

ALASKA LEGISLATURE COMMITTEE FILES 1995-1996 8672

8838 SENATE COMMUNITY & REGIONAL AFFAIRS

program. Last year DOE funded two-thirds of all state school districts to provide professional development, capacity building and/or local improvement efforts toward achieving the goals of *Goals 2000*. Among those goals was the direction to "provide (a) performance-based student-centered plan for transition from school to employment or further training which encourages life long learning." In this context, the Alaska *School-to-Work* initiative will 'bridge the gap between school based and work based expectations.' It will form the 'conduit' helping to move Alaska's youth from school to 'the world of work.'

5. There must be a strong *education element* in Alaska's system, connecting secondary and postsecondary perspectives with business, government and labor for a 'holistic' system.

Connect with the state's education sector as a critical element in human resource development. For example, linkages with the Postsecondary Education Commission, State Board of Education, and University of Alaska Board of Regents will be essential for a comprehensive system. Policy discussions of these public bodies must be part of AHRIC's knowledge to insure coordinated and comprehensive system development.

6. Promote continuous private sector innovation and upgrading through Industry Clusters.

The *Industry Clusters* concept was identified and made popular by the Harvard Business School Professor, Michael Porter. He supports the perspective that a key determinant of competitive advantage in today's economy is

the capacity of a region's industries to continuously upgrade. This continuous upgrading and innovation is most likely to happen when a region has a cluster of competitive industries with access to highly specialized pools of skilled workers.

This approach would serve Alaska well. We should begin with identifying the top industries in our state, followed by the skills and the training needs of those industries. AHRIC is encouraged to see that a survey of these skills needs is done for industries on a region-by-region basis. Provide these skills lists to the agencies, service providers and the job seekers, so that we train Alaskans to the skills in demand for their areas.

7. Insist upon private sector involvement at all levels of job training and job development.

Stating the obvious, since the private sector is one of the two customers in the state's human resource development system, the greater the participation from the customer, the greater the likelihood that the system will meet the customer's needs.

8. Ensure that the *State Training and Employment Program (STEP)* is established in law as a permanent program before it sunsets in June, 1996.

The Alaska legislature authorized this 'temporary' state training and employment program in 1989. Originally designed to increase training opportunities for the state's workers, foster new jobs, and reduce the number of claims for unemployment benefits, it has accomplished these objectives, and more.

The STEP has enabled participants to

increase their average quarterly earnings from 9% to 12% in each program year. With a relatively high completion rate of more than 80%, the program has proven to be effective and cost efficient.

Local Partnerships and Market Driven Training

In Fairbanks, STEP was utilized to foster an innovative partnership between *Tanana Chiefs Conference* or TCC (the Native JTPA Grantee serving the Interior and Arctic Slope regions) and the Painters' Union Local. This pre-apprenticeship training program was successful over a period of several years and went on to become the prototype for a component of a highly acclaimed national program.

The STEP has also fostered a 'roustabout' training program offered through TCC. Originally funded under JTPA and BIA funds, recent federal cutbacks would have meant eliminating the program if it weren't for STEP. That would have been unfortunate, since it has graduated 180 students, 97% of whom have secured employment on Doyon's North Slope drilling rigs.

An example of how responsive this program has been to other parts of Alaska is the coordination of STEP funded training with the *Community Development Quota (CDQ)* program in rural Alaska. It has prepared local residents in western Alaska villages to train for jobs in an industry being developed under local cooperatives of their own.

STEP Trains for CDQ

Late in the fall of 1992, a major new fishery development initiative was established. Known as the CDQ program, it was developed to provide rural communities along the state's western seashore a role in the vast fishery off their coastline.

The CDQ program provides an allocation of pollock to coastal community corporations. Fish can be either directly harvested or leased to industry partners. Proceeds can be channeled back into groundfish operations or to-

ward nearshore fishery development projects. CDQ groups are required to actively participate in the harvesting, processing, and marketing efforts.

In order to respond rapidly to program developments, newly organized CDQ groups turned to STEP for help. Without bureaucratic 'overload,' STEP was able to respond almost immediately. Entry level training programs at the Alaska Vocational Technical Center in Seward offered quality orientation for new workers. During the first year, 75 rural residents were assisted through STEP funding. Another 50 residents attended fishery training funded by CDQ entities.

Within 7 months of the CDQ program's onset, more than 230 positions had been made available for rural residents in the ground fishing industry, with numerous individuals returning for additional contracts. During 1992 and 1993, more than \$1.2 million in personal wages were channeled to coastal communities.

Additional fishery training programs are underway using STEP. Rural residents have completed small vessel maintenance, navigation and fishing practices courses. Other training activities include office occupation training, management intern positions, and Coast Guard exam preparation.

We believe that the success of STEP is due largely to the fact that it is a state program. It is responsive to Alaska's unique conditions and it is comparatively easy to administer.

All in all, STEP has demonstrated its effectiveness and value as a state funded program offering distinct advantages to Alaskan workers, Alaskan businesses and Alaskan service providers. With this win-win-win program set to end in June, 1996, Governor Knowles has introduced legislation this session to continue the program 'permanently' under state law. Every effort must be made to ensure that STEP continues without interruption.

Business Incentive Training Program

Needless to say, programs which encourage 'economic development' will generally find



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favor with business and industry. Under the auspices of incentive training programs, private employers can be encouraged to upgrade the skills and retrain their current employees.

As with STEP, several years ago the state legislature authorized a *Business Incentive Training Program* (BITP). It was intended to 'encourage private industry to provide new job opportunities by offering assistance in training and retraining employees to implement new technologies.' The program received limited funding and generated only lukewarm support. In spite of mixed reviews, the purpose and application of this program deserve another look.

9. Strengthen collaboration and coordination to maximize employment and training opportunities.

History and experience have shown us that collaboration and coordination play critical roles in determining how effective we are at developing our resources. Our workforce preparation community has a long and successful history of collaboration at all levels.

Through efforts to establish the PICs, the Alaska Human Resource Investment Council, a School-to-Work System, a One Stop Career Center system, and networks of cross memberships among boards and councils, we believe that effective collaborative relationships have been forged. Others yet remain to be made. Contacts with the Alaska Housing Finance Corporation and statewide and local chambers of commerce are good places to start.

The following illustrations show what has been done creatively through cooperative relationships and they offer insight into what can be done in the future.

JTPA/Education Coordinating Committee

For many years this group facilitated the coordination of vocational education and job training programs. The committee, comprised of state and federal workforce and education administrators, SDA Directors, and advisory members from the AJTC and Governors Council on Vocational and Career Education, was a broadly representative forum for sharing information on programs.

It assisted in developing cooperative agreements under JTPA/Education Coordination and Grants funds (8% funds), providing assistance and direction in developing the plan for these funds and making recommendations to the AJTC and others on connecting activities between vocational education and job training programs. As a result of the unusual level of interagency collaboration, the committee has helped to fund projects which have served as prototypes for statewide innovations. Notable among these is the *Alaska Youth Ready for Work* Initiative, our state's precursor to the school-to-work system.

Alaska Youth Ready for Work

At the invitation of the governor, CEO's from Alaska's top firms met in March of 1989 to address the issue of whether our state's youth were ready for work. The conclusion was that far too many were poorly prepared. As a result, these business leaders compiled a list of 27 skills, attitudes and values needed to be successful in work, and developed criteria to encourage school reform projects addressing these elements. This initiative became known as *Alaska's Youth: Ready for Work* (RFW).

The JTPA/Education Coordinating Committee offered \$600,000 during the 1990-91 school year for school reform projects based on the RFW. Four demonstration sites were selected: the Mat-Su Borough School District, Kenai Peninsula Borough School District (two projects - one in Kenai/Soldotna the other in Homer), Juneau-Douglas High School, and Ketchikan High School.

Each project was conceptually distinct. However, each one also included the elements of career awareness, exploration and planning; basic skills development; participation by local employers and awareness of the RFW employer listed skills, attitudes and values.

