  
Alaska State Legislature  
State Capitol  
Juneau, AK 99801-1182

Dear President Halford:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill relating to the mandatory and optional property tax exemptions for residences of senior citizens, disabled veterans and their widow or widowers, and to property tax equivalency payments for certain residents.

The bill provides for municipalities to offer tax exemptions to these people and repeals the mandatory property tax exemption. The bill also repeals the provision for state reimbursement to municipalities for property tax revenue lost to the municipality by operation of the mandatory tax exemptions. Also, the bill repeals the provision for a property tax equivalency payment from the state to persons who rent a residence but would otherwise qualify for a mandatory tax exemption (the "renter's rebate" program). Finally, the bill has a retroactive effective date to January 1, 1993.

Due to declining state revenue, it has become apparent over the past several years that the state can no longer afford to fully pay for the municipal reimbursement program for the mandatory senior citizen or disabled veteran property tax exemptions. As a result, municipalities have not been reimbursed in full for the tax revenue lost due to the mandatory property tax exemptions. This bill will allow municipalities to decide whether they wish to exempt such property from taxation in whole or in part. If they choose to exempt the property, they will, of course, lose tax revenue, but that decision will be up to the individual municipality and will not be mandated by the state.

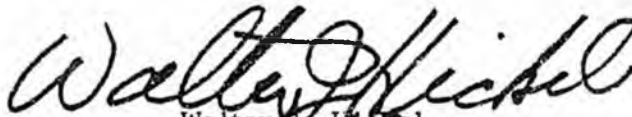
Also, again due to declining state revenue, the state has not fully funded the "renter's rebate" program during the past several years. It is appropriate that this program be repealed at the same time as the mandatory property tax

The Honorable Rick Halford  
February 3, 1993  
Page 2

exemption provision in order to ensure that, for property tax purposes, the state is treating seniors and disabled veterans who rent a residence in a manner similar to seniors and disabled veterans who own a residence.

I urge your prompt consideration and passage of this bill.

Sincerely,

  
Walter J. Hickel  
Governor

STATE OF ALASKA  
DEPARTMENT OF COMMUNITY  
& REGIONAL AFFAIRS

Sectional Analysis

Bill No.: CS SB 102(CRA)  
Sponsor: Governor

DCRA FN: Zero  
Position: Support

**Title:** An Act relating to municipal property tax exemptions for certain residences and to property tax equivalency payments for certain residents; and providing for an effective date.

**Section 1.** Repeals DCRA's authority to adopt regulations to implement AS 29.45.030(g), the reimbursement program; that program is repealed by Section 4 of this Act.

**Section 2.** Adds a new section to AS 29.45. This section, AS 29.45.052, OPTIONAL EXEMPTION FOR CERTAIN PRIMARY RESIDENCES, gives specific authority for municipalities to grant senior citizens, disabled veterans, or their widows or widowers, an exemption from property taxation by municipal ordinance. The ordinance may exempt the property in whole or in part, and the exemption may be based on need. There may only be one exemption for the same property. The exemption is not allowed if the local assessor determines that the transfer of a property was for the primary purpose of receiving the exemption. The section also includes an appeal process where a dispute results from a possible conveyance of a property for the purpose of obtaining the exemption.

Disabled veteran is defined as a veteran with a 50% disability incurred as a result of military service.

Real property is defined to include mobile homes.

**Section 3.** Repeals all aspects of the state mandated property tax exemption and renters rebate for senior citizens and disabled veterans.

**Section 4.** Makes this Act retroactive to January 1, 1993.

**Section 5.** Establishes an immediate effective date.



1 value of the real property. The ordinance may base the exemption on hardship. Only  
2 one exemption may be granted for the same property and, if two or more persons are  
3 eligible for an exemption for the same property, the exemption may not be granted  
4 unless the parties decide between or among themselves who is to receive the benefit  
5 of the exemption. Real property may not be exempted under this subsection if the  
6 local assessor determines, after notice and hearing to the parties, that the property was  
7 conveyed to the applicant primarily for the purpose of obtaining the exemption. The  
8 determination of the assessor may be appealed to the superior court under procedures  
9 set out in AS 44.62.560 - 44.62.570.

10 (b) In this section,

11 (1) "disabled veteran" means a disabled person separated from the  
12 military service of the United States under a condition that is not dishonorable, whose  
13 disability was incurred or aggravated in the line of duty in the military service of the  
14 United States, and whose disability has been rated as 50 percent or more by the branch  
15 of service in which that person served or by the Department of Veterans' Affairs;

16 (2) "real property" includes mobile homes, whether classified as real  
17 or personal property for municipal tax purposes.

18 \* Sec. 3. AS 29.45.030(a)(6), 29.45.030(e), 29.45.030(f), 29.45.030(g), 29.45.030(h),  
19 29.45.030(i), 29.45.040, and 29.45.050(i) are repealed.

20 \* Sec. 4. This Act is retroactive to January 1, 1993.

21 \* Sec. 5. This Act takes effect immediately under AS 01.10.070(c).

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217 Second Street, Suite 200, Juneau, Alaska 99801

907-586-1325 FAX 907-463-5480

# Municipal Platform

## 1993

Adopted by the  
Board of Directors  
of the  
Alaska Municipal League  
November 14, 1992



## Senior Citizens/Disabled Veterans Property Tax Exemption Mandate

The Alaska Municipal League supports legislation to solve the problem of the unfunded mandate imposed on municipalities by AS 29.45.030, which establishes the Senior Citizens/Disabled Veterans Property Tax Exemption Program. The League supports replacement of mandated municipal property tax exemptions with a direct state rebate program for qualified senior citizens and disabled veterans who paid real property taxes on qualified property.

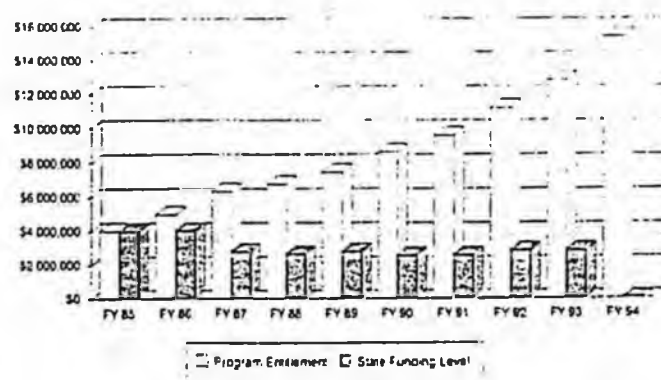
Unfunded mandates are a major element contributing to the increasing costs of government at both the state and local levels. Environmental regulations passed down from the federal to the state to the local level are but one example of unfunded mandates. Another mandate, one that has cost Alaska's municipalities over \$45 million during the last eight years, is the Senior Citizens/Disabled Veterans Property Tax Exemption Program, a program that is steadily growing at the same time funding for it is shrinking.

In 1973, a program to exempt senior citizens from local property taxes was enacted by the Alaska Legislature. In order to make the program workable for municipalities, the program included a provision that the state would reimburse municipalities for tax revenues lost because of the exemption. The intent of the original exemption, for those over 65, was to make it easier for senior citizens to remain in their own homes and, thus, to remain in Alaska. A complementary program, which provides refunds directly to senior citizen renters to compensate for property tax included in their rent charges, was also enacted in 1973. In 1985, the programs were extended to include disabled veterans with a disability of 50 percent or more.

AS 29.45.030(e) requires municipalities to exempt from local property tax "the real property owned and occupied as the primary residence and permanent place of abode by (1) resident 65 years or older; (2) disabled veteran; or (3) resident at least 60 years old who is the widow or

widower of a person qualified\* for such an exemption, up to an assessed value of \$150,000. Although this exemption is mandated by state law, full funding for the mandated exemption has not been provided by the state since 1985, which has meant that all other (i.e., non-senior or disabled veteran) municipal taxpayers have been forced to bear an additional tax burden or municipal service levels have been reduced because of the costs of this underfunded mandate.

**Figure 4 - Funding History - Senior Citizens/ Disabled Veterans Property Tax Exemption Program**



The total cost of the program, which was \$197,050 in 1973 when the program was begun, has grown steadily, reaching over \$12.8 million in FY 93 (see Figure 4). In FY 93 the state appropriation for the program was \$2,838,800, just over 22 percent of the total cost of this state mandate. The estimated cost of the exemption program for FY 94 is \$15.4 million.

The last year the legislature provided full funding for the homeowners program was 1985, when 5,418 taxpayers were eligible for the exemption and just over \$4 million was appropriated. Since then the number of applicants for the exemption has more than doubled, with nearly 11,000 senior citizens and disabled veterans claiming the exemption for FY 93. The growth in exemptions claimed was 14 percent from FY 92 to FY 93 alone. In 1990 the average value of the exemption per person was estimated to be \$1,000, and for FY 93 the average exemption claimed was \$1,374.

During those same years, Alaskan municipalities have been forced by inflation, population increases, and cutbacks in state aid to increase property tax rates, which has intensified the impact of the shortfunding on municipal budgets and local taxpayers. In the last eight years, the unwillingness of the legislature and the administration to appropriate adequate funding for this state-mandated program has cost local taxpayers nearly \$45 million. In FY 93 alone, for instance, non-exempt taxpayers in Alaska's municipalities were required to pay an additional \$10 million in property taxes, or 78 percent of the cost of the program, because reimbursement for the mandatory exemption was underfunded.

Table 7 shows the cost of FY 92 underfunding to individual municipalities and their taxpayers; FY 93 data are not yet final.

**Table 7: FY 92 Cost to Individual Municipalities of Underfunding of the Senior Citizens/ Disabled Veterans Tax Exemption Program**

| Municipality                    | Cost of FY 92 Underfunding |
|---------------------------------|----------------------------|
| Anchorage                       | \$4,234,348                |
| Bristol Bay Borough             | 2,937                      |
| Cordova                         | 15,653                     |
| Craig                           | 3,549                      |
| Dillingham                      | 8,978                      |
| Eagle                           | 224                        |
| Fairbanks North Star Borough    | 1,049,667                  |
| Haines Borough                  | 43,617                     |
| Juneau                          | 691,369                    |
| Kenai Peninsula Borough         | 640,660                    |
| Ketchikan Gateway Borough       | 329,244                    |
| Kodiak Island Borough           | 100,150                    |
| Matanuska-Susitna Borough       | 988,536                    |
| Nenana                          | 6,634                      |
| Nome                            | 42,263                     |
| North Slope Borough             | 15,455                     |
| Pelican                         | 1,049                      |
| Petersburg                      | 94,472                     |
| Sitka                           | 90,278                     |
| Skagway                         | 15,134                     |
| Unalaska                        | 2,518                      |
| Valdez                          | 28,511                     |
| Whittier                        | 514                        |
| Wrangell                        | 41,938                     |
| Yakutat                         | 6,652                      |
| <b>Total Shortfall in FY 92</b> | <b>\$8,454,350</b>         |

Source: Department of Community and Regional Affairs

Local taxpayers should not have to pay the costs of this state-mandated program without having a chance to make a conscious decision on whether or not they want to provide the tax exemption for senior citizens and disabled veterans. If the legislature wants to provide tax relief for these groups, it should be provided through state-administered tax rebate programs.

The 1993 Alaska Municipal League Policy Statement includes the following statement with reference to state-mandated tax exemption programs: "The League opposes the imposition of state-mandated exemptions of certain classes of property, individuals, organizations, or commodities from the application of taxes unless full compensation is made for revenues lost due to these exemptions. If the reimbursements for state-mandated exemptions are not fully funded, currently or in the future, the exemptions should be repealed or prorated."

The League's Policy Statement and AML Resolution No. 93-3 also oppose the imposition of unfunded mandates on local governments by the state. The tax exemption program for senior citizens and disabled veterans is an excellent example of the way state-mandated programs that are not accompanied by adequate funding impose an unfair burden on citizens and their local governments. Governor Hickel's proposed FY 94 budget, which was released in December 1992, calls for no state funding at all for this mandated exemption, which would place the entire burden of the estimated \$15.4 million cost on municipalities. The governor has indicated he will introduce and support legislation that would eliminate the state mandate and make the program entirely a local option.

The Alaska Municipal League urges the Alaska State Legislature to accept full responsibility for the state's senior citizen/disabled veteran property tax exemptions by amending the statutes governing the program to base direct state rebates for local property taxes paid by eligible senior citizens and disabled veterans on the level of state funding appropriated. This would give senior citizens and disabled veterans a tax exemption based on the state's commitment to the program and remove the ever-growing burden the current program has placed on local taxpayers, who have had no opportunity to approve the exemption.