These projects have continued in some form beyond their original 1990 JTPA grant. In fact, in most cases these demonstration projects have grown in scope because school districts have committed their own resources to seeing them continue.

The RFW program itself is a nationally recognized initiative. It has received awards for its innovation and creativity from such respected groups as the National Association of State Directors of Vocational and Technical Education, U.S. Basics, the National Conference of State Legislatures, and the U.S. Department of Labor. The RFW is respected today as a not-for-profit organization of Alaska's employers committed to working with schools, parents and community organizations.

Another instance of what can happen through interagency collaboration can be found with the construction of the *Alaska Job Corps Training Center*.

Alaska Job Corps Training Center

Working through coordinated and concerted efforts of state advisory boards and agencies a most remarkable thing happened. The Alaska Job Corps Training Center was opened in 1994 following years of serious negotiations, cooperation and hard work among federal, state and local groups. It took a large measure of tenacity and generosity to see the pooling of funds needed for site development and construction.

Interestingly, while agencies and local governments were working hard to see that pieces were falling into place, the Alaska Native Coalition on Employment and Training (ANCET) was doing a fair share of work on its own. Campaigning hard in the early 1990's, it worked to support the state in seeing that Alaska become a selected site. It fought along with the state to retain our site

when it was in danger of being scrapped in early 1992. And when the project was facing scale-back, the State and ANCET independently but successfully, insisted that dorms and child care facilities remain intact. Thus, ANCET and state-local-federal partnerships were key ingredients in seeing the Center become a reality for Alaska.

10. Rely on PICs for advice, recognizing and rewarding the successful outreach and networks set-up through their SDAs.

While statewide collaboration may be responsible for system-wide advancements, program participants have reaped untold benefits from the collaboration of the SDAs. With continuing reductions in program funds, the SDAs have had to leverage ever shrinking JTPA dollars all the while improving their abilities to train and place individuals in jobs.

Mountain View Community Participation Project

Working with schools, the community center and other community groups and organizations in the Mountain View Area, the summer youth program in the Anchorage/Mat-Su SDA has succeeded with extensive outreach to low income youth.

Over the past three years the SDA has coordinated with these groups to provide both program and staff support for summer youth activities. These projects have included a peer training program, community beautification of local parks, playground supervision, graffiti removal from public buildings and property, and a gardening project in which program participants supervised the planting and maintenance of gardens. At the end of the garden project, the vegetables were gathered and distributed to local residents. In coordination with the Municipal Parks and Recreation Department, these youth continued with landscaping, planting and maintaining gardens in Mountain View.

One of the more profound challenges for all of the SDAs has been to make JTPA services a priority for clients with multiple barriers. Partnering with the local school district, youth detention center and contractors, the Anchorage/Mat-Su SDA was able to make a difference in many young lives through *Special Work Experience*.

This program has enabled hundreds of seriously handicapped and institutionally restrained youth to participate in work experience. Community projects are able to operate effectively at low cost because of the 'in-kind' contributions of administrative services made by most of the contracted agencies/organizations. This has left only training salaries as the cost to be covered by JTPA.

ACE's Community Beautification and Landscaping Project

Anchorage School District's Alternative Career Education (ACE) program has included 25-30 youth each summer in projects that have ranged from community landscaping and maintenance of city plant and shrub sites to simple land reclamation. The ACE program has been able to provide the closer supervision needed by many of the project youth to stay focused, to learn the tasks and to effectively carry them through to completion. This program has received accolades for the exemplary work of the participants and the record times in which the youth completed task. The last two years have seen the Anchorage School District assume all of the administrative cost involved in the project, leaving more funds for overall youth wages.

McLaughlin Youth Center

Many of the youth in this state detention and correction center meet the eligibility criteria of the JTPA. Work experience has been provided to more than 25 of the institution's residents each summer. Again, with only the cost of the wages for two or three job training assistants, maximum use has been made of the participant's involvement in the project. Youth must compete for the available slots by demonstrating appropriate behavior and

reaching academic levels acceptable to the project's coordinator. This has proven to be a real incentive for changed behavior in some youth.

ACS's Botanical Garden Project

Residents of the Alaska Children's Services (ACS) are under the state's Foster Care system. Special Work Experience has enabled approximately 25 of these youth to participate fully in the JTPA summer program. The ACS has involved these youth in their project to develop a botanical garden. Three years of ongoing participation have seen the project area grow from woods and shrubs to a landscaped panorama of plants and fauna attracting more and more visitors.

Youth have in fact, built a storage shed, removed tons of earth, refilled and composted acres of land (for the plants and trees and shrubs selected for the garden) and in general, produced a noteworthy "work of art." And, as with the other youth projects, when JTPA experienced a decrease in available funds for its summer program, ACS cooperated by making an "in kind" contribution of administrative cost to this project. In addition, it hired most of the previously JTPA on-site job training counselors from other funding sources.

It is apparent from these examples, that there are secondary rewards to local collaboration. In these instances, there were long term community improvements, incentives for behavioral modification, and neighborhood participation in local beautification projects.

Extensive coordination was at the heart of award winning efforts in the youth programs operated by the Fairbanks SDA. This service area received national recognition in 1990 for its success in meeting the needs of 'troubled' youth.

Fairbanks Youth Program - Presidential Award

In 1990 the Fairbanks PIC received the highly prestigious *Presidential Award* for its JTPA services to 'at-risk' youth. This was a first for Alaska.

The highly successful program was aimed at youths between the ages of 14 and 21, who were considered to be at-risk of not graduating from high school. It was designed to work closely with the youth from the time they were identified as 'at-risk' until they had achieved high school graduation, received vocational training or were placed in paying, unsubsidized jobs. It served 328 youth in 1989, the year it was nominated for the award.

Unlike the majority of youth job training programs nationwide which operate only during the summer months, this program combined a wide variety of services into a comprehensive year-round program. This novel approach is considered one of the primary reasons it was so successful. The program exceeded all of the performance goals set for its various elements in 1989 including: in-school mentoring (drop out prevention), in-school training for handicapped individuals, parenting for pregnant teens, job skill training for incarcerated youth, job corps recruitment, referral and placement, out-of-school youth program, and a summer training project.

Another reason for its success can be attributed to the extensive level of community involvement. In building its program, the PIC included the local school district, downtown business people, local churches, the military bases, local unions and the Fairbanks North Star Borough, as well as local community groups such as the Lions and Quota Clubs.

An illustration of what can be achieved when community involvement is aided by interagency collaboration is remembered at Petersburg.

Petersburg At-Risk-Youth

A highly effective project helped at-risk youth in Petersburg between 1988 and 1992. The Petersburg Children's Center received funds from JTPA to craft a multi-faceted program that provided students with orientation and classroom training combined with hands-on work experience with local employers.

There were 12 youth in the community

who were identified as highest at-risk for leaving school, and therefore program eligible. At the top of the list were pregnant girls. The Petersburg Children's Center wanted to provide these girls with parenting skills, so the single moms were taught child care in the Center's nursery, hands-on with their own children. Once the children were adjusted to the nursery and the mother had adequately developed her skills, she went on to regular job training. These parents were so successful, not one single mother was later found to have entered the social services system for any issue to do with parenting.

This program also served special education students and high school dropouts. The youth covered the required competency skills and work maturity issues (getting to work on time, dressing and behaving appropriately on the job). Training in basic skills and other classroom work took place at the high school. Out-of-school youth were taught by the Adult Basic Education staff in the Job Services office of the Alaska Department of Labor (DOL).

One of the reasons it was believed to be so successful, was that most of the youth participated in jobs that matched their interest. The youth were paid as if the employer were paying them, and they worked their way through their required ten competencies and skills. With very careful monitoring for their safety, and a special waiver of child labor laws, they performed real jobs in real work situations.

Another very successful part of the program was the big city survival course, which combined funds from JTPA with leadership funds from vocational education. In real life urban settings, students learned to use public transportation, enroll in school or find a job, a place to live, and how to pay their own expenses on a budget.