Table 8: Senior Citizens/Disabled Veterans Property Tax Exemption Program

| Fiscal Year | Entitlement             | State Appropriation | Shortfall/<br>Cost to<br>Municipal<br>Taxpayers <sup>a</sup> | % <sup>b</sup> |
|-------------|-------------------------|---------------------|--|----------------|
| 1985        | \$ 4,005,075            | \$ 4,005,075        | \$ 0   | 100.0          |
| 1986        | 4,977,451               | 4,008,600           | 968,851  | 79.5           |
| 1987        | 6,325,763               | 2,770,300           | 3,555,463  | 43.6           |
| 1988        | 6,753,663               | 2,622,969           | 4,130,694  | 38.8           |
| 1989        | 7,464,557               | 2,782,300           | 4,682,257  | 37.3           |
| 1990        | 8,627,081               | 2,557,900           | 6,069,181  | 29.6           |
| 1991        | 9,585,192               | 2,557,900           | 7,027,292  | 26.7           |
| 1992        | 11,293,150              | 2,838,800           | 8,454,350  | 25.1           |
| 1993        | 12,829,291 <sup>c</sup> | 2,838,800           | 9,990,491  | 22.1           |
| 1994        | 15,395,149 <sup>d</sup> | 0 <sup>e</sup>      | 15,395,149   | 00.0           |

<sup>a</sup>The actual cost to municipalities exceeds this figure by \$100,000 + \$160,000, depending on the underfunding of the renters program.

<sup>b</sup>Ratio of state appropriation (reimbursement to municipalities) to the total cost of the program.

<sup>c</sup>FY 93 figures are estimated and subject to final audit.

<sup>d</sup>Estimate as of January 1993

<sup>e</sup>Governor Hickel's proposed FY 94 budget, released in December 1992, includes no funding for this program nor for the renters rebate program. Governor Hickel has indicated that he will introduce legislation to eliminate the state-mandated program and make it a local option.

Source: Department of Community and Regional Affairs

**Senior Citizen and Disabled Veteran  
Property Tax Exemption Programs  
Department of Community and Regional Affairs**

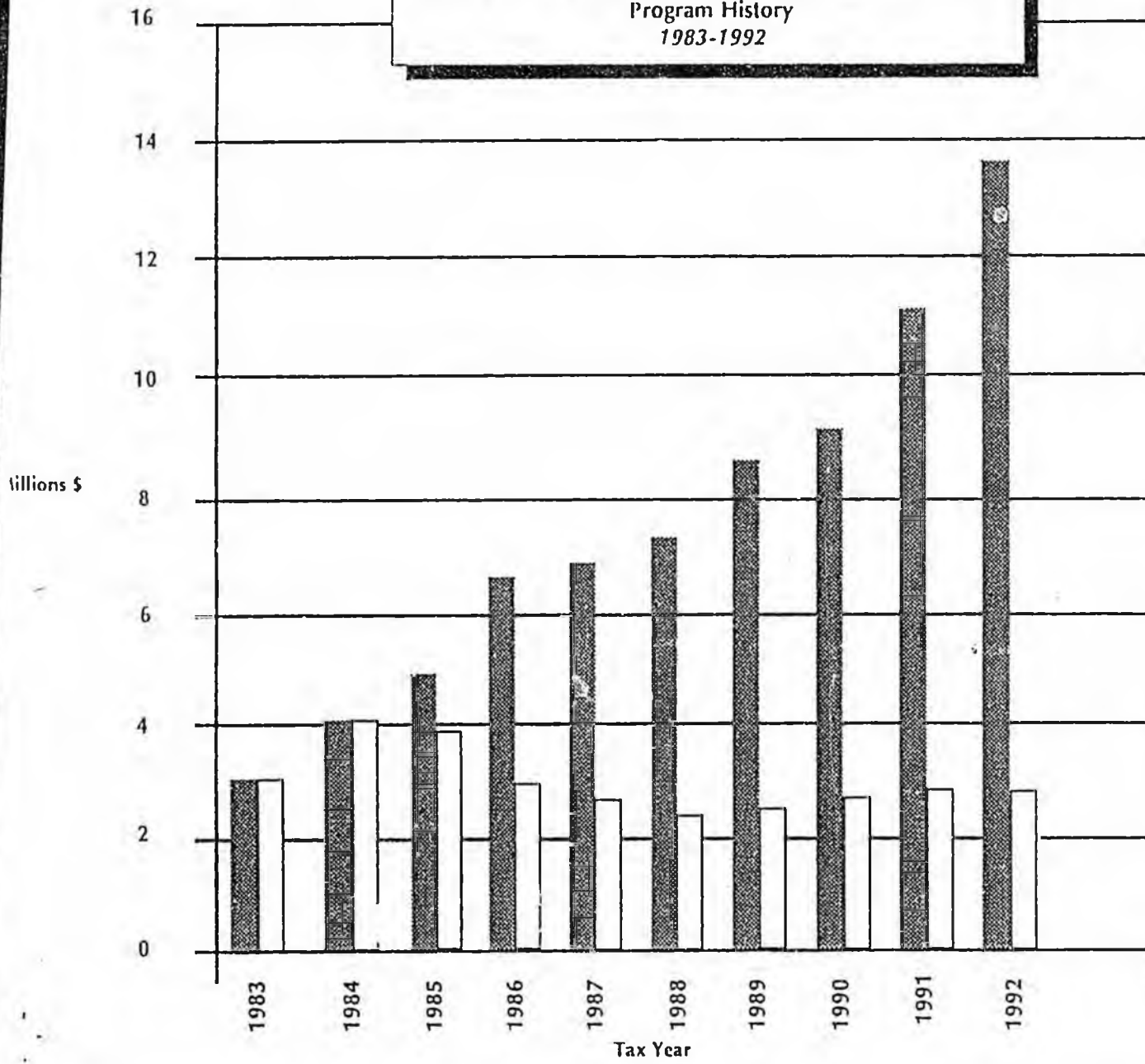
**Property Tax Exemption Program**

Created in 1974, the Senior and Disabled Veteran Property Tax Exemption Program exempts senior citizens (65 years of age or older) and disabled veterans (with a 50% or greater service-related disability) from payment of property tax on the first \$150,000 of assessed valuation of the applicant's permanent place of abode. Program participants apply each year directly to the municipality in which they seek a tax exemption. The effected municipalities compile annual reports of exempted applicants, exempted assessed values and exempted tax amounts. Based on these figures, the municipalities apply to the Department for reimbursement for property tax revenues lost due to this state-mandated program. After the submitted applications are audited and certified, the Department issues warrants to the municipalities. If taxes exempted under this program exceed funding appropriation levels, the State issues payments on a prorated basis. This has been the case since FY 86. In FY 93, state funding covered about 20% of the reimbursement requests submitted by municipalities.

**Senior Citizen/Disabled Veteran Property Tax Equivalency Program**

This program was created in 1976 as a companion program to the property tax exemption program. The program rebates eligible applicants for that portion of their yearly rent on their permanent place of abode that goes toward the payment of real property taxes. Applicants must be at least 65 years of age or disabled veterans and rent property that is subject to a local property tax. Rent rebate payments are calculated as one percent of the local mill rate times the total annual rent. Applicants apply directly to the Department and payments are issued to each eligible applicant. Rebate payments are prorated if program costs exceed the annual program appropriation. The renter rebate program has exceeded funding levels since 1986. In FY 93 applicants will each receive about 85% of the amount calculated by formula.

Senior Citizen/Disabled Veteran Property Tax Exemption  
Program History  
1983-1992



| Tax Yr. | State Funding Level | Municipal Reimbursement Request |
|---------|---------------------|---------------------------------|
| 1983    | 3,146,618           | 3,146,618                       |
| 1984    | 4,005,075           | 4,005,075                       |
| 1985    | 3,985,567           | 4,977,451                       |
| 1986    | 2,770,300           | 6,325,763                       |
| 1987    | 2,622,969           | 6,753,663                       |
| 1988    | 2,519,344           | 7,464,557                       |
| 1989    | 2,542,803           | 8,627,081                       |
| 1990    | 2,557,900           | 9,585,192                       |
| 1991    | 2,838,800           | 11,293,150                      |
| 1992    | 2,838,800           | 13,669,469                      |

Municipal Reimbursement Request  
 State Funding Level

# Tax Jurisdiction Summary – Tax Year 1991/FY 92

|                                | Seniors    | Veterans  | Requested Rebates   |
|--------------------------------|------------|-----------|---------------------|
| Anchorage Municipality         | 480        | 61        | \$516,576.00        |
| Cordova                        | 1          |           | \$269.57            |
| Craig                          | 1          |           | \$9.42              |
| Fairbanks NS Borough           | 72         | 11        | \$75,744.77         |
| FNSB/Fairbanks City            | 35         |           | \$30,212.51         |
| FNSB/North Pole                | 1          | 2         | \$1,909.92          |
| Haines Borough                 | 5          |           | \$1,835.30          |
| Juneau, City & Boro            | 112        | 5         | \$93,077.04         |
| Kenai Peninsula Boro           | 1          |           | \$663.60            |
| Ketchikan Gateway Boro         | 32         | 1         | \$22,734.97         |
| Kodiak Island Borough          | 34         | 1         | \$9,378.73          |
| KPB/Homer                      | 8          | 2         | \$6,793.11          |
| KPB/Kenai                      | 26         |           | \$10,914.73         |
| KPB/Seward                     | 2          |           | \$1,835.70          |
| KPB/Soldotna                   | 47         | 1         | \$17,844.21         |
| Mat-Su Borough                 | 2          |           | \$1,486.35          |
| Mat-Su/Palmer                  | 20         | 4         | \$13,670.20         |
| Mat-Su/Wasilla                 | 16         | 3         | \$18,311.78         |
| Nenana                         | 1          |           | \$516.60            |
| Pelican                        | 2          |           | \$250.36            |
| Petersburg                     | 5          | 1         | \$2,863.00          |
| Sitka, City & Boro             | 18         |           | \$5,836.96          |
| Skagway                        | 1          |           | \$303.43            |
| Valdez                         | 1          |           | \$357.45            |
| Wrangell                       | 7          |           | \$2,991.23          |
| <b>Total Rebates Requested</b> | <b>930</b> | <b>92</b> | <b>\$836,387.02</b> |