Over several years the program had a successful completion rate of between 90 and 100%. Students completed high school or received their GEDs, and some went on to further education. The program prospered from the cooperation of Petersburg High School, the Adult Basic Education, Alaska Statewide SDA, DOL, and from individual employers.

11. Permit the service delivery areas to identify their 'special populations' and reward them for programs that creatively meet the employment and training needs of these groups.

There are groups of Alaska residents who may need some of the most innovative response strategies for effective training. Allow the service regions to identify who those special populations are and what strategies are needed to effectively serve them. Some areas of focus may be on the older worker, persons with disabilities or rural residents. Regardless of the special group, such factors as local outreach, attention to detail, and ongoing coordination will play a large part in serving their needs as shown in the following examples.

Homer Flex High School

Homer Flex High School is based on a network of community, private enterprise and educational resources using state-of-the-art computer technology to capture and spark the interest of high school dropouts and other "at risk" youth.

The JTPA students have access to a flight simulator, global positioning system, a career information system called AKCIS, computerized instruction, and driver training. There are computer connections between the regular and alternative high schools, and remote connections with some students' homes or worksites.

This innovative system is based on the premise that learning should take place wherever it is most effective. As a result, virtually all of the "hard to serve" youth complete the program, and continue their education or get jobs.

Remote hookup has allowed special needs students to work at home. Multi-site hookups also permit more than one school or agency to legally use an extremely expensive piece of software. With its daily teacher-student

feedback, the program is seen further as a model for home schooling in rural Alaska.

A key to the success of the program may well be the individualized contact. There has never been more than a 4:1 ratio of students to teacher. Each youth is set up with an individualized academic program. Support services are also tailored to the student's need for shelter, and child care, etc.

Like so many others, this program also benefits from several community efforts, such as the local incentive trust. This fund supports the student in a part time job while JTPA evaluates the student's progress in attaining workplace skills and attitudes. Eventually the student knows how to come to work on time and how to relate to fellow employees. The student masters technological skills, and then goes to work for an employer who has entered a limited internship agreement to help.

A large number of employers in Homer are interested in working with the youth in this program and in providing them jobs. Kenai Building Supply hired a student whose tasks were set up so course material could be given on the job. Homer city's Water Treatment and Waste Management Department did likewise.

In Homer, the staff's holistic approach to educating and training young people from troubled environments clearly helped them feel they could succeed in life. On the other end of the age continuum, innovation was afloat in Fairbanks several years back in their efforts to serve the needs of the 'older worker.'

ElderNet

Started by the Fairbanks SDA, ElderNet was a comprehensive entrepreneurial training program for those 55 and older who met JTPA program eligibility requirements. In early 1992, JTPA funds were used as ElderNet 'start-up funds.' The University of Alaska, Tanana Valley Campus (UAF/TVC) allowed 60 future entrepreneurs to gather twice a week for 8 consecutive weeks to learn the ways of small business.

Local media coverage and local business people lent support to the program. A num-

ber of successful business leaders came to the classes to share their expertise with the participants. Guest lecturers included one of the vice presidents of Key Bank, the manager of New York Life, and the owner of a successful warehouse. The class itself was taught by an Associate Professor of Applied Business Administration at UAF.

In the spring of 1993 the first class of Eldernet graduates formed a non-profit organization called *ElderNet Inc.* They published a catalog of products and services and they set up a retail space on the ground floor of the UAF/TVC building. The retail store operated from May to September of that year. In October, the group moved to the Fairbanks downtown area, naming their store *House of Gifts*.

The *House of Gifts* was made available for community meetings which would be of interest to the senior population in Fairbanks. Regular classes were held there including instruction in doll making, Ukrainian egg decorating, beadwork, parka sewing, knitting, and flower painting.

During its operation, the *House of Gifts* also became the hub for "Wish Tree," the annual event of gift giving for seniors during the Christmas holidays. During 1992, 190 seniors in residential housing were the recipients of gifts donated by the people of Fairbanks, and delivered by ElderNet Elves. This effort bridged the generations, as it brought together local junior and senior high school students with Eldernet seniors to wrap and deliver gifts. The number of gift recipients grew to 250 in 1993 and almost 400 in 1994.

While the *House of Gifts* has had to close its doors, the program was considered an overwhelming success, due largely to the fact that several of the senior entrepreneurs continue to be in business and continue some level of economic self sufficiency. The Fairbanks SDA no longer subsidizes the ElderNet though it exists today as an ongoing non-profit organization.

Looking now to ways in which challenges have been translated into benefits, a special JTPA project was set up to assist clients in moving from 'welfare-to work.'

Project Career Course

Project Career Course has proven its merit in successfully transitioning the chronically unemployed off welfare rolls and into jobs or advanced training. Funded by the Alaska Statewide SDA since 1988, the project combines classes taught at the University of Alaska Southeast with work experience, basic skills refresher, and whatever support services are needed by the individual.

Not only has the project been successful statistically, but it has demonstrated the value of interagency cooperation and a new attitude about how to deal with public assistance.

In this program, all instruction is geared toward employment with a holistic approach that distinguishes it from most other training programs. The most important course in the program is thought to be *life skills management*. There, students learn to identify what they have and what they want. They learn to recognize the value of exercise, nutrition and time management. They learn to develop a schedule, set goals, prioritize, and delegate. Support services such as child care and transportation are provided by the JOBS Program, administered by the Alaska Department of Health and Social Services.

Many students are overcoming a lifetime of poor self-esteem, a major stumbling-block to independence. At evaluation time, students report that the program helped them to believe in their own ability to succeed. Most course graduates either go to work or continue with further training.

This program is a lesson in interagency collaboration, attention to 'customer needs' and holistic service strategies which produce benefits for a population often noted to have 'multiple barriers' to employment.

12. Increase the ability of the state to coordinate the efforts of private sector businesses, 'dislocated workers' and local communities in mitigating the impact of worker lay-offs.

Alaska is particularly vulnerable to swings in its economy. The effects can be devastating to the workers and their communities who are impacted by plant closures or industry failures. The state and the SDAs have shown great initiative in their abilities to respond rapidly to these disastrous conditions as you'll see below. However, we have room for improvement in working with local communities to lessen the disruptions when jobs are lost.

Anchorage/Mat-Su Rapid Response

Over the years the Anchorage/Mat-Su SDA has been called upon to respond to both anticipated and unexpected business closures. In attempts to stay viable, businesses have made drastic cuts in personnel and/or restructured themselves, so that more is done with less. Unfortunately, this is often at the expense of the worker. The number of lay-offs have ranged from a low of 25 employees to over 500. In each case, it has been the SDA's job to provide the affected worker with as much assistance, support and information as possible, and to act as a resource in their effort to obtain new employment.

Providing support services for laid off workers has taken on many forms. These services have included setting up a centralized location, traveling out to the actual worksite and working in coordination with other agencies. Services have also included job counseling and referral, assistance with resume preparation, and purchase of tools and materials needed by these individuals. For those who have found jobs out of state, the SDA has served as a coordinator in the worker's effort to clear up business here and relocate. A partial list of the more recent rapid response situ-

ations include the Cambior Alaska (mining company), Alyeska Pipeline Services, and Mark Air.

Moving now from a general perspective of local efforts to serve dislocated workers, look at how two 'rapid responses' have been handled by the Alaska Statewide SDA.

Sitka/Wrangell Transition Centers

Alaska Pulp Corporation mill closures in Sitka in the fall of 1993 and in Wrangell in the fall of 1994 have been met by JTPA with the establishment of two Career Transition Centers (CTC) to help the laid off workers prepare for other work.

In each case, the mill was the community's major employer. Mill workers were paid a high hourly wage for a job that required limited formal education. Were it not for the retraining offered by JTPA, prospects in the shrunken local job markets looked bleak for many.

The Sitka CTC assisted about 200 displaced workers during its nearly two years of operation, and closed in June 1995. The CTC was housed at the University of Alaska Southeast Sitka campus. *Project New Chance* in Sitka graduated several classes from its six-week integrated program offering math and writing enhancement, computer literacy and job development. Several people earned their GEDs in the program.

The closure's impact was particularly severe in Wrangell, where 278 people were laid off, causing a slowdown in other businesses. The CTC opened there in December 1995, for one year of planned operation. A full time coordinator headed the staff, assisted by a coordinator from the University of Alaska Sitka and a half-time adult basic education tutor. The Alaska DOL supplied counselors and unemployment insurance services, testing and workshops.

Project New Chance from UAS-Sitka has continued with classes for former millworkers in Wrangell. This same initiative has expanded to initiate Wrangell's first degree program, a two-year Associate of Applied Science in business management.

Former mill workers will have their expenses paid under the Trade Adjustment Act (TAA), and additional applicants may come from the community.

Both centers received funding from a National Reserve Grant, a set-aside of the JTPA Dislocated Worker funds directed at plant closures. TAA funds available through the DOL have also provided services. Center activities have relied on the close cooperation between JTPA and DOL staff.

Finally, the Fairbanks SDA is a ready source of how one-on-one assistance to the dislocated worker can be critical in the directions taken by the lives of real people.

Beth Vonnahme

Ms. Vonnahme lost her job when her employer closed its Fairbanks branch office. She asked for JTPA assistance to complete her Bachelor of Arts degree in Business at the University of Fairbanks campus. During her senior year, Ms. Vonnahme started her own small business, *Compost Happens, Inc.* When she graduated from the university she brought her idea to the City of Fairbanks and was awarded a one year contract to collect lawn and leaf material from the city landfill. Overall, Ms. Vonnahme's small business turned into a profit making enterprise which was good for her and good for the City of Fairbanks.

Robert Winn

Mr. Winn was considered to be *long term unemployed*. His employment background included 30+ years in the restaurant/bar business. He wanted to change careers and asked for help with accounting and computer training. He attended the Computer Skills training school in Fairbanks. Upon graduation Mr. Winn first obtained a 'temporary' nine month job with the Fairbanks Convention and Visitors Bureau as an Administrative Assistant. At the end of the temporary job he applied for and was hired by the Fairbanks PIC as a Budget Technician.

13. Conditions in rural Alaska often require unconventional approaches to employment and training. The state's system should be flexible enough to accommodate and promote them.

Alaska's unique conditions often times require exceptional creativity. Many jobs are public service jobs. In fact, the percentage of jobs in the public sector in rural Alaska is sometime as high as 85-90%. Many other jobs are seasonal, which may not qualify them under 'JTPA.' They should be acknowledged as legitimate 'employment' and work experience. An article reprinted here from the *Fairbanks Daily News-Miner* of July 28, 1994, tells the story best.

Fish Counts Fish and Game Can Count On by Wendy Hower, Staff Writer

KALTAG —Three young men bumped knees as they sat in the 12-foot-high wooden tower and stared down into Kaltag Creek for six straight hours Tuesday.

It was hot as a salmon smoker under the green tarp roof. The batteries in the portable tape player were dead.

"It's not boring when the bear's around," said Arlo Olson, 17.

Suddenly, a single, sunset-hued fish drifted in the water below.

"A king," someone said.

Olson wrote it down on a clipboard and resumed his watch.

Since June 21, Olson and nine other Native teenagers from the Yukon River village of Kaltag have worked round-the-clock shifts to count salmon. So far they've recorded 36,387 chum salmon and 153 king salmon—and three black bears who wandered by.

This proof of the summer's healthy chum salmon run convinced the state Department

of Fish and Game to open up commercial fishing four times this summer for the whole village.

"If we didn't do this, we probably wouldn't have had a fishing season this year," Olson said.

Eli Nicholas, 16, agreed they are "doing some good."

A metal fence, called a fish weir, stretches halfway across the creek to guide salmon close to the tower, where white bags of sand are lined up in a row underwater. The silhouettes of fish are easy to spot against the white bags.

The teen-agers count salmon as they swim upriver to spawn; they subtract the number of salmon returning down river. Since June 21, they have missed only 4 1/2 days of counting.

Fish counting is a real job. The teen-agers earn \$6.33 an hour for their pains and, in the process, pick up some advanced math and science.

Learning how to use statistics and evaluate data, they discovered that this year's run determines how many salmon they can take with commercial fishing four years from now. They found out chum salmon tend to run between 10 p.m. and 4 a.m.

"They're learning how to work," said Frank Burris, state 4-H fisheries and natural resources agent for Alaska Cooperative Extension. "They're learning that data collection is boring and the fun part is putting the numbers together at the end."

Theirs is some of the best salmon escapement data for any river within the Yukon drainage, Burris said.

The extension program, begun in Kaltag four years ago, is jointly funded by the state Department of Community and Regional Affairs' Summer Youth Employment Program.

Villagers have long used fish wheels on the Yukon River to catch chum salmon and harvest eggs to sell to Japanese buyers.

They dry the rest of the chum salmon for dog food and use nets to catch king salmon, a much better-tasting fish.

The fish counting tower is on Kaltag Creek, a tributary of the Yukon River, because fish are difficult to count in the deep waters

of the Yukon River. The teens built the tower themselves.

Amy VanHatten, 4-H program director for the Tanana Chiefs Conference, said the teens are luckier than many college students who never get a chance to work in the field.

"You're starting way ahead of the game in some respects," VanHatten told them.

Russ Holder, assistant area manager for the state Department of Fish and Game, said the fish-counting project was most responsible for opening up the Yukon River for commercial fishing. The only other fish counting took place on the Anvik River, north of the village of Holy Cross, he said.

What's more, Holder said, the project has improved relations between Kaltag villagers and Fish and Game officials. The data lent credibility to villagers' claim that salmon runs were strong enough to support a fishing season.

As you see, a mix of ingenuity and sensitivity to local conditions can actually present a rather remarkable, but obviously relevant, summer of work experience for rural youth.

For another look at how rural success relies on innovation, turn now to Interior Alaska where TCC has operated the *Rural Interior Alaska Home Care Services*. The following is excerpted from an article entitled...

Aging Gracefully at Home, Elders Get Chance to Remain in Villages by Kristan Kelly

... At 77, (Ellen) Peter is the oldest person in Nulato. There are Nulato elders older than her, such as 100-year-old Martha Brush, but all have gone to urban nursing homes. Nurse Peggy Eickman, 48, and nurse's aide Jennie Nickoli, 45, are working to ensure that Peter and other elders can stay in Nulato as long as they wish, through a program called Tanana Chiefs Conference Rural Interior Alaska Home Care Services.

Eickman, a registered nurse and physician's assistant based in Fairbanks, travels to interior villages assessing the needs of

the elders. She notes the special needs of each elder. Next, village nurse's aides such as Nickoli visit the elders providing daily care.

After the original assessment, Eickman returns periodically to visit the elders and observe their health. She believes that allowing elders to live in their home village strengthens their spirit and, in turn, their health.

The program is three years old and growing. Fifteen villages offer the program and women interested in becoming nurse's aides in their villages have formed a waiting list. The aides are trained during a three-week intensive course in Fairbanks by the Older Persons Action Group.

Tanana Chiefs Conference pays for more than 50 percent of the program while the rest of the money is gathered from a number of state sources, said Cyndi Nation, the conference's program director.

"People want to have our people stay at home. They want them in the community," Nation said.

This program, she said, gives elders the choice of where they want to live, even to die.

"In some of our villages, there is a belief that if an elder isn't able to die in the community, their spirit can't rest," Nation said.

To villages, the program helps them keep their elders close to them and their children. Elders are the keepers of the old way—when they leave, so too does that knowledge.

Differences in culture, lifestyles and beliefs can be respectfully and effectively built into the way the state and local providers serve the rural population. This should be encouraged.