Senior Citizen/Disabled Veteran Property Tax Exemption Program FY 93/TY 92

| BOROUGH                          | TY91/FY92<br>NUMBER OF<br>APPLICANTS<br>APPROVED | TY92/FY93<br>NUMBER OF<br>APPLICANTS<br>APPROVED | TY91/FY92<br>TOTAL<br>ASSESSED<br>VALUE<br>EXEMPT | TY92/FY93<br>TOTAL<br>ASSESSED<br>VALUE<br>EXEMPT | TY91/FY92<br>TOTAL<br>TAX<br>EXEMPT | TY92/FY93<br>TOTAL<br>TAX<br>EXEMPT | TY91/FY92<br>PRORATED<br>PAYMENT | TY92/FY93<br>PRORATED<br>PAYMENT | TY91/FY92<br>REIMBURSE-<br>MENT<br>SHORTAGE | TY92/FY93<br>REIMBURSE-<br>MENT<br>SHORTAGE | TY91/FY92<br>AVERAGE<br>EXEMPT<br>VALUE<br>PER APP. | TY92/FY93<br>AVERAGE<br>EXEMPT<br>VALUE<br>PER APP. | TY91/FY92<br>AVERAGE<br>EXEMPT<br>TAX<br>PER APP. | TY92/FY93<br>AVERAGE<br>EXEMPT<br>TAX<br>PER APP. | % INCREASE/<br>DECREASES IN<br>PROGRAM<br>COST |
|----------------------------------|--|--|---|---|-------------------------------------|-------------------------------------|----------------------------------|----------------------------------|---|---|---|---|---|---|--|
| Municipality of Anchorage        | 4,325  | 4,751  | 330,769,989                                       | 409,111,032                                       | 5,656,157                           | 7,082,897                           | 1,421,809                        | 1,470,937                        | 4,234,348                                   | 5,611,960                                   | 76,479  | 86,111  | 1,308   | 1,491   | 0.20   |
| Bristol Bay Borough              | 14   | 13   | 784,657   | 880,203   | 3,923                               | 4,401                               | 986                              | 914                              | 2,937                                       | 3,487                                       | 56,047  | 67,708  | 280   | 339   | 0.11   |
| Fairbanks North Star Borough     | 1,306  | 1,379  | 82,932,034  | 86,472,935  | 1,402,124                           | 1,665,069                           | 352,457                          | 345,792                          | 1,049,667                                   | 1,319,276                                   | 63,531  | 62,707  | 1,074   | 1,207   | 0.16   |
| Haines Borough                   | 101  | 110  | 7,326,875   | 8,278,375   | 58,263                              | 71,402                              | 14,846                           | 14,828                           | 43,617                                      | 56,574                                      | 72,543  | 75,258  | 577   | 649   | 0.18   |
| City & Borough of Juneau         | 698  | 714  | 67,004,000  | 73,804,100  | 923,516                             | 1,017,742                           | 232,148                          | 211,359                          | 691,389                                     | 806,383                                     | 95,994  | 103,367   | 1,323   | 1,425   | 0.09   |
| Kenai Peninsula Borough          | 1,035  | 1,108  | 74,518,204  | 88,648,599  | 855,731                             | 1,007,552                           | 215,121                          | 209,243                          | 640,660                                     | 798,309                                     | 71,998  | 80,008  | 827   | 909   | 0.15   |
| Keetchikan Gateway               | 430  | 436  | 36,090,974  | 38,087,600  | 439,797                             | 509,577                             | 110,553                          | 105,828                          | 329,244                                     | 403,751                                     | 83,932  | 87,357  | 1,023   | 1,169   | 0.14   |
| Kodiak Island Borough            | 209  | 181  | 15,591,524  | 16,464,204  | 133,778                             | 127,227                             | 33,628                           | 26,422                           | 100,150                                     | 100,805                                     | 74,601  | 90,962  | 640   | 703   | -0.05  |
| Matanuska-Susitna Borough        | 1,133  | 1,249  | 79,829,563  | 97,234,600  | 1,320,466                           | 1,633,159                           | 331,930                          | 339,168                          | 988,536                                     | 1,293,994                                   | 70,459  | 77,850  | 1,165   | 1,308   | 0.19   |
| North Slope Borough              | 20   | 22   | 1,133,642   | 1,188,570   | 20,644                              | 20,946                              | 5,189                            | 4,350                            | 15,455                                      | 16,596                                      | 56,682  | 54,026  | 1,032   | 952   | 0.01   |
| City & Borough of Sitka          | 201  | 226  | 20,098,445  | 23,012,580  | 120,591                             | 138,025                             | 30,313                           | 28,664                           | 90,278                                      | 109,361                                     | 99,992  | 101,826   | 600   | 611   | 0.13   |
| <b>Borough Subtotal</b>          | <b>9,472</b>                                     | <b>10,189</b>                                    | <b>716,079,907</b>                                | <b>843,182,798</b>                                | <b>10,935,040</b>                   | <b>13,277,997</b>                   | <b>2,748,780</b>                 | <b>2,757,501</b>                 | <b>8,186,261</b>                            | <b>10,520,496</b>                           | <b>75,600</b>                                       | <b>82,754</b>                                       | <b>1,114</b>                                      | <b>1,303</b>                                      | <b>0.18</b>                                    |
| <b>CITIES</b>                    |  |  |   |   |                                     |                                     |                                  |                                  |   |   |   |   |   |   |  |
| CORDOVA                          | 40   | 41   | 2,947,465   | 3,171,040   | 20,909                              | 34,331                              | 5,256                            | 7,130                            | 15,653                                      | 27,201                                      | 73,687  | 76,123  | 523   | 837   | 0.39   |
| CRAIG                            | 11   | 20   | 782,478   | 1,382,282   | 4,741                               | 8,294                               | 1,192                            | 1,722                            | 3,549                                       | 6,571                                       | 71,134  | 69,114  | 431   | 415   | 0.43   |
| DILLINGHAM                       | 23   | 23   | 2,663,130   | 2,648,830   | 9,321                               | 11,920                              | 2,343                            | 2,475                            | 6,978                                       | 9,444                                       | 115,788   | 115,167   | 405   | 518   | 0.22   |
| EAGLE                            | 5  | 6  | 299,540   | 317,550   | 300                                 | 318                                 | 75                               | 66                               | 224   | 252   | 59,908  | 52,925  | 60  | 53  | 0.06   |
| HEMANA                           | 19   | 21   | 937,666   | 918,542   | 11,533                              | 11,298                              | 2,899                            | 2,346                            | 8,634                                       | 8,952                                       | 49,351  | 43,740  | 607   | 538   | -0.02  |
| NOVE                             | 77   | 76   | 5,018,169   | 4,996,402   | 56,455                              | 46,217                              | 14,191                           | 9,598                            | 42,233                                      | 36,619                                      | 65,171  | 65,742  | 733   | 608   | -0.22  |
| PELICAN                          | 5  | 5  | 254,750   | 254,750   | 1,401                               | 1,401                               | 352                              | 291                              | 1,049                                       | 1,110                                       | 50,950  | 50,950  | 280   | 280   | 0.00   |
| PETERSBURG                       | 133  | 135  | 12,619,438  | 13,216,531  | 126,194                             | 132,165                             | 31,722                           | 27,447                           | 94,472                                      | 104,718                                     | 94,883  | 97,900  | 949   | 979   | 0.05   |
| SKAGWAY                          | 38   | 38   | 2,511,267   | 2,635,253   | 20,216                              | 18,390                              | 5,082                            | 3,819                            | 15,134                                      | 14,571                                      | 66,086  | 69,349  | 532   | 484   | -0.10  |
| UNALASKA                         | 4  | 4  | 285,500   | 265,940   | 3,363                               | 3,133                               | 845                              | 651                              | 2,518                                       | 2,482                                       | 71,375  | 66,485  | 841   | 783   | -0.07  |
| VALDEZ                           | 37   | 38   | 2,343,968   | 2,809,747   | 38,084                              | 55,314                              | 9,573                            | 11,487                           | 28,511                                      | 43,826                                      | 63,350  | 73,941  | 1,029   | 1,456   | 0.31   |
| WHITTIER                         | 7  | 6  | 137,400   | 124,400   | 687                                 | 622                                 | 173                              | 129                              | 514   | 493   | 19,629  | 20,733  | 92  | 104   | -0.10  |
| WRANGELL                         | 104  | 106  | 6,563,021   | 6,922,290   | 55,020                              | 58,935                              | 14,082                           | 12,239                           | 41,938                                      | 46,696                                      | 63,106  | 65,305  | 539   | 556   | 0.05   |
| YAKUTAT                          | 11   | 11   | 722,400   | 742,650   | 8,886                               | 9,135                               | 2,235                            | 1,897                            | 6,652                                       | 7,238                                       | 65,673  | 67,514  | 808   | 830   | 0.03   |
| <b>CITIES SUBTOTAL</b>           | <b>514</b>                                       | <b>530</b>                                       | <b>38,086,190</b>                                 | <b>40,356,207</b>                                 | <b>358,110</b>                      | <b>391,472</b>                      | <b>90,020</b>                    | <b>81,299</b>                    | <b>268,089</b>                              | <b>310,173</b>                              | <b>74,098</b>                                       | <b>76,144</b>                                       | <b>697</b>  | <b>739</b>  | <b>0.09</b>                                    |
| <b>FY 93 STATEWIDE TOTAL</b>     | <b>9,986</b>                                     | <b>10,719</b>                                    | <b>754,166,097</b>                                | <b>883,539,005</b>                                | <b>11,293,150</b>                   | <b>13,669,469</b>                   | <b>2,838,800</b>                 | <b>2,838,800</b>                 | <b>8,454,350</b>                            | <b>10,830,669</b>                           | <b>75,522</b>                                       | <b>82,427</b>                                       | <b>1,131</b>                                      | <b>1,275</b>                                      | <b>0.21</b>                                    |
| <b>FISCAL YR. FUNDING LEVELS</b> |  |  |   |   |                                     |                                     |                                  |                                  |   |   |   |   |   |   |  |
| <b>FF SHORTAGE</b>               |  |  |   |   |                                     |                                     |                                  |                                  |   |   |   |   |   |   |  |
|                                  |  |  |   | (FY92 Shortage)                                   | -8,454,350                          | -10,830,669                         | (FY93 Shortage)                  |                                  |   |   |   |   |   |   |  |
|                                  |  |  |   | Prorating %                                       | 0.25137362                          | 0.207674488                         |                                  |                                  |   |   |   |   |   |   |  |



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

February 15, 1993

TO: Senator Randy Phillips, Chair  
and  
Members, Senate Committee on Community and Regional Affairs

FROM: Kent E. Swisher, Executive Director *KES*

RE: SB 102 - Relating to municipal tax exemptions and property tax equivalency payments for senior citizens and disabled veterans

The Alaska Municipal League supports the general concept of SB 102, which repeals the state-mandated municipal property tax exemption for senior citizens and disabled veterans, and asks the committee to consider three important amendments to make the local options provisions of SB 102 more effective.

Underfunding of the state-mandated municipal property tax exemption for senior citizens and disabled veterans has cost Alaska's local governments nearly \$36 million since 1985. Finding an answer to the issue of this unfunded mandate is a legislation priority of the Alaska Municipal League for the current legislative session.

The League's preferred solution to the problem is and has been for the State of Alaska to provide full funding for the program. Short of full funding of the state's obligation, which has not happened since 1985, the League supports a direct rebate program that would provide tax relief payments from the state directly to eligible individuals based on the amount appropriated by the legislature for the program (*1993 Municipal Platform* and *1993 Alaska Municipal League Policy Statement*, Part I.D.2).

Although the League continues to support full funding or a rebate program as preferred alternatives, League members have come to the realization that neither of these two options is likely in a time of declining state revenues. Thus, also in accordance with its *Policy Statement*, the League supports repeal of the state-mandated property tax exemption program, as proposed in SB 102. Granting municipalities the authority to establish property tax relief programs for senior citizens and disabled veterans at the local level will allow local decisions on the feasibility of such programs, citizens' willingness to support them, the level of tax relief to be provided, needs-based criteria for relief, and other conditions. It will tie the authority to determine the nature of property tax relief programs to the responsibility to pay for them.

The Alaska Municipal League requests three amendments to SB 102:

1. Require that any local property tax relief program for senior citizens and disabled veterans be approved by the voters.
2. Allow locally established property tax relief programs to grant deferrals on property taxes as well as exemptions

- continued -

Senator Randy Phillips and  
Community and Regional Affairs Committee  
February 15, 1993  
page 2

3. Exempt the value of property optionally exempted under a local program to provide tax relief for senior citizens and disabled veterans from the full and true value determination prepared by the Department of Community and Regional Affairs, which is a determining factor in the level of funding under the education foundation and the state revenue sharing programs.

These proposed amendments are necessary to provide local governments with the maximum flexibility and incentives to establish local programs of tax relief for senior citizens and disabled veterans. The League urges you to amend SB 102 to include these provisions and to pass the amended bill.

# STATE OF ALASKA

## DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

February 9, 1993

WALTER J. HICKEL, GOVERNOR

PLEASE REPLY TO:

1031 W. 4TH AVENUE, SUITE 200  
ANCHORAGE, ALASKA 99501-1994  
PHONE: (907) 269-5100  
FAX: (907) 276-3697

KEY BANK BUILDING  
100 CUSHMAN ST., SUITE 400  
FAIRBANKS, ALASKA 99701-4679  
PHONE: (907) 452-1568  
FAX: (907) 456-1317

P. O. BOX 110300 - STATE CAPITOL  
JUNEAU, ALASKA 99811-0300  
PHONE: (907) 465-3600  
FAX: (907) 463-5295

The Honorable Randy Phillips  
Alaska State Senate  
Chair, Senate Community and  
Regional Affairs Committee  
State Capitol  
Juneau, AK 99801-1182

RE: SB 102 relating to property tax  
exemptions

Dear Senator Phillips:

It is our understanding that SB 102, relating to property tax exemptions for certain primary residences and to property tax equivalency payments for certain residents, has been referred to your committee. The purpose of this letter is to recommend the adoption of an amendment to the bill, copy of which is enclosed.

After reviewing this bill, the Legislative Affairs Agency has suggested an amendment that we agree is appropriate. The amendment would be to delete Section 1 in its entirety (at page 1, lines 5 - 12), renumber the remaining sections accordingly, and add AS 29.45.030(h) to the list of sections to be repealed in the current Section 4 (at page 2, line 27). This amendment is recommended because with the repeal of the property tax exemptions in AS 29.45.030(e) and (f) as proposed in this bill, there would be nothing left in AS 29.45.030 that would effect a similar property tax exemption granted by a municipality. Therefore, there is no need for the bill to include such a provision.

We have also advised Senators Frank and Pearce, Co-Chairs of the Senate Finance Committee, and Representative Olberg, Chair of the House Community and Regional Affairs Committee, of this recommended amendment to the bill. The House Community and

The Honorable Randy Phillips  
SB 102 relating to property tax exemptions

February 9, 1993  
Page 2

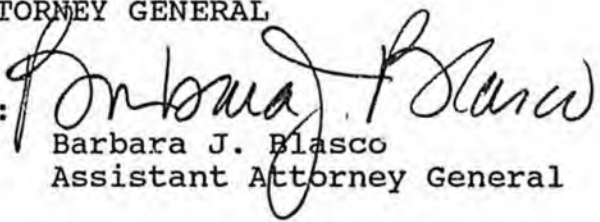
Regional Affairs Committee adopted this amendment when it considered the House version (HB 66) on February 9, 1993.

Please let me know if you have any questions about this matter.

Sincerely yours,

CHARLES E. COLE  
ATTORNEY GENERAL

By:

  
Barbara J. Blasco  
Assistant Attorney General

BJB:cp:ae

cc: Deborah E. Behr, Assistant Attorney General  
Department of Law

Tamara Cook, Director, Division of Legal Services  
Legislative Affairs Agency

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3

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**SENATE COMMITTEE REPORT**  
FIRST COMMITTEE OF REFERRAL

DATE: 2/26/93

FURTHER: HES  
FINANCE

Date of 5-Day Notice: 1/5/94  
(in accordance with Uniform Rule 23)

DATE TURNED  
INTO OFFICE: 1/26/94

CRA Committee considered SB 136

"An Act relating to a curriculum for Native language education; and providing for an effective date."

and recommends:

replace with CS SB 136 (CRA)

same title  
 new title  
 technical title change  
(HB only)

attaches amendment(s)

adopts \_\_\_\_\_ Letter of Intent

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

do pass

do not pass

no recommendation

individual recommendations

**FISCAL NOTE INFORMATION**

| Department    | Date    | Zero | Fiscal        |
|---------------|---------|------|---------------|
| Dept. of Educ | 1/25/94 |      | #10.1 - #23.4 |
|               |         |      |               |
|               |         |      |               |
|               |         |      |               |
|               |         |      |               |

| Department | Date | Zero | Fiscal |
|------------|------|------|--------|
|            |      |      |        |
|            |      |      |        |
|            |      |      |        |
|            |      |      |        |
|            |      |      |        |

Appropriation No Fiscal Note

Governor's Bill with Previous Fiscal Notes (enter information above)

DO PASS

OTHER RECOMMENDATIONS:

W Adams  
Loren A. Sloman (w/o fiscal note)  
Frank J. Zhanoff "Ah-hu-rrh"

Roll EC Roll No Rec  
Adrian L. Taylor NO REC

Roll EC Roll

Chair: Signature and Recommendation

# FISCAL NOTE

STATE OF ALASKA  
1994 LEGISLATIVE SESSION

BILL NO. SB 136

Revision Date: 1/10/94 Dept. Affected: Department of Education  
 Title: An act relating to a curriculum for Native language education; and providing for an effective date. BRU: School Finance \ K-12  
 Component: Data Management \ Foundation Program  
 Sponsor: Senator Lincoln  
 Requestor: (S) CRA COMPONENT SERIAL NO. 1,241 \ 141

Expenditures/Revenues (Thousands of Dollars)

| OPERATING EXPENDITURES | FY 95        | FY 96        | FY 97        | FY 98        | FY 99        | FY 00        |
|------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| PERSONAL SERVICES      |              |              |              |              |              |              |
| TRAVEL                 | 3.6          |              |              |              |              |              |
| CONTRACTUAL            | 6.5          |              |              |              |              |              |
| SUPPLIES               |              |              |              |              |              |              |
| EQUIPMENT              |              |              |              |              |              |              |
| LAND & STRUCTURES      |              |              |              |              |              |              |
| GRANTS, CLAIMS         | 213.5        | 213.5        | 213.5        | 213.5        | 213.5        | 213.5        |
| MISCELLANEOUS          |              |              |              |              |              |              |
| <b>TOTAL OPERATING</b> | <b>223.6</b> | <b>213.5</b> | <b>213.5</b> | <b>213.5</b> | <b>213.5</b> | <b>213.5</b> |

|                      |  |  |  |  |  |  |
|----------------------|--|--|--|--|--|--|
| CAPITAL EXPENDITURES |  |  |  |  |  |  |
|----------------------|--|--|--|--|--|--|

|                        |  |  |  |  |  |  |
|------------------------|--|--|--|--|--|--|
| CHANGE IN REVENUES ( ) |  |  |  |  |  |  |
|------------------------|--|--|--|--|--|--|

FUND SOURCE (Thousands of Dollars)

|                          |              |              |              |              |              |              |
|--------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| 1002 Federal Receipts    |              |              |              |              |              |              |
| 1003 GF Match            |              |              |              |              |              |              |
| 1004 GF                  | 223.6        | 213.5        | 213.5        | 213.5        | 213.5        | 213.5        |
| 1005 GF/Program Receipts |              |              |              |              |              |              |
| 1006 GF/MHTIA            |              |              |              |              |              |              |
| Other                    |              |              |              |              |              |              |
| <b>TOTAL</b>             | <b>223.6</b> | <b>213.5</b> | <b>213.5</b> | <b>213.5</b> | <b>213.5</b> | <b>213.5</b> |

Estimate of any current year (FY94) cost: \$ -0-

POSITIONS

|           |  |  |  |  |  |  |
|-----------|--|--|--|--|--|--|
| FULL-TIME |  |  |  |  |  |  |
| PART-TIME |  |  |  |  |  |  |
| TEMPORARY |  |  |  |  |  |  |

**ANALYSIS:** (Attach a separate page if necessary)  
**GRANTS:** Currently six school districts do not have an approved bilingual plan of service on file with the department. School districts who are required to provide native language education would develop bilingual plans of service. Aleutians East, Peilican and Valdez would apply for bilingual funding through the foundation program. The department has assumed that these districts will generate one unit each of bilingual funding. This bill would increase the foundation program cost by \$213,500 annually.  
 See attached explanation for travel and contractual expenses.

Prepared by: Bob Silverman \ Eddy Jeans Phone: 465-8680 \ 465-2865  
 Division: School Finance Date: \_\_\_\_\_  
 Approved by Commissioner: [Signature] Date: 1-11-94  
 Agency: Department of Education

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Fiscal Note, SB 136  
January 11, 1994  
Page 2

A standard reporting format will be developed to meet the reporting requirements of SB 136. This format will specify the information that must be reported and the form in which the information must appear. To develop this format a team of Alaskans will meet over a two day period to review alternatives and reach consensus on a reporting model.

To keep costs at a minimum, travel will be shared with participating districts. The state's share of the costs is \$3,600. The department will pay travel costs for its own staff who will attend this meeting by holding the meeting at a time when staff will be in Anchorage. Contractual resources will be used to obtain the services of a consultant with expertise in bilingual program evaluation.

Costs associated with redesigning and reprinting materials currently used by the department for implementing the Report Card Legislation will be borne by the department by delaying the revision and reprinting of materials until after its planned evaluation cycle.

# FISCAL NOTE

STATE OF ALASKA  
1994 LEGISLATIVE SESSION

BILL NO. CSSB 136 (CRA)

Revision Date: \_\_\_\_\_ Dept. Affected: Department of Education  
 Title: An act relating to a curriculum for Native BRU: School Finance \ K-12  
language education; and providing for an effective date. Component: Data Management \ Foundation Program  
 Sponsor: Senator Lincoln  
 Requestor: CSSB 136 (CRA) COMPONENT SERIAL NO. 1,241 \ 141

**Expenditures/Revenues (Thousands of Dollars)**

| OPERATING EXPENDITURES | FY 95                | FY 96             | FY 97             | FY 98             | FY 99             | FY 00             |
|------------------------|----------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| PERSONAL SERVICES      |                      |                   |                   |                   |                   |                   |
| TRAVEL                 | 3.6                  |                   |                   |                   |                   |                   |
| CONTRACTUAL            | 6.5                  |                   |                   |                   |                   |                   |
| SUPPLIES               |                      |                   |                   |                   |                   |                   |
| EQUIPMENT              |                      |                   |                   |                   |                   |                   |
| LAND & STRUCTURES      |                      |                   |                   |                   |                   |                   |
| GRANTS, CLAIMS         | 0 to 213.5           | 0 to 213.5        | 0 to 213.5        | 0 to 213.5        | 0 to 213.5        | 0 to 213.5        |
| MISCELLANEOUS          |                      |                   |                   |                   |                   |                   |
| <b>TOTAL OPERATING</b> | <b>10.1 to 223.6</b> | <b>0 to 213.5</b> | <b>0 to 213.5</b> | <b>0 to 213.5</b> | <b>0 to 213.5</b> | <b>0 to 213.5</b> |

|                             |  |  |  |  |  |  |
|-----------------------------|--|--|--|--|--|--|
| <b>CAPITAL EXPENDITURES</b> |  |  |  |  |  |  |
|-----------------------------|--|--|--|--|--|--|

|                               |  |  |  |  |  |  |
|-------------------------------|--|--|--|--|--|--|
| <b>CHANGE IN REVENUES ( )</b> |  |  |  |  |  |  |
|-------------------------------|--|--|--|--|--|--|

**FUND SOURCE (Thousands of Dollars)**

|                          |                      |                   |                   |                   |                   |                   |
|--------------------------|----------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| 1002 Federal Receipts    |                      |                   |                   |                   |                   |                   |
| 1003 GF Match            |                      |                   |                   |                   |                   |                   |
| 1004 GF                  | 10.1 to 223.6        | 0 to 213.5        | 0 to 213.5        | 0 to 213.5        | 0 to 213.5        | 0 to 213.5        |
| 1005 GF/Program Receipts |                      |                   |                   |                   |                   |                   |
| 1006 GF/MHTIA            |                      |                   |                   |                   |                   |                   |
| Other                    |                      |                   |                   |                   |                   |                   |
| <b>TOTAL</b>             | <b>10.1 to 223.6</b> | <b>0 to 213.5</b> | <b>0 to 213.5</b> | <b>0 to 213.5</b> | <b>0 to 213.5</b> | <b>0 to 213.5</b> |

Estimate of any current year (FY94) cost: \$ -0-

**POSITIONS**

|           |  |  |  |  |  |  |
|-----------|--|--|--|--|--|--|
| FULL-TIME |  |  |  |  |  |  |
| PART-TIME |  |  |  |  |  |  |
| TEMPORARY |  |  |  |  |  |  |

**ANALYSIS:** (Attach a separate page if necessary)  
**GRANTS:** After the first year's expenses, the Department estimates that the fiscal impact will range from 0 to 213.5 annually. Currently six school districts do not have an approved bilingual plan of service on file with the department. School districts which elect to provide native language education may develop bilingual plans of service. Aleutians East, Pelican and Valdez may apply for bilingual funding through the foundation program. The department has assumed that these districts will generate the minimum amount of one unit each of bilingual funding. See attached explanation for the 10.1 travel and contractual expenses.

Prepared by: Eddy Jeans / Bob Silverman  
 Division: School Finance  
 Approved by Commissioner: [Signature]  
 Agency: Department of Education

Phone: 465-8685 / 465-8680  
 Date: 1-25-94  
 Date: 1/25/94

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Fiscal Note, SB 136

January 11, 1994

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FROM: Mr John

Netzel

HCR 70

Valdez

AK

99536

NONE

NON-CONSTITUENT

BILL#: SB 136 NATIVE LANGUAGE EDUCATION

SUPPORTS

MESSAGE: THE FEDERAL GOVERNMENT "VOICE OF AMERICA" IS SELLING USED SHORT WAVE RADIO BROADCAST EQUIPMENT, CHEAP. YOU COULD SET UP ONE STATION AND REACH ALL NATIVES IN ALASKA AND THE WORLD WITH \$20,000. NATIVES COULD RECEIVE THE VOICE AND LESSONS ON \$30.00 RADIOS, AT SCHOOL, WORK AND HOME AT NO COST.