14. Define 'EMPLOYMENT.'

Provide a uniform definition of 'employment' recognizing that local communities may consider traditional activities to be work activities, and that the definition must apply to workforce programs under AHRIC's purview. The purpose of a comprehensive and shared

definition of what constitutes 'employment' will do much to guide programs. Subsistence is the largest employer in rural Alaska. Seasonal fishing, hunting and trapping as well as beading and traditional craftwork are economically viable activities in many parts of our state. Yet, as a state we are routinely challenged to justify their classification as true 'employment.' This must change.

15. Explore training incentives that will reduce non-resident hire. Establish yearly goals against which to measure the effectiveness of these incentives.

In 1993 there were more than 75,000 non-residents workers in Alaska. That same year more than 50,000 Alaskans filed for unemployment insurance benefits. Thus, 22.8% of the total employed wage and salaried jobs in the private sector, and in state and local governments in Alaska were held by out of state workers.

Non-resident earnings represented 11.8% of all earnings in these areas. Because non-residents work a relatively short time in Alaska and do not live here, the economic impact associated with their earnings is low. And when they take jobs that Alaskans could fill, unemployed Alaskans draw from unemployment insurance and other financial aid programs. These conditions are unacceptable. Examine all possible incentives which could work to lower the rate of non-resident hire in Alaska.

16. Strengthen collaboration and coordination with the state's JTPA/social service Native Grantees.

While the AJTC has established ongoing coordination and collaboration with JTPA/ social service Native Grantees, linkages could be improved. The importance of doing this is clear when we remember that populations served by Native Grantees have the highest unemployment rates of any group in the state. Operating under separate JTPA programs which in turn produce separate systems, increases our need for better communication and more coordination. The ANCET organization offers the advantage of an existing umbrella composed of Alaska's JTPA Native Grantees. Concentrate and build on the coordination offered through this group.

17. Establish a direct and continuing connection with the Alaska Job Corps Training Center.

In the past, efforts by state, local and Native groups have been successful in seeing a state Job Corps Training Center built. We need to continue our efforts at statewide and local involvement with the center to insure that its training fits the needs of Alaska's population. The ever changing economy and the unique conditions in rural Alaska must be reflected in the center's curricula. We believe that the current curricula does this. Let's make sure it continues. We need to maintain dialogue and ongoing participation at all levels.

18. Make welfare-to-work a priority; plan to focus training on low-income workers.

Expected changes to federal welfare laws include a mandatory cap of five years an adult may receive AFDC. Insuring that AFDC recipients enter the workforce and become self-sufficient before their 'five year time limit' will represent a major challenge for all programs.

One of the programs under AHRIC's oversight is the *JOBS* Program. It represents an ongoing partnership among the Alaska Departments of Health and Social Services, Labor, Education, Community and Regional Affairs, and members of ANCET. It offers AFDC recipients the opportunity to gain workplace literacy and job skills, to look for and find employment, and to receive child care supportive services. Through *JOBS*, the Department of Health and Social Services provides funds for this partnership.

The successful operation of *JOBS* shows that AFDC recipients can escape welfare dependency by finding paid work. Since its inception in 1990, 4,152 AFDC recipients have entered paid employment as a result of participation.

State legislation needed to reform Alaska's cash welfare programs must recognize that providing job training, education and child care to Alaska's AFDC recipients continues to require a financial investment in the *JOBS* program. Without this investment, we believe many AFDC recipients will reach the end of their welfare limit without gaining the skills or receiving the child care needed to enter the workforce and retain employment. Loss of AFDC eligibility will cause a severe economic hardship to their children, and put additional strain on other public and private agencies already struggling to meet the needs of Alaska's poorest families.

Part V

CONCLUSION

As a state we are clearly focused on preparing our workforce with the skills and attitudes required by our workplaces. The development of these skills and attitudes must be reflected in all levels and fields of public education, career/job development and public supportive services.

We have had our share of successes over the years. We have seen innovation and creativity work to the advantage of our citizens. And we have met challenges face on. We have never been afraid to push ourselves as a community working together for a shared goal.

We move on to a new era of 'human resource development.' We are ready as a community-state to face new and even greater expectations. We are committed to helping in whatever way possible to meet the needs of tomorrow's workforce community. We believe very strongly that our renewable resources are our valuable resources. Alaska's primary renewable resource is its people. We must make the development of this resource our first priority.

Appendix A

Alaska Job Training Council

1992-1995 Committee Structure and Duties

Coordination Committee: to insure effective coordination of employment training programs. The committee developed statewide coordination criteria, reviewing and assessing coordination consistency of state plans for employment services, vocational education, adult basic education, JOBS and Food Stamps Employment and Training Program; ongoing review of all coordination activities, including one-stop centers; and insured cross representation on the interagency JTPA/Education Coordinating Committee.

Programs Compliance Committee: to provide oversight and monitoring of service delivery areas' activities as well as to plan the resource allocation and reallocation of the economic dislocated worker adjustment program. The committee set performance standards for the state, priorities and target groups for the state employment and training program (STEP); and participated in the setting of JTPA program policies.

Executive Committee: to provide for supervision of the affairs of the council between its regularly scheduled meetings. The committee recommended resource allocations for JTPA, prepared reports to the governor, provided guidance to council staff, and acted on behalf of the full council when so directed or when emergency concerns justified it doing so.

Appendix B

Comments from Alaska's PICs June 22' 95

Q. What is going well within the JTPA system that facilitates local and regional economic development? What are some program successes? What are recommended benchmarks to measure success of employment and training programs throughout the state.

- ◆ PICs are a strong feature of JTPA because of broad representation from public sector education, employment and training agencies and private sector employers.
- ◆ JTPA system, because of strong local control, maintains maximum flexibility in program design to determine services and delivery methods most responsive to employers and the community. PICs, with their combination of public and private sector members, can provide external oversight and perspective not subject to agency politics or influence.
- ◆ Program successes: meet emerging needs for services, i.e., responding to layoffs or working with new employers to train workers; consistently meet stringent performance standards for each program (youth, adult, dislocated worker, etc.); apply continuous improvement model to evaluating and upgrading program services.
- ◆ Common or uniform benchmarks/ standards of performance should be established for all programs throughout the state providing employment and training services.
The standards should be realistic, but based upon employment-related, work force outcomes, not process-related factors. They should include outcomes such as number of clients to obtain jobs, placement wage, type of occupation and is it related to the training received, and employment status at a future time to determine success of placement through job retention.
Standards should not force programs to focus on process (excessive data collection and reporting, prescribed mix of services, required enrollment levels in certain activities, etc.).
- ◆ PICs provide a forum for the development of locally responsive public policies.

Q. What could be done better? How could the statewide strategic planning and oversight process be improved? How can AHRIC assist in connecting economic development, work force development, and education and training systems, yet still maintain responsiveness and flexibility at the local level?

- ◆ In order for many different programs across the state to more effectively combine services, administrative and political barriers need to be removed. AHRIC could provide this leadership and commitment.
- ◆ Membership must consist of policy-makers with the authority to mandate systemic change, i.e., Departmental heads, not designees (at least during the formative stages of AHRIC and a consolidated delivery system).
- ◆ "Be a conduit, not a bottleneck."
- ◆ Establish uniform and realistic administrative requirements and performance standards related to employment and economic development.
- ◆ Provide leadership in resolving issues such as sharing client data, pooling funds, unnecessary reporting requirement though changes at the state level, where appropriate, and advocacy for changes at the federal level where necessary.
- ◆ Share governance and administrative functions with the most local level feasible, with few intervening layers.

Q. How should AHRIC and local boards interact to ensure that local employment and training perspectives are part of the statewide strategic planning and oversight process?