DISTRIBUTION 07



# STATE OF ALASKA

WALTER J. HICKEL, GOVERNOR

## DEPARTMENT OF EDUCATION

GOLDBELT PLACE  
801 WEST 10TH STREET, SUITE 200  
JUNEAU, ALASKA 99801-1694

### OFFICE OF THE COMMISSIONER

January 20, 1994

The Honorable Randy Phillips  
Alaska State Legislature  
Chair, Community and Regional Affairs Committee  
State Capitol, Room 103  
Juneau, AK 99801

Dear Senator Phillips:

The following information is to follow-up on the staff testimony before the Senate Community and Regional Affairs Committee, January 11, 1994.

I. At the committee hearing, the following question was asked: "What would it cost for a local school district to implement a Native Language Education Program as outlined in SB 136?" In preparing a response to this question, a phone survey was conducted of several school districts who currently offer a Native Language Education Program.

| School                          | Budget    | Scope     | Sites | Expenditures   |
|---------------------------------|-----------|-----------|-------|--|
| Lower Yukon School District     | \$500,000 | K - 12    | 11    | Salaries, curriculum and staff development, supplies, travel |
| NW Arctic Borough Schools       | \$650,000 | Pre-K - 8 | 12    | Salaries, curriculum and staff development, supplies, travel |
| Kenai Peninsula Borough Schools | \$ 95,000 | K - 12    | 2     | Salaries, curriculum and staff development, supplies, travel |

The Yukon/Koyukuk School District and the Bering Strait School District estimated that it could cost approximately \$60,000 per school site to implement a Native Language Education Program. The Lower Kuskokwim School District indicated that to conduct an exemplary K-12 program in Toksook Bay it would cost the school district \$203,000.

II. The department estimates that a single high school level language course produced for distance delivery, utilizing the current system and technologies, and offered 4 days per week/ 36 weeks per year, would cost \$230,000. If several districts share this cost, and a large number of students can enroll, this could be quite cost effective. Based on this pricing structure and the number of school-age speakers of Alaska Native languages, we can assume that it would be more cost effective to establish a Yupik course than an Aleut or Gwichin one, for example. Please note that this estimate does not include the development or purchase of materials such as texts, videotapes, audiotapes or computer software. *Attachment A* lists enrollment figures for bilingual education programs among the top 10 language groups in Alaskan schools in FY92.

Currently, several school districts have, or are developing, internal distance delivery capabilities. The North Slope Borough School District has an area wide videoconferencing and computer network. The Distance Delivery Consortium in Bethel is already providing satellite services, using the Star Schools down links. These circumstances may afford districts savings in developing courses. One of the limiting factors is the lack of a statewide network. Not all systems in place are compatible with other systems. To address this issue, the Department of Administration, with the involvement of our staff, is planning a statewide telecommunications network. The implementation of such a network would impact the costs of proposed services and the dissemination of the courses.

Other technologies may also be appropriate for teaching Native languages. CD-ROM, laser disks, hypercard and other computer and multimedia technologies are becoming more commonplace. A 1993 survey of Alaska schools found that 58% of responding schools had one or more CD-ROM players. Such multimedia programs allow students a high degree of interactive learning. The curriculum design and development of such new courses might be an expensive venture, but may be very useful for languages with few speakers in isolated communities.

III. In addition to the regular education support, funding for these Native Language Education programs can come from a variety of sources.

#### **Foundation Program Bilingual Entitlement**

Districts with bilingual education programs currently have the option to provide either a **Partial Maintenance** program as defined in bilingual regulation 4 AAC 34.065, and described as choice (1) on *Attachment B* or a **Native Language Other than English as a Second Language Program** also described on *Attachment B* as choice (6). The department believes that exercising either of these two specific options would meet the intent of SB 136. *Attachment C* lists districts which offered these two program options during FY93.

Through the Foundation Formula, the state contributes significant financial support to districts who serve students who are limited English proficient (LEP) and bilingual, both Native and of various national origins. In FY94, the Foundation Program Bilingual Entitlement for serving over 12,000 students was \$19,000,280. *Attachment D* specifies how much districts received in bilingual funds this year.

### **Indian Education Program Funds**

The use of these funds, awarded directly from the federal government to districts, based on the number of Indian and Native students enrolled, can be determined by the local advisory board. Therefore, if a district wanted to establish a language program for its Native students, it could elect to do so. In fact, many districts currently supplement their state-funded bilingual program with Indian Education funds in order to improve its scope and quality.

### **Competitive Grants**

The U.S. Department of Education issues grants to local districts on a limited basis through Title VII for programs called "Two-way Developmental Bilingual Programs." These types of grants would allow for instruction of Native languages. Currently, six districts in Alaska receive Title VII funds, and one district has established a two-way developmental bilingual program. *Attachment E* lists these districts.

### **Native American Programs Act**

U.S. Senator Inouye's "Native Language Bill" was passed in 1992 and authorizes the U.S. Department of Health and Human Services - Administration for Native Americans to establish a grant program to preserve and enhance Alaskan and American Indian Native languages, across the nation. The bill authorized 2 million per year, for four years, without corresponding appropriations. Senator Murkowski's office reports that they are still working on an appropriation bill to fulfill the mandates of the 1992 legislation. If, and when, this money becomes available, Native villages and/or Native corporations may submit grant requests to establish a Native language program in their communities, and work with the local districts to deliver instruction.

### **Collaborative Agreements**

Local school districts may enter into cooperative and collaborative agreements with Native corporations and/or boroughs to provide Native language programs. One such example lies in the North Slope Borough which has a division within its Planning Department called the Inupiat History Language and Culture office (IHLC). The IHLC office publishes materials, maintains a

Letter, Senator Randy Phillips  
January 20, 1994  
Page 4 of 4

library of oral history tapes and sponsors two major events each year, an Elders' Conference and the Messenger Feast or Kivgiq. The materials, activities and resources of the IHLC are widely integrated into the North Slope School District's Inupiaq language program.

If the Department of Education can provide any further information, please do not hesitate to contact us.

Sincerely,

A handwritten signature in black ink, appearing to read "Jerry Covey".

Jerry Covey  
Commissioner

Enclosures

cc: Senate Community and Regional Affairs  
Committee Members

Senator Georgianna Lincoln

FY 92  
STATE OF ALASKA B/B EDUCATION ENROLLMENTS  
TOP 10 LANGUAGES

Attachment A

| DISTRICT       | TOTAL | Yup'ik           | Inupiaq          | Spanish | Korean | Piipino | S. Yupik         | Koyukon | Aleut | Gwich'in | Russian | Other                         |
|----------------|-------|------------------|------------------|---------|--------|---------|------------------|---------|-------|----------|---------|-------------------------------|
| W. Alaska      | 17    | 0                | 0                | 0       | 0      | 17      | 0                | 0       | 0     | 0        | 0       | 0                             |
| K. Gateway     | 102   | 0                | 0                | 4       | 0      | 0       | 0                | 0       | 0     | 0        | 0       | Up. Tanana = 77<br>Other = 21 |
| Kenai Region   | 21    | 0                | 0                | 0       | 0      | 0       | 0                | 0       | 21    | 0        | 0       | 0                             |
| Nelchige       | 2,925 | 212              | 84               | 777     | 410    | 491     | 6                | 0       | 34    | 0        | 17      | 894*                          |
| Nome Island    | 45    | 0                | 0                | 0       | 0      | 0       | 0                | 0       | 0     | 0        | 0       | Tsimshian = 45                |
| Beering Strait | 849   | 156 <sup>x</sup> | 400 <sup>x</sup> | 0       | 0      | 0       | 293 <sup>+</sup> | 0       | 0     | 0        | 0       | 0                             |
| Bristol Bay    | 8     | 5                | 0                | 0       | 0      | 0       | 0                | 0       | 2     | 0        | 0       | 1                             |
| Chugach        | 9     | 0                | 0                | 0       | 0      | 0       | 0                | 0       | 0     | 0        | 0       | Alutiiq = 7<br>Chinese = 2    |
| Upper River    | 10    | 0                | 0                | 0       | 0      | 0       | 0                | 0       | 0     | 0        | 0       | Ahtna = 9<br>Cheyenne = 1     |
| ordova City    | 12    | 0                | 0                | 0       | 0      | 12      | 0                | 0       | 0     | 0        | 0       | 0                             |
| Craig          | 4     | 0                | 0                | 3       | 0      | 0       | 0                | 0       | 0     | 0        | 0       | 1                             |
| Delta / Greely | 10    | 0                | 0                | 1       | 3      | 0       | 0                | 0       | 0     | 0        | 0       | 6                             |
| Dillingham     | 100   | 93               | 1                | 4       | 0      | 0       | 1                | 0       | 0     | 0        | 0       | 1                             |
| Fairbanks      | 290   | 11               | 38               | 81      | 44     | 15      | 1                | 21      | 2     | 37       | 0       | 40                            |
| Selena City    | 52    | 0                | 0                | 0       | 0      | 0       | 0                | 52      | 0     | 0        | 0       | 0                             |
| Totenah        | 51    | 0                | 0                | 0       | 0      | 0       | 0                | 0       | 0     | 0        | 0       | Tlingit = 51                  |
| Uyakburg       | 27    | 0                | 0                | 0       | 0      | 0       | 0                | 0       | 0     | 0        | 0       | Haida = 27                    |

\* Anchorage School District  
 Samoan = 146      Eskimo = 57  
 Japanese 111      Other = 471  
 Laotian = 109

| DISTRICT        | TOTAL           | Yup'ik | Inupiaq | Spanish | Korean | Pilipino | S. Yupik | Koyukon | Aleut | Gwich'in | Russian | Other                       |
|-----------------|-----------------|--------|---------|---------|--------|----------|----------|---------|-------|----------|---------|-----------------------------|
| Iditarod Area   | 150             | 11     | 3       | 0       | 0      | 0        | 0        | 2       | 0     | 0        | 0       | 134 <sup>XX</sup>           |
| Ineau           | 66              | 0      | 0       | 25      | 2      | 24       | 0        | 0       | 0     | 0        | 0       | 15                          |
| Lake            | 35              | 0      | 0       | 0       | 0      | 0        | 0        | 0       | 0     | 0        | 0       | Tlingit = 35                |
| Lishunaniut     | 170             | 0      | 0       | 0       | 0      | 0        | 0        | 0       | 0     | 0        | 0       | Cup'ik = 170                |
| Kenai Pen. Bor. | 409             | 1      | 1       | 13      | 4      | 3        | 0        | 0       | 2     | 0        | 303     | 82 <sup>XXX</sup>           |
| Ketchikan       | 43              | 0      | 0       | 1       | 0      | 40       | 0        | 0       | 0     | 0        | 1       | 1                           |
| Kodiak Is. Bor. | 128             | 0      | 0       | 34      | 5      | 76       | 0        | 0       | 0     | 0        | 0       | 13                          |
| Kuspuk          | 112             | 112    | 0       | 0       | 0      | 0        | 0        | 0       | 0     | 0        | 0       | 0                           |
| Lake + Pen.     | 32              | 15     | 0       | 0       | 0      | 0        | 0        | 0       | 0     | 0        | 0       | Alutiq = 13<br>Dena'ina = 4 |
| Upper Kuskokwim | <del>1648</del> | 1636   | 0       | 0       | 0      | 0        | 0        | 0       | 0     | 0        | 0       | 7                           |
| Upper Yukon     | 1,154           | 1,154  | 0       | 0       | 0      | 0        | 0        | 0       | 0     | 0        | 0       | 0                           |
| Nat-Su Bor.     | 280             | 77     | 31      | 58      | 6      | 4        | 0        | 0       | 35    | 0        | 19      | 50                          |
| N. E. Edgacumbe | 32              | 19     | 3       | 1       | 0      | 0        | 0        | 2       | 5     | 0        | 0       | 2                           |
| Nenana          | 19              | 0      | 0       | 0       | 0      | 0        | 0        | 0       | 0     | 0        | 0       | 19                          |
| Nome Public     | 75              | 2      | 46      | 0       | 0      | 0        | 20       | 0       | 0     | 0        | 0       | 7                           |
| N. H. Slope     | 648             | 5      | 604     | 7       | 0      | 25       | 0        | 0       | 0     | 0        | 0       | 2                           |
| N.W. Arctic     | 714             | 0      | 714     | 0       | 0      | 0        | 0        | 0       | 0     | 0        | 0       | 0                           |

Iditarod Area

\*\* Deg hitan 98

Upper Kusko = 32

Holkachuk = 41

Ingalik = 18

Kenai Pen. Bor. \*\*\*

Sugcestun (Alutiq) = 41

Dena'ina = 27

Other = 14



## Bilingual Program Descriptors as per AAC 34.065

### Partial Maintenance

(1) a "bilingual/bicultural curriculum" means a program of instruction which makes use of a student's language other than English and cultural factors and maintains and develops the student's skills in that language and culture. Additionally, it introduces, develops and maintains all the necessary English skills for the student to function successfully in English. The language other than English instruction may vary from being in the language arts of the language other than English to being in all discipline areas, with the (appropriate combination of language other than English and English instruction determined by the district in conjunction with the parents of its bilingual students;)

### Transitional

(2) a "transitional bilingual/bicultural curriculum" means a program of instruction which makes use of a student's language other than English and cultural factors in instruction only until the student is ready to participate effectively in the English language curriculum of the regular school program. Once this occurs, further instruction in the language other than English is discontinued. Until the student is ready to participate effectively in the English language curriculum of the regular school program instruction in the language arts of the language other than English is provided, and English is taught as a second language;

### ESL

(3) an "English-as-a-second language curriculum" means a program of instruction which teaches English as a second language, has culturally relevant material in its curriculum, and provides instruction in other subject matter in English;

### HILT

(4) a "high intensity language training curriculum" means a program of instruction which gives a student intensive instruction in English until that student is ready to participate effectively in the English language curriculum of the regular school program, with the student working exclusively on acquisition of English language skills. Following acquisition of those skills, the student is phased into the same curriculum as that provided to the district's nonbilingual students.

Alaska Department of Education  
115140IIE

### SESCD

(5) a "supplemental English skill and concept development curriculum" means a program of instruction in which the instructional content and methods address the language interference needs of students by appropriately supplementing the curriculum provided to the district's nonbilingual students;

### LOESL

(6) a "language other than English as a second language curriculum" means a program of instruction which teaches the student's language other than English as a second language. At the primary level emphasis is on oral language skill development. At the intermediate and secondary levels, language literacy instruction would begin after oral skills are learned. Instruction in other subject matter is conducted in English. At all levels, a special effort is made to maximally incorporate the student's non-English culture into curriculum. (Eff. 1/14/78, Reg. 65)

Authority: AS 14.07.060  
AS 14.30.410

SESCDLOESL

Adak  
 AK. Gateway  
 Annette Island  
 Bering Strait  
 Bristol Bay  
 Copper River  
 Cordova  
 Delta/Greely  
 Dillingham  
 Fairbanks  
 Galena  
 Hoonah  
 Hydaburg  
 Iditarod  
 Juneau  
 Kake  
 Kashunamiut  
 Kenai  
 Kodiak  
 Kuspuk  
 Lake & Peninsula  
 Lower Kuskokwim  
 Lower Yukon  
 Mat-Su

Nenana  
 Nome  
 North Slope  
 Northwest Arctic  
 Pribilof  
 Sitka  
 Southwest Region  
 Tanana  
 Unalaska  
 Yakutat  
 Yukon Flats  
 Yukon-Koyukuk

AK. Gateway  
 Annette Island  
 Bering Strait  
 Chugach  
 Dillingham  
 Galena  
 Iditarod  
 Kashunamiut  
 Kenai  
 Kuspuk  
 Lower Kuskokwim  
 Lower Yukon  
 Nome  
 North Slope  
 Northwest Arctic  
 Pribilof  
 Southwest Region  
 Tanana  
 Yakutat  
 Yukon Flats  
 Yupiit

ESL

TRANSITIONAL

PARTIAL  
MAINTENANCE

Adak  
Anchorage  
Craig  
Fairbanks  
Juneau  
Kenai  
Ketchikan  
Kodiak  
Mat-Su  
Mt. Edgecumbe  
Nenana  
Nome  
North Slope  
Petersburg  
Sitka  
Southwest Region  
Yupiiit

Anchorage  
Bering Strait  
Chugach  
Delta/Greely  
Fairbanks  
Juneau  
Ketchikan  
Kodiak  
Nome  
Sitka  
Unalaska

Alleutian Region  
Bering Strait  
Kenai  
Lower Kuskokwim  
Mat-Su  
North Slope  
Northwest Arctic  
St. Mary's  
Southwest Region  
Yupiiit

ALASKA DEPARTMENT OF EDUCATION  
 FY94 FOUNDATION PROGRAM ENTITLEMENTS

Attachment D

1/19/94 FILE: BILBIC94.XLS

| BIL./<br>BIC.    | AREA<br>DIFF. | Adjusted<br>BIL./<br>BIC. | FY94<br>BIL. / BIC.<br>Basic Need |                     |
|------------------|---------------|---------------------------|-----------------------------------|---------------------|
| ADAK             | 1.00          | 1.27                      | 1.27                              | \$77,470            |
| ALASKA GATEWAY   | 1.00          | 1.19                      | 1.19                              | 72,590              |
| ALEUTIAN REGION  | 1.00          | 1.31                      | 1.31                              | 79,910              |
| ALEUTIANS EAST   | 0.00          | 1.31                      | 0.00                              | 0                   |
| ANCHORAGE        | 77.72         | 1.00                      | 77.72                             | 4,740,920           |
| ANNETTE ISLANDS  | 1.00          | 1.03                      | 1.03                              | 62,830              |
| BERING STRAIT    | 13.98         | 1.39                      | 19.43                             | 1,185,230           |
| BRISTOL BAY      | 1.00          | 1.27                      | 1.27                              | 77,470              |
| CHATHAM          | 1.00          | 1.03                      | 1.03                              | 62,830              |
| CHUGACH          | 1.00          | 1.14                      | 1.14                              | 69,540              |
| COPPER RIVER     | 1.00          | 1.14                      | 1.14                              | 69,540              |
| CORDOVA          | 1.00          | 1.11                      | 1.11                              | 67,710              |
| CRAIG            | 1.00          | 1.03                      | 1.03                              | 62,830              |
| DELTA/GREELY     | 1.00          | 1.16                      | 1.16                              | 70,760              |
| DENALI           | 0.00          | 1.23                      | 0.00                              | 0                   |
| DILLINGHAM       | 1.20          | 1.27                      | 1.52                              | 92,720              |
| FAIRBANKS        | 5.89          | 1.04                      | 6.13                              | 373,930             |
| GALENA           | 1.00          | 1.30                      | 1.30                              | 79,300              |
| HAINES           | 0.00          | 1.05                      | 0.00                              | 0                   |
| HOONAH           | 1.00          | 1.08                      | 1.08                              | 65,880              |
| HYDABURG         | 1.00          | 1.03                      | 1.03                              | 62,830              |
| IDITAROD         | 1.00          | 1.33                      | 1.33                              | 81,130              |
| JUNEAU           | 3.84          | 1.00                      | 3.84                              | 234,240             |
| KAKE             | 1.00          | 1.03                      | 1.03                              | 62,830              |
| KASHUNAMIUT      | 1.74          | 1.33                      | 2.31                              | 140,910             |
| KENAI            | 18.47         | 1.00                      | 18.47                             | 1,126,670           |
| KETCHIKAN        | 1.54          | 1.00                      | 1.54                              | 93,940              |
| KLAWOCK          | 1.00          | 1.03                      | 1.03                              | 62,830              |
| KODIAK           | 5.63          | 1.09                      | 6.14                              | 374,540             |
| KUSPUK           | 1.00          | 1.33                      | 1.33                              | 81,130              |
| LAKE AND PENN.   | 1.00          | 1.31                      | 1.31                              | 79,910              |
| LOWER KUSKOKWIM  | 48.00         | 1.42                      | 68.16                             | 4,157,760           |
| LOWER YUKON      | 8.92          | 1.35                      | 12.04                             | 734,440             |
| MATSU            | 9.60          | 1.00                      | 9.60                              | 585,600             |
| NENANA           | 1.00          | 1.20                      | 1.20                              | 73,200              |
| NOME             | 1.00          | 1.34                      | 1.34                              | 81,740              |
| NORTH SLOPE      | 8.50          | 1.45                      | 12.33                             | 752,130             |
| NORTHWEST ARCTIC | 4.14          | 1.45                      | 6.00                              | 366,000             |
| PELICAN          | 0.00          | 1.08                      | 0.00                              | 0                   |
| PETERSBURG       | 1.00          | 1.00                      | 1.00                              | 61,000              |
| PRIBILOF         | 1.00          | 1.30                      | 1.30                              | 79,300              |
| SITKA            | 1.00          | 1.00                      | 1.00                              | 61,000              |
| SKAGWAY          | 0.00          | 1.05                      | 0.00                              | 0                   |
| SOUTHEAST        | 1.00          | 1.04                      | 1.04                              | 63,440              |
| SOUTHWEST        | 10.45         | 1.31                      | 13.69                             | 835,090             |
| ST. MARY'S       | 1.00          | 1.30                      | 1.30                              | 79,300              |
| TANANA           | 1.00          | 1.30                      | 1.30                              | 79,300              |
| UNALASKA         | 1.00          | 1.27                      | 1.27                              | 77,470              |
| VALDEZ           | 0.00          | 1.11                      | 0.00                              | 0                   |
| WRANGELL         | 1.00          | 1.00                      | 1.00                              | 61,000              |
| YAKUTAT          | 1.00          | 1.08                      | 1.08                              | 65,880              |
| YUKON FLATS      | 1.91          | 1.46                      | 2.79                              | 170,190             |
| YUKON/KOYUKUK    | 2.08          | 1.34                      | 2.79                              | 170,190             |
| YUPIIT           | 7.82          | 1.41                      | 11.03                             | 672,830             |
| Mt. EDGE CUMBE   | 1.00          | 1.00                      | 1.00                              | 61,000              |
| <b>TOTALS</b>    | <b>262.43</b> |                           | <b>311.48</b>                     | <b>\$19,000,280</b> |

**STATE OF ALASKA  
1993-1994 Title VII Project Directors**

**Janice Gullickson  
Anchorage School District  
P.O. Box 196614  
Anchorage, AK 99519-6614  
Phone: 269-2277**

**Jim Hickerson  
Bering Strait School District  
P.O. Box 225  
Unalaklet, AK 99684  
Phone: 624-3611**

**Bobbi Bitters  
Fairbanks North Star Borough  
Box 71250  
Fairbanks, AK 99707  
Phone: 452-2000**

**Bernie Sorenson  
Juneau School District  
10014 Crazy Horse Drive  
Juneau, AK 99801-8529  
Phone: 463-1970**

**John Pingayak  
Kashunamiut School District  
985 Kashunamiut Way  
Chevak, AK 99563  
Phone: 858-7713**

**Niki McCurry  
Yukon-Koyukuk School District  
Box 80210  
Fairbanks, AK 99708  
Phone: 474-9400**

**Richard Littlebear  
Alaska MRC  
4155 Tutor Center Drive, Suite 103  
Anchorage, AK 99508  
Phone: 800-478-7787**

**Mike Travis  
Department of Education  
801 W. 10th Street, Suite 200  
Juneau, AK 99801-1894  
Phone: 465-8961**

**Cecilia Navarrete  
Evaluation Assistance Center-West  
121 Tjeras NE, Suite 2100  
Albuquerque, NM 87102  
Phone: 800-247-4269**

**National Clearinghouse for  
Bilingual Education  
1118 22nd Street, N.W.  
Washington, D.C. 20037  
Phone: 800-321-NCBE**

## Sectional Analysis

SSSB 136

- Sec. 1. Short Title: Native Language Education Act
- Sec. 2. Findings
- Sec. 3. Amends School District Report Card statute to include summary and evaluation of Native language education, if provided by the district.
- Sec. 4(a). Adds a new section to the Educational Programs statute related to Native Language Education.
- A local Native language curriculum advisory board may be established for each school where a majority of the students are Alaska Native.
- Upon recommendation of the local Native language curriculum advisory board, the district may teach Native language in the schools, grades K-12.
- Directs school boards to utilize certified instructors the language, and to the extent possible, instructors and materials available through the University and satellite technologies when Native language education program is implemented.
- Sec. 4(b). Defines "Native" Alaskan for the purposes of this bill, to be a person with one-fourth degree or more Alaska Indian, Eskimo or Aleut blood.
- Sec. 5. Effective date: July 1, 1995.