- ◆ Respect the historical perspective and expertise developed through the PICs during the 12 years of JTPA. PIC members understand how programs operate, effective program design, meaningful and realistic measure of performance, community and business relations, problems to avoid (administrative, programmatic, political), how decisions or problems at the policy level can affect delivery of services to clients
- ◆ Include as many PIC members on AHRIC as possible to tap this resource (in formally designated PIC seat and private sector seats)
- ◆ Use the PIC model for local boards—they have proven, through volunteer members, to be an inexpensive vehicle for the development of public policy
- ◆ PICs represent local interests and concerns, program constituents, that may not have a forum for expression at state or federal level—formally include PICs in the planning and oversight processes through extended membership of AHRIC committees, etc.
- ◆ Keep the lines of communication between AHRIC and local boards direct—don't interject other layers of administration or communication.
- ◆ Maintain maximum flexibility for use of resources, allowing local decisions regarding program design, mix of services and methods of delivery, target populations, etc. consistent with the goals and guidelines established by AHRIC.
- ◆ Consider existing models for distribution of resources based on identified need, and allow for revisions in the model when something doesn't work. Don't reinvent the wheel
- ◆ The AHRIC should set standards for itself, its staff, and its administrative features.

Q. When the local board's responsibilities increase, describe its new role in the community. What decisions are boards making? What level of influence do they have in local and regional economic development? List the contents of local board reports to AHRIC?

- ◆ PIC Involvement in program design and decisions:
 - ◆ Development of two-year plan of operations for JTPA (Job Training Plan/ Substate Plan)
 - ◆ Selection of contractors/service providers
 - ◆ Method of service delivery (in-house/ contracted)
 - ◆ Prioritizing services
 - ◆ Advocates for program clients with policy-makers and employers
 - ◆ Foster interagency cooperation through PIC membership
 - ◆ Assuring program priority and emphasis consistent with and responsive to economic development efforts
 - ◆ Assure maximum flexibility in use of program resources to respond to emerging needs in the business community
 - ◆ Administrative streamlining, system improvements
 - ◆ Offer JTPA as ingredient in local economic development "package"
- ◆ Increase in responsibilities would not be a stretch because of broad representation currently on PICs and the coordination and collaboration developed with many other agencies and programs over the years.
- ◆ Recommend that reports to AHRIC from local boards include, beyond the usual statistics and program narratives the following:
 - ◆ Information on trends in employment and economy, changes in economy and labor market
 - ◆ Recommendations for new program options and services responsive to local needs (programs like the Business Incentive Program, entrepreneurial training, etc.)
 - ◆ More effective funding methods (better targeting of resources to address sudden changes in the economy or labor market like STEP and Dislocated Worker programs)

Q. What are major areas of employment opportunities in the SDAs which are represented on the PIC?

The following are major areas of employment opportunity in the SDAs and they are represented on the PIC:

- Construction
- Public utilities
- Oil industry & support industries
- Care giving community
- Office occupations
- Small business community
- Government

Appendix C

Alaska Human Resource Development Policy

1994

prepared by the
Governor's Human Resource Development Advisory Council

The people of the state are Alaska's most important resource. Therefore the policy of the state of Alaska shall be to develop a prepared workforce, provide a healthy business climate and eliminate barriers to employment. All programs relating to economic development; primary, secondary and post secondary education; job training; and social services shall be integrated into a system of lifelong learning opportunities.

The Governor's Human Resources Development Advisory Council finds that in order to promote a robust economy, enable economic independence and increase the standard of living for all citizens, Alaska must produce a literate, skilled and productive workforce that matches current and future business trends and public service needs. The goal of both public and private sector workforce development efforts is for every Alaska resident to be trained and qualified for an Alaskan job so that all citizens of the state can have the skills and opportunity to earn a living.

Every citizen is ultimately responsible for his or her livelihood and it is up to each individual to develop and maintain the skills necessary to earn a living wage in a rapidly changing and increasingly competitive global economy. State, federal and local government agencies, community based organizations, Native organizations, organized labor and business all have complementary roles to play in investing in the development of Alaska's human resources. Alaska also has a special obligation to residents of rural areas to acknowledge and respect the traditional culture, while promoting local employment and community service opportunities.

Consistent with national efforts to consolidate myriad federally funded workforce development programs into an integrated human resource investment system, education and training programs in Alaska must be organized in a coherent, cost-effective and accountable manner. The objective is to create a market driven system accessible to every citizen seeking education, training, career guidance or employment services.

While there have been widespread concerns over the duplication and lack of coordination among employment and training programs at the federal level, it does not appear that the same can be said of Alaska, at least at the service delivery level. A 1994 study of workforce-related programs issued by the Legislative Budget and Audit Committee generally concludes that 'at the local level coordination minimized duplication.' However it finds that 'management redundancies exist in overlapping responsibilities of federally required councils' at the statewide planning and oversight level.

SB

256

SENATE COMMITTEE REPORT First Committee of Referral

DATE: 2/2/96

FURTHER: State Affairs

Date of 5-Day Notice: 3/14/96
(in accordance with Uniform Rule 23)

DATE TURNED INTO OFFICE: _____

The C&RA Committee considered SB 256

Relating to the offices of mayor and mayor pro tempore of a second class city.

and recommends:

- be replaced with _____ CS _____ (_____)
- adopt previous _____ CS _____ (_____)
- attached amendment(s)
- adopt Letter of Intent by _____ Committee
- further referral to the _____ Committee

- Senate Bill:**
- same title
 - new title
- House Bill:**
- same title
 - technical title
 - new: SCR# _____

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	NR	DNP	AM
<i>Roll E.C. Bell</i>	✓	<i>Paul D. Zehner</i>	✓		
<i>Lynn Hoffman</i>					
<i>Tom Kelly</i>	✓				
CHAIR: <i>John Ingram</i>	✓				

NEW FISCAL NOTE(S):

Department Date Zero Fiscal

<i>Comm. Reg'l Affairs</i>	<i>2/2/96</i>	✓	

PREVIOUS FISCAL NOTE(S):*

Department Date Zero Fiscal

APPROPRIATION -- no fiscal note

*Include fiscal notes accompanying Governor's bill

FISCAL NOTE

Revision Date: February 20, 1996 Dept. Affected: Community & Regional Affairs
 Title: An Act relating to the offices of mayor and BRU: none
and mayor pro tempore of a second class ... Component none
 Sponsor: Sen. Adams
 Requestor: Senate C&RA COMPONENT SERIAL NO. --

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
PERSO:IAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0
CAPITAL	0.0	0.0	0.0	0.0	0.0	0.0

REVENUE FUND SOURCE:

--	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:

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

Estimate of current (FY94) impact \$ none

ANALYSIS: (Attach a separate page if necessary)
 Under current statutes, mayors of second class cities are elected from the elected council members by the council members themselves. This legislation would create the option of a second city passing an ordinance that would provide for the election of the mayor by city voters rather than the council. DCRA staff would certainly be involved in assisting cities understand, and perhaps implement, this option. The department would also likely prepare informational materials to educate cities about this option. However, these efforts would be absorbed by existing departmental staff and resources. The department anticipates no significant fiscal impact as a consequence of this legislation.

Prepared by: Remond Henderson, Director *Remond Henderson* Phone: 465-4708
 Division: Division of Administrative Services Date: 2/20/96
 Approved by Commissioner: *Mike Olson* Date: 2/20/96
 Agency: Community & Regional Affairs

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Official Business

February 29, 1996

TO: Sen. John Torgerson, Chair
Senate Community and Regional Affairs Committee

FROM: Sen. Al Adams *AAA*

RE: SB 256--Scheduling Request

I would appreciate it if you would schedule SB 256 for a hearing.

Under current law, mayors of second class cities are elected by the elected city council members themselves. SB 256 would create the option of a second class city passing an ordinance that would allow for the election of the mayor by the voters rather than the city council members.

This legislation was initially requested by the City of Savoonga, and the concept was endorsed by the Alaska Municipal League Conference held last fall in Valdez.

Thank you for your consideration of this request.

as to which any pretended exercise of discretion would have been in legal essence arbitrary and wrongful and thus unlaw-

ful. *Reherd v. Manders*, 66 F. Supp. 520 (D. Alaska 1946).