Amendment to SSSB136

Sec. 4., page 3.

Line 17, change the word "shall" to "may"

Line 21, change the word "shall" to "may"

**DIVISION OF LEGAL SERVICES**

**LEGISLATIVE AFFAIRS AGENCY  
STATE OF ALASKA**

(907) 465-3867 or 465-2450  
FAX (907) 465-2029  
Mail Stop 3101

130 Seward Street, Suite 409  
Juneau, Alaska 99801-2105

**MEMORANDUM**

January 12, 1994

**SUBJECT:** Native language education - (CSSB 136(CRA))

**TO:** Senator Randy Phillips

**FROM:** Michael F. Ford *M.F.*  
Legislative Counsel

The attached draft committee substitute raises two issues that should be resolved before the bill is passed from committee. In sec. 4, the draft now requires a Native language advisory board, and allows the district to establish a Native language education curriculum if recommended by the advisory board. This implies that the district cannot initiate a Native language program without this recommendation. Was this intended? Second, the draft seems to require that the curriculum be provided in all grades K - 12. Was this also intended? It is possible to revise the language to allow the district to initiate a Native language program without the advisory board recommendation and to allow the program in some but not all grades.

Please contact me if you have further questions.

MFF:gc  
94-024.glc

Enclosure

8-LS0725K

Ford

1/12/94

CS FOR SENATE BILL NO. 136 (CRA)  
IN THE LEGISLATURE OF THE STATE OF ALASKA  
EIGHTEENTH LEGISLATURE - SECOND SESSION

BY THE SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

Offered:  
Referred:

Sponsor(s): SENATORS LINCOLN, Ellis

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to a curriculum for Native language education; and providing  
2 for an effective date."

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

4 \* Section 1. SHORT TITLE. This Act may be known as the Native Language Education  
5 Act.

6 \* Sec. 2. FINDINGS. The legislature finds that

7 (1) Alaska's indigenous Native cultures and languages are unique, essential  
8 elements of Alaska's heritage;

9 (2) Alaska's indigenous Native languages are an integral part of Alaska Native  
10 people's culture and well-being;

11 (3) knowledge of one's indigenous language is important for the development  
12 of social skills and self-esteem; it further contributes to the development of the individual, and  
13 the ability to communicate;

14 (4) translations from a Native language into English result in the loss of

1 context and deprivation of the full range of social and cultural understanding necessary to  
2 function in the individual's environment;

3 (5) when Native children are proficient in their primary indigenous language,  
4 they are more likely to do better in school; they also develop a higher degree of proficiency  
5 in English;

6 (6) historically, Alaska Native children first learned their Native language in  
7 their homes and communities but with the passing of Native elders and with a current  
8 generation of parents who are not fluent in their Native language, younger generations are less  
9 knowledgeable about their language and culture;

10 (7) the loss of indigenous Native languages dates back to the late 1800's when  
11 mainstream American missionaries enforced federal policies that forbade the use of Native  
12 languages, punished children for speaking their own language, and urged parents to speak only  
13 English to their children;

14 (8) the continuation of "no Native language" policies in federal, territorial, and  
15 state school systems between 1910 and 1970 resulted in the loss of many Native languages;

16 (9) the fact that only two of the 20 Alaska Native languages are fluently  
17 spoken by children today is an indicator of the impending extinction of Native languages;

18 (10) unless action is taken, by the year 2055 only five of the 20 Alaska Native  
19 languages will be spoken by anyone, and soon thereafter the Native languages of Alaska may  
20 vanish.

21 \* Sec. 3. AS 14.03.120(e) is amended to read:

22 (e) A district shall, by October 31 of each year, provide to the state board, and  
23 make available to the public, a report on the performance of each public school and  
24 public school students in the district. The report shall [MUST] be entitled "School  
25 District Report Card To The Public" and shall [MUST] be prepared on a form  
26 prescribed by the department. The report must include

27 (1) the percent of district students in the top and bottom quarter of  
28 standardized national achievement examinations; results under this paragraph shall be  
29 disclosed in a manner that does not reveal the individual identities of students;

30 (2) the percent of students who are not promoted to the next grade;

31 (3) student, parent, and community member comments on the school's

1 performance;

2 (4) the annual percent change in enrollment and the percent of  
3 enrollment change due to student transfers into and out of the district;

4 (5) attendance, retention, and graduation rates;

5 (6) the ways in which meaningful parent involvement in school  
6 performance was achieved;

7 (7) a summary and evaluation of the environmental education  
8 curriculum described in AS 14.30.380;

9 (8) if Native language education is provided, a summary and  
10 evaluation of the curriculum described in AS 14.30.420;

11 (9) other indicators of school performance required by the state board;  
12 and

13 (10) [(9)] other indicators of school performance selected by the  
14 district.

15 \* Sec. 4. AS 14.30 is amended by adding a new section to article 6 to read:

16 Sec. 14.30.420. NATIVE LANGUAGE EDUCATION. (a) A school board  
17 in a district in which a majority of the students are Alaska Natives shall establish a  
18 local Native language curriculum advisory board for each school in the district in  
19 which a majority of the students are Alaska Natives. If the local Native language  
20 curriculum advisory board recommends the establishment of a Native language  
21 education curriculum for a school, the school board may initiate and conduct a Native  
22 language education curriculum within grades K through 12 at that school. The  
23 program, if established, must include Native languages traditionally spoken in the  
24 community in which the school is located. Each school board conducting a program  
25 of Native language education shall implement the program as a part of regular  
26 classroom studies and shall utilize

27 (1) instructors who are certified under AS 14.20.020 or 14.20.025; and

28 (2) to the extent possible

29 (A) instructors and instructional materials available through the  
30 University of Alaska; and

31 (B) audio-visual, computer and satellite technology.

1  
2  
3  
4  
5

(b) In this section,

(1) "district" has the meaning given in AS 14.17.250;

(2) "Native" means a person of one-fourth degree or more Alaskan Indian, Eskimo, or Aleut blood.

\* Sec. 5. This Act takes effect July 1, 1995.

8-LS0725J  
Ford  
1/12/94

**CS FOR SENATE BILL NO. 136 (CRA)  
IN THE LEGISLATURE OF THE STATE OF ALASKA  
EIGHTEENTH LEGISLATURE - SECOND SESSION**

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

Offered:  
Referred:

Sponsor(s): SENATORS LINCOLN, Ellis

**A BILL**

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27 (1) the percent of district students in the top and bottom quarter of  
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31 (3) student, parent, and community member comments on the school's

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5 (6) the ways in which meaningful parent involvement in school  
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29 (A) instructors and instructional materials available through the  
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31 (B) audio-visual, computer and satellite technology.

- 1 (b) In this section,
- 2 (1) "district" has the meaning given in AS 14.17.250;
- 3 (2) "Native" means a person of one-fourth degree or more Alaskan
- 4 Indian, Eskimo, or Aleut blood.
- 5 \* Sec. 5. This Act takes effect July 1, 1995.



## Alaska State Legislature

Please enter into the record my testimony to the Senate Community and Regional Affairs committee on SB 136, January 14, 1994.

I support senate bill 136 with minor changes. I do not agree with Senator Lincoln's amendments proposed on January 11, 1994 of changing the words "shall" to "may" in lines 23 and 24 on page 2, and line 19-24 on page 3. Some school boards are not in support of Native Language Instruction in the school system. However, in most cases SB 136 can prove to be a motivator for reluctant school boards and/or school districts. I also would like to see lines 16-26 re-worded to state the following:

"Sec. 14.30.420 NATIVE LANGUAGE EDUCATION. (a) A school board in a district in which a majority of the students are Alaska Natives shall establish a local Native language curriculum advisory board for each school in the district in which there are students that are Alaska Natives. The local Native language curriculum advisory board may be separate from the Advisory School Board, but if the community chooses nothing shall prevent an existing local Advisory School Board from being the Native Language Curriculum Advisory Board. The program must include, but need not be limited to Native languages traditionally spoken in the community in which the school is located. Each school board conducting a program of Native language education shall implement the program as a part of regular classroom studies and shall utilize..."

### Summary and Concluding Remarks

In summary, I agree that the proposed amendments that Senator Lincoln suggested would "take the teeth" out of the bill! It is a very important bill which will lead the way to a first step in the promotion of the legitimate study of Native languages in Alaskan public schools. I feel it should not be an option for districts or school boards - the removal of Native languages was not an option in public schools in recent history.

Also, there are many schools in Alaska that does not have a majority of Native students in their schools and schools should be required to offer Native language education where there are any student that is an Alaska Native.

I also feel that the Native Language Curriculum Advisory Board that is developed by the school districts should be separate from the Advisory School Boards. The majority of school board members are not familiar with the language and how it should be taught. The curriculum, staff development, and materials development should be done by the Native people themselves with help from school boards. It will not be an effective curriculum if it were to be developed by people who do not understand the culture or the language.

Lastly, I would like to notify the Legislators that there is a new Associate of Applied Science degree (sponsored through UAF) in the teaching of Native languages which is about to graduate its first student in Tok! SB 136, as currently stated and with its necessary budget of approximately \$60,000 to schools currently without Native language programs, would provide the required rationale for a newly created structure to train Native language teachers for the public school system. Legislators should realize that language programs receive little or no support from their districts in terms of funding for training, purchase of materials, staff benefits, or decent pay. We have already seen the retreat of talented dedicated teachers of the language who could not afford to continue developing curricula and materials with little or no district support.

I hope you will consider my words seriously before making your decision on this bill. Our Native language is now in your hands and it is up to you, the legislators, to make a difference in it's survival. Thank you for your time.

Sincerely Yours,

Signed: Crystal D. Wilson, Staff, UAF -Tok Center

Testifier

P.O. Box 707, Tok, Alaska 99780 (907) 883-5613

Address

Phone Number



## TANANA CHIEFS CONFERENCE, INC.

Upper Tanana Subregional Office  
P. O. Box 126  
Tok, Alaska 99780  
(907)883-5181

January 10, 1994

Senator Georgianna Lincoln  
State Capital Building, Room 510  
Juneau, Alaska 99801-1182

Dear Senator Lincoln,

I am writing in support of Senate Bill 136 "An Act relating to a curriculum for Native language education; and providing for an effective date."

For the past twenty years we had the "option" to have local Native languages taught in our schools. Johnson O'Malley (JOM) funding had always been utilized to pay for teaching the Native languages. I feel very strongly that our State Government has a responsibility to assist in saving our languages and to implement funding for this purpose.

As Japanese, Russian, French, and other foreign languages are a part of our schools' curriculum, then isn't it time our Native languages be a part of the curriculum also? Our language is a part of our identity, our culture, and our traditions. We have allowed the slow death of our language by doing nothing all these years. Language is an integrated part of our culture and the loss will have a dramatic and negative effects on our culture - our lives in general.

According to a study done by Alaska Native Language Center, Athabascan languages in Alaska will be extinct by the year 2055. We cannot allow this to happen.

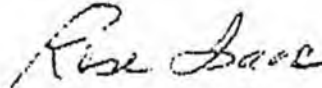
Enclosed is a 16 page testimony I had presented to Alaska Native Commission in July of 1992. Also enclosed is a copy of John O. Isaac presentation to the delegates of Tanana Chiefs Conference, Inc. at their 1991 convention which states how our young generation feel about losing their language.

|  |                     |                 |
|--|---------------------|-----------------|
| Post-It™ brand fax transmittal memo 7671 |                     | # of pages ▶ 20 |
| To<br>Sen. Georgianna Lincoln            | From<br>Rose Isaac  |                 |
| Co.<br>State Legislator                  | Co.<br>TCC - TOK    |                 |
| Dept.<br>Senate                          | Phone #<br>883-5181 |                 |
| Fax #<br>465-2652                        | Fax #<br>883-1114   |                 |

I realize that 16 pages are quite lengthy, however I am submitting it as is, to take one paragraph out would change the context of my message.

Thank you in advance for your time.

Sincerely,



Rose Isaac,  
Subregional Director

RI:de

cc: Upper Tanana Subregional Village Councils

born and raised in Gulkana, Alaska. I attended Gulkana Elementary --

COMMISSIONER THOMPSON: Angela, I'm sorry. I don't mean to interrupt you, and it's rude, and I understand; but I've had people wave in the back that they can't hear. Maybe if you could switch to that mike, it might be helpful, and --

COMMISSIONER BOYKO: The other -- one microphone -- upper mike.