Collateral references. — 56 Am. Jur. 2d, *Municipal Corporations, Counties, and Other Political Subdivisions*, §§ 231-336.

Sec. 29.20.230. Election and term of mayor. (a) The mayor of a borough or first class city is elected at large. The mayor of a borough or first class city serves a term of three years, unless by ordinance a different term not to exceed four years is provided. The current term of an incumbent mayor may not be altered. The regular term of a mayor of a borough or first class city begins on the first Monday following certification of the election.

(b) The mayor of a second class city is elected by and from the council, and serves until a successor is elected and qualifies. The council of a second class city shall meet on the first Monday after certification of the regular election and elect a mayor who takes office immediately. The mayor of a second class city serves a one-year term, unless a longer term is provided by ordinance. The mayor of a second class city may serve only while a member of the council regardless of the term established for the office of mayor.

(c) Except by ordinance ratified by the voters, no limit may be placed on the total number of terms or number of consecutive terms a mayor may serve. (§ 7 ch 74 SLA 1985)

Sec. 29.20.240. Qualifications for the office of mayor. (a) A voter of the municipality is eligible to hold the office of mayor in a borough or first class city. A member of the city council is eligible to hold the office of mayor in a second class city.

(b) Residency requirements for the office of mayor not exceeding three years may be prescribed by ordinance. (§ 7 ch 74 SLA 1985)

Sec. 29.20.250. Powers and duties of mayor. (a) If a municipality has not adopted a manager plan of government, the mayor is the chief administrator and the mayor has the same powers and duties as those of a manager under AS 29.20.500.

(b) The mayor may take part in the discussion of a matter before the governing body. The mayor may not vote, except that the mayor of a first class city or the mayor of a borough with a manager form of government may vote in the case of a tie. The mayor of a second class city, as a council member, may vote on all matters. (§ 7 ch 74 SLA 1985)

Sec. 29.20.260. Executive absence. The borough mayor, subject to assembly approval, shall designate a person to act as mayor during the borough mayor's temporary absence or disability. If a manager plan has been adopted, the assembly shall designate by resolution a borough administrative official to act as manager during the manager's absence or disability. (§ 7 ch 74 SLA 1985)

Sec. 29.20.270. Veto. (a) Except as provided in (c) — (e) of this section, the mayor may veto an ordinance, resolution, motion, or other action of the governing body and may strike or reduce appropriation items.

(b) A veto must be exercised before the next regular meeting of the governing body and must be accompanied by a written explanation of the reasons for the veto. A veto may be overridden by vote of two-thirds of the authorized membership of the governing body within 21 days following exercise of the veto, or at the next regular meeting, whichever is later.

(c) The veto does not extend to

(1) appropriation items in a school budget ordinance;

(2) actions of the governing body sitting as the board of equalization or the board of adjustment;

(3) adoption or repeal of a manager plan of government.

(d) The mayor of a second class city has no veto power.

(e) The veto does not extend to an ordinance adopted under AS 04.11.498. This subsection applies to home rule and general law municipalities. (§ 7 ch 74 SLA 1985; am §§ 13, 14 ch 80 SLA 1986)

Collateral references. — 56 Am. Jur. 62 C.J.S., Municipal Corporations, 2d, Municipal Corporations, Counties, and § 421.
Other Political Subdivisions, § 360. Passing bill over veto. 2 ALR 1593.

Sec. 29.20.280. Vacancy in the office of mayor. (a) The governing body shall, by two-thirds concurring vote, declare the office of mayor vacant only when the person elected

(1) fails to qualify or take office within 30 days after election or appointment;

(2) unless excused by the governing body, is physically absent for 90 consecutive days;

(3) resigns and the resignation is accepted;

(4) is physically or mentally unable to perform the duties of office;

(5) is convicted of a felony or of an offense involving a violation of the oath of office;

(6) is convicted of a felony or misdemeanor described in AS 15.56;

(7) is convicted of a violation of AS 15.13;

(8) no longer physically resides in the municipality; or

(9) if a member of the governing body in a second class city, misses three consecutive regular meetings and is not excused.

(b) A vacancy in the office of mayor occurring six months before a regular election shall be filled by the governing body. The person appointed serves until the next regular election when a successor is elected to serve the balance of the term. If a member of the governing body is appointed mayor, the member shall resign the seat on the governing body. If a vacancy occurs more than six months before a regular election, the governing body shall call a special election to fill the unexpired term.

(c) Notwithstanding (b) of this section, a vacancy in the office of mayor of a second class city shall be filled by and from the council. A mayor appointed under this subsection serves the balance of the term to which appointed, except the mayor may serve only while a member of the council. (§ 7 ch 74 SLA 1985)

Article 4. Boards and Commissions.

Section
300. School boards
310. Utility boards

Section
320. Other boards and commissions

Sec. 29.20.300. School boards. (a) Each municipal school district has a school board. Except as provided in (b) of this section, members of a school board are elected at the regular election for three-year terms and until their successors take office. Members are elected at large unless a different method of election has been approved by the voters in a regular election.

(b) The assembly is the school board for a third class borough. The mayor is the presiding officer of the assembly and president of the school board. However, the mayor may not veto an action of the school board. (§ 7 ch 74 SLA 1985)

Cross references. — For further provisions relating to school boards, see AS 14.14.

Collateral references. — 56 Am. Jur. 2d, Municipal Corporations, Counties, and Other Political Subdivisions, §§ 231-336.

Sec. 29.20.310. Utility boards. (a) The governing body of a municipality operating a public utility may provide by ordinance for a utility board of five members and define the board's powers and duties.

(b) As determined by ordinance, members of a utility board are either appointed by the mayor and confirmed by the governing body or are elected at a regular election. The term of a utility board member is two years and until a successor is selected and qualifies. However, the governing body may by ordinance provide for a different term not to exceed four years. The current term of an elected incumbent may not be altered.

Resolution of the Alaska Municipal League

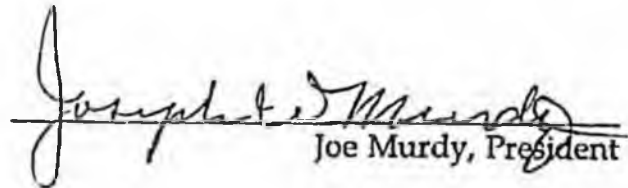
Resolution No. 96-7

RESOLUTION SUPPORTING AN AMENDMENT TO AS TITLE 29
TO GIVE AN OPTION TO SECOND CLASS CITIES
TO PERMIT THEIR MAYOR TO BE ELECTED DIRECTLY BY VOTERS

WHEREAS, the Alaska Municipal League supports the policy of providing municipalities with the maximum flexibility and local control in the exercise of municipal powers; and

WHEREAS, under current law, the mayor of a second class city must be elected from and by the council and may not be elected directly by the voters,

NOW, THEREFORE, BE IT RESOLVED that the Alaska Municipal League supports amendments to AS Title 29 that will permit second class cities the choice of whether to elect the mayor directly by the voters or to continue to elect the mayor from and by the council.


Joe Murdy, President

ATTEST:


Kevin C. Ritchie, Executive Director

Post-it® Fax Note	7671	Date	3-13-96	# of pages	1
To	Maha	From	Tulsa		
Co./Dept	Sen. Adams	Co.	AML		
Phone #		Phone #	586-1325		
Fax #	465-4821	Fax #	467-5480		

SUPPORT



**WALRUS CAPITAL OF THE WORLD
SAVOONGA, ALASKA**



CITY OF SAVOONGA
P.O. BOX 87
SAVOONGA, ALASKA 99769
PHONE 984-6614

NOVEMBER 22, 1995

TO: SENATOR AL ADAMS
ALASKA STATE LEGISLATIVE
STATE CAPITOL
JUNEAU, AK.
99801-1182

SUBJECT: RESOLUTION AMENDMENT
TITLE 29 CHANGES

DEAR SENATOR ADAMS,

ENCLOSED PLEASE FIND A RESOLUTION NO. 96-01 AS PASSED DURING THE
ALASKA MUNICIPAL LEAGUE CONFERENCE AT VALDEZ, ALASKA.
IF THIS RESOLUTION NEEDS TO BE INTRODUCED TO THE STATE LEGISLATIVE
I WOULD VERY MUCH APPRECIATE IF YOU WOULD SUPPORT IT AND
INTRODUCE IT AS WELL. THANK YOU.