COMMISSIONER THOMPSON: I'm sorry, Angela. If you're more comfortable, start over if you'd like.

(TESTIMONY OF ANGELA JACKSON ATTACHED AS EXHIBIT #2)

(Applause)

COMMISSIONER THOMPSON: Next, we'd like to welcome Rose Isaac.

MS. ISAAC: Good morning. My name is Rose Isaac; I'm from Tanacross. I also would like to say that I am a member of the Interior Education Council. The Interior Education Council has 13 members, six of them are from the Tanana Chiefs area, rather the whole Tanana Chiefs Region, six from the Policy Advisory Council from the University of Alaska Regional Centers on a statewide level. We also have one elder and one student.

I am honored to be here to give my testimony. Our ancestors, through us and through our children, have

given us a tribal way of life, a tribal way of living, and a tribal way of thinking, which we must and we will continue to teach to all our children. As people from Western culture introduce to, or impose upon, Alaska's tribal people a systems of their ways, Alaska Natives have had to learn the social, economic, political, and technical skills of the non-Native forum as well. Increasingly, competitive job markets; new and useful technologies; and the political, social, and spiritual challenges tribal people face today, require us to learn more skills for our survival than ever before.

Because of the sacred importance of our ancestry, and because of the circumstances of our history, each Native student must learn the lessons and skills of two worlds and two cultures: but are our educational systems teaching us what we need to know to survive as a tribal people in a multi-cultural society? Are our educational systems using appropriate methods of instruction, which are sensitive to how we learn; methods which allow each Native student to access their individual potential? And are our educational systems motivating Native students toward standards of excellence? Academic centers which produce Native graduates, whose skills allow them to compete on equal footing with their non-Native peers?

12-10-1993 02:10PM FROM ALASKA NATIVES COMMISSION TG

919078331114

P.04

JW/ss

-51-

These are serious questions which call to task the institutions and individuals of the educational system, who hold substantial power; and through their actions, significantly influence the quality of education for Native students. School districts, school boards, the presidents of post-secondary institutions, Board of Regents, and a State Legislature all make decisions which directly affect what our children will be taught, how they are taught, and what educational standards will be acceptable.

The Alaskan pre-conference participants of the White House Conference on Indian Education strongly voiced recommendations which recognize the fact that no singular institution or a singular individual can be expected to adequately provide the range of services needed to effectively educate and prepare Native students for the realities of today's society. Only through a close partnership between our educational institutions and Native parents, families, tribes, and Native organizations can the real educating<sup>of</sup> our Native students be accomplished. The recommendations of the pre-conference participants called for the doors of our educational institutions to open widely and allow for Native participation at every level of the educational process.

Local school districts exercise substantial influence relative to move every aspect of our children's education. The number one priority relative to school district personnel issues continues to be the need to incorporate qualified Native people into the staff in the public school at every job level. In Alaska, the Governor's Commissions of Children and Youth in 1988 reported that, and I quote:

"Native children make up a significant proportion of many Native bodies throughout the state; but few, if any, Native teachers, counselors, or staff are hired to provide role and cultural models."

We need more Alaska Native and American Indian teachers. Many Natives do not possess the degrees or certification requirements that these positions require; but they offer the cultural understanding vital for Native young people to succeed in school, and for non-Natives to understand Native cultures.

In 1988, one of the most frequent recommendations heard by the Governor's Interim Commission on Children and Youth from Native youth was the need for more Native teachers, counselors, and other role models. There are many teachers who simply do not fit, are not committed to Native values, and through

their own individual emphasis, knowingly or unknowingly; demean Native students.

Most teachers alienate themselves from the village and Native community and do little more than collect a sizable income. This is not acceptable, it is not cost-effective, and it is not education, and it has a devastating affect on our Native children.

All incoming district personnel should be carefully screened, and only the best should be recruited to serve in our school. School districts should utilize local Native advisory boards to determine what special qualities in teachers, superintendents, principals, and staff are valued by parents and students.

Recruitment efforts should extend nationally to hire educationally -- institutions which have a focus on cross-cultural training of educators. Local Native advisory boards should be actively involved in each viewing and selection of the district staff that will teach our children.

The pre-conference participant recommend that all districts re-exam curricula to promote and incorporate relevancy for Alaska Native students. Basic academic skills must be presented within the environmental and cultural realities of the student. Materials and text must reflect the realities of the

Native student's life around him or her. The school environment must reflect and validate the importance of the Native cultures to motivate students to learn. What is learned must have a high correlation to practical application of the community and world in which they -- we live.

Likewise, school districts are asked by the pre-conference participants to seriously consider the immediate and expanded inclusion of Native elders as invaluable resource persons and partners in the development of curriculum materials for Native students, and their active involvement in implementing the appropriate aspects of the curriculum in a classroom, along with school teachers. Many of our elders will no longer be with us after the next 25 years. When they leave, a large portion of our language and cultures will leave with them. Elders have always played a central roll in educating Native children. What they know, and what they have to teach, belongs in our children's classrooms.

Another recommendation strongly made was that \* \* \* the school districts support the mandate for Native studies and Native languages to be taught right in our schools. It is imperative that all schools in Alaska integrate Native values, skills development, and

JW/ss

-55-

languages in all subject areas taught. Cultural values and ideas, as well as a need (indiscernible) of thoughts expressing our languages cannot be reserved for isolated special presentation, or as an add-on class. They must be integrated into the curriculum of every course -- math, reading, writing, history, geography, science -- every text course; and they must be taught at all pre-schools, elementary, and secondary levels, using developmentally appropriate practices.

Our teachers and our schools must be geared towards and focus their attention and efforts on our (indiscernible) students. Schools must incorporate mechanisms and provide appropriate staffing to focus their efforts throughout the school day on the needs of our (indiscernible) population of students. Schools must no longer re-victimize our Native students, whose home situations are less than functional, by presenting them with inappropriate curriculums and environments that do not acknowledge their special learning needs or respect their Native values, and expect them to learn. Many of our Native children (indiscernible) come to the classroom from dysfunctional environments, with intense psychological impact, which many times must be addressed, in order that learning can take place. School districts must develop close partnership with state and tribal

agencies, which must provide health and social services, along with tribal courts, which exercise their jurisdiction on child welfare matters under the Indian Child Welfare Act.

Our state educational system must be fundamentally restructured to ensure that all students can meet higher standards. Our schools must focus on results, not just on procedures. There must be powerful incentives for teacher performance and improvement, and real consequences for persistent teacher failure. Gifted; creative, and sensitive teachers must be recruited; and more teachers who reflect our cultural richness must be trained and utilized. Our parents need to have access to training, which allows them to become active partners with the teachers and our schools. For many Native parents who were separated from their families to attend BIA schools, or for the parents of our children today who grew up in dysfunctional families themselves, this access to training is imperative, if they are to fulfill their role in the educational partnership. Teachers and school district staff must work in close partnership with state and <sup>tribal</sup> ~~tribal~~ social service agencies to assist parents to become effective partners in their children's education.

School districts should seriously consider utilizing partners from the social service agencies to teach parenting skills as part of their health curriculum, so we can prepare our Native students -- our future parents. The schools must keep their doors open for public access by expanding community school services for parents to use math and reading labs. Schools must change negative attitudes towards parents about not being involved in the education of their children. We need to educate parents about rights and responsibilities, and establish policies locally, so parents can feel and are active partners in education. School boards must set aside their political agendas, must educate themselves to the dynamics of youth address, and must have the courage to accept and support the fundamental changes in our schools that are desperately needed, for student address could come to our classrooms with a need to learn.

To prepare school boards for this complex task, funding must be made available by Department of Education for school board training appropriate for Native villages and urban areas. School board members should be a role model for students by being alcohol and drug free, because students and parents need to see school board members, teachers, administrators, counselors, and any other staff as positive role models.

The University of Alaska system plays a major role in the education of Alaska Native children. The UA system educates our teachers and provides educational systems with research on Alaska-related issues. Alaska Native students seeking higher-education degrees attend the UA system.

For these reasons, conference participants discussed the following needs and recommendations: retention of med (ph.) students in the (AU) system must be a priority. It is only by completing graduation requirements that many of our young people will be able to return to their Native communities to fill positions requiring higher degrees. Plans must continue to increase counseling services and academic support services for Native students in the UA system. Support for mentorship programs involving Native leaders in the private sector was also expressed. Relevant university programs, which focus on strengthening Native cultures; for example, Native languages and history courses are needed, as well as courses to help teachers work effectively with Native children relative to social issues, such as child abuse, neglect, and suicide prevention. The universities need courses that prepare teachers for multi-cultural Alaska Native learning styles, and cross-cultural communication. Graduate

research programs need to focus on issues which will benefit Native people. The conference participants also suggested the creation of tribal colleges within the state of Alaska.

The UA system must have high standards and expectations for Native students and must emphasize quality academic preparation.

Native students must be encouraged to reach high goals; that is, to become lawyers, statesmen, authors, professors, anything; and receive instruction and academic counseling that prepares them for graduate and post-graduate candidacy. The Board of Regents and president of the university system should work in close partnership with regional profit and nonprofit Native organizations to assure that their institution will provide relevant training and student support services for Alaska's future Native leaders.

I realize I'm going overtime.

COMMISSIONER THOMPSON: May -- if you would, Rose, I'd appreciate it if you might summarize, and then we'd like to hear from Reva as well. Thank you.

MS. ISAAC: Okay. I'll summarize the rest.

COMMISSIONER THOMPSON: Please.

COMMISSIONER BOYKO: We will receive your paper, however, if you wish, gladly; because I think you

have some very good stuff in there that we want to have in full.

MS. ISAAC: Finally, the Statelegislature has an all-encompassing responsibility to ensure that any services that they propose, and any statutes they develop<sup>ed</sup>~~ment~~, will coordinate with, and provide effective linkage to, the state's educational institutions. All State programs and services must be part of the education partnership: health and social services, public safety programs, economic development projects, and State policies which encourage tribal empowerment and local control all increase the feeling of ownership and participation, which is needed to develop effective partnerships.

These legislators need to hear and respond to the needs of Native people. They must hold accessible hearings on issues that affect Native people in rural areas, so legislators will be educated about rural issues. When appointing individuals to conventions and boards, they must appoint Native people to speak for themselves and for our own needs. Adequate funding for school districts must be provided to ensure quality education is provided in every part of the state. The State Legislature should mandate Native studies and Native languages in our schools. Recently,

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Representative Georgianna Lincoln had introduced House Bill 352, which, unfortunately, died in the Senate Finance Committee. Hopefully, she or another legislator will reintroduce a similar bill.

Our language needs to be taught in our schools. (Speaking in Native language.) Tell me, exactly what did I tell you? What did I say? You don't know. I have to sit here and give my testimony to you in your language. Why should I do that? Why does any of us have to do that? Why did I have to come clear to Fairbanks to testify? Why didn't you come to my home town? Why didn't you come to Tok? Why don't you go to Glennallen? Pick a regional central location and go there. Don't give me this excuse of no funding. You were appointed there to listen to me, and my people, and our needs. I challenge you to go out there to the villages. We are very, very much alive; and by God, we are interested in what is happening.

I will not finish the rest of my -- I do have some questions for you. What -- who appointed you, and after you hear our testimony, where are you going to go with it? Are you going to put it in the big book? What did you do with the book?

UNIDENTIFIED SPEAKER: Oh, it's over there.

MS. ISAAC: The Governor had formed a task force committee, and they came up with this big, gigantic book. I'm not sure -- other than people are reading it, and looking at their research -- I'm not sure what's going to happen now. What are we going to do about the educational system that is existing in Alaska today? There is such a high dropout rate. There's such a high suicide rate, especially in our villages. What can we do to put a stop to this? Where are we going to go from here? Are you just going to listen to me, my testimony and other people, write your little whatever, and then what? What's going to happen five years from now? Ten years from now? In 1989, according to this research we have, had such a low, low scores in our schools. The people in those areas, the regional board, need to open their eyes and wake up to the fact of what is happening to our children in our schools. Don't look at the schools -- don't look at the teachers -- I mean, don't look at the students and say:

"The student can't learn."

The student can learn. I know that. So what is happening here? Whose fault is it? I'm willing to sit here and point my finger, not only to the teachers, but to the regional boards as well. The regional boards did