SINCERELY,


JERRY WONGITILIN SR. MAYOR
CITY OF SAVOONGA

C.C: REP. RICHARD FOSTER
LT. GOVERNOR FRAN ULMER

Local Gov - 2

Introduced by : City of Savoonga, Alaska
Date: November 13, 1995

Resolution of the Alaska Municipal League

Resolution No. 96-01

A RESOLUTION SUPPORTING AN AMENDMENT TO AS TITLE 29
TO GIVE AN OPTION TO SECOND CLASS CITIES
TO PERMIT THEIR MAYOR TO BE ELECTED
DIRECTLY BY THE VOTERS.

WHEREAS, the Alaska Municipal League supports the policy of providing municipalities with the maximum of flexibility and local control in the exercise of municipal powers, and

WHEREAS, under current law, the mayor of a second class city must be elected from and by the council and may not be elected directly by the voters,

NOW, THEREFORE, BE IT RESOLVED that the Alaska Municipal League supports amendments to AS Title 29 that will permit second class cities the choice of whether to elect the mayor directly by the voters or to continue to elect the mayor from and by the council.

This resolution was approved for submission to the Alaska Municipal League membership by the governing body of City of Savoonga, Alaska on November 09, 1995.

BIA # 7

SB

280

03/13/96 LEGISLATIVE TELECONFERENCE NETWORK SYSTEM LTN1150
13:30:44 PARTICIPANT LIST (ALL PARTICIPANTS) BY:MAT
TCN:60519 SCHEDULED FOR:03/13/96 13:30 TO 15:30 FOR:MAT
PUBLIC HEARING SENATE COMMUNITY & REGIONAL AFFAIRS
LOCATION:MATSU
SB 280 MR MIKE GATTI MAT SU BORO TESTIFY

03/13/96 LEGISLATIVE TELECONFERENCE NETWORK SYSTEM LTN1150
13:33:41 PARTICIPANT LIST (ALL PARTICIPANTS) BY:COR
TCN:60519 SCHEDULED FOR:03/13/96 13:30 TO 15:30 FOR:COR
PUBLIC HEARING SENATE COMMUNITY & REGIONAL AFFAIRS
LOCATION:CORDOVA
SB 280 MS. MARLA ADKINS SELF TESTIFY
SB 280 MS. DENNY WEATHERS TESTIFY
SB 280 MR. ERIC WEATHERS TESTIFY

03/13/96 LEGISLATIVE TELECONFERENCE NETWORK SYSTEM LTN1150
14:50:53 PARTICIPANT LIST (ALL PARTICIPANTS) BY:GLN
TCN:60519 SCHEDULED FOR:03/13/96 13:30 TO 15:30 FOR:GLN
PUBLIC HEARING SENATE COMMUNITY & REGIONAL AFFAIRS
LOCATION:GLENNALLEN
SB 280 MS. JANE BROWN TESTIFY
SB 290 MR. JOHN KUNIK TESTIFY
SB 290 MR. HERMAN DILLBECK TESTIFY
SB 290 MR. DAN BILLMAN TESTIFY
SB 280 MS KATHY SLOBOTA TESTIFY
SB 280 MR ALFRED KRINKE TESTIFY

new Too

03/13/96 LEGISLATIVE TELECONFERENCE NETWORK SYSTEM LTN1150
 14:45:17 PARTICIPANT LIST (ALL PARTICIPANTS) BY:GLN
 TCN:60519 SCHEDULED FOR:03/13/96 13:30 TO 15:30 FOR:GLN
 PUBLIC HEARING SENATE COMMUNITY & REGIONAL AFFAIRS
 LOCATION:GLENNALLEN
 SB 280 MS. JANE BROWN TESTIFY
 SB 280 MR. JOHN KUNIK TESTIFY
 SB 280 MR. HERMAN DILLBECK TESTIFY
 SB 280 MR. DAN BILLMAN TESTIFY
 SB 280 MS KATHY SLOBOTA *new* TESTIFY

03/13/96 LEGISLATIVE TELECONFERENCE NETWORK SYSTEM LTN1150
 13:36:26 PARTICIPANT LIST (ALL PARTICIPANTS) BY:GLN
 TCN:60519 SCHEDULED FOR:03/13/96 13:30 TO 15:30 FOR:GLN
 PUBLIC HEARING SENATE COMMUNITY & REGIONAL AFFAIRS
 LOCATION:GLENNALLEN
 SB 280 MS. JANE BROWN TESTIFY
 SB 280 MR. JOHN KUNIK TESTIFY
 SB 280 MR. HERMAN DILLBECK TESTIFY
 SB 280 MR. DAN BILLMAN TESTIFY

*Actual
 10
 see 3*

03/13/96 LEGISLATIVE TELECONFERENCE NETWORK SYSTEM LTN1150
 13:45:56 PARTICIPANT LIST (TESTIFIERS ONLY) BY:DJT
 TCN:60519 SCHEDULED FOR:03/13/96 13:30 TO 15:30 FOR:DJT
 PUBLIC HEARING SENATE COMMUNITY & REGIONAL AFFAIRS
 LOCATION:DELTA JCT.
 SB 280 MR. BERNARD GOODNO TESTIFY
 SB 280 MR. MARLIN STARNES CITY COUNCIL TESTIFY
 SB 280 MR. GENE OTTENSTROER TESTIFY
 SB 280 MS. JEANNE PHIPPS TESTIFY
 SB 280 MR. NICK TORDELLA TESTIFY
 SB 280 MR. P. R. MILLER TESTIFY

SENATE COMMITTEE REPORT

First Committee of Referral

DATE: 2/9/96

FURTHER: State Affairs

Date of 5-Day Notice: 2/22/96
(in accordance with Uniform Rule 23)

DATE TURNED INTO OFFICE: _____

The Community & Regional Affairs Committee considered SB 280

Relating to the mandatory incorporation of certain boroughs in the unorganized borough.

and recommends:

- be replaced with _____ CS SB 280 (CRA)
- adopt previous _____ CS _____ (_____)
- attached amendment(s)
- adopt Letter of Intent by _____ Committee
- further referral to the _____ Committee

- Senate Bill:**
- same title
 - new title
- House Bill:**
- same title
 - technical title
 - new: SCR# _____

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	NR	DNP	AM
<i>Kell E (1980)</i>	✓	<i>[Signature]</i>		X	
<i>T. Kelly</i>	✓				
CHAIR: <i>[Signature]</i>	✓	CHAIR:			

NEW FISCAL NOTE(S):

Department	Date	Zero	Fiscal	
Gov Office - Electronics Administration	3/12/96		25.4	
Comm. & Reg. Affairs - L.P.C.	3/12/96		15.6	
Comm. & Reg. Affairs - St. Assessor	3/12/96		63.5	
Comm. & Reg. Affairs - Org. Grants	3/12/96	✓		
Education	3/12/96	✓		
Law	3/15/96	✓		
Natural Resources	3/6/96	✓		
Public Safety	3/15/96	✓		
Transportation	2/9/96	✓		

PREVIOUS FISCAL NOTE(S):*

Department	Date	Zero	Fiscal	

APPROPRIATION -- no fiscal note

*include fiscal notes accompanying Governor's bill

CS FOR SENATE BILL NO. 280(CRA)

IN THE LEGISLATURE OF THE STATE OF ALASKA

NINETEENTH LEGISLATURE - SECOND SESSION

BY THE SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

Offered:

Referred:

Sponsor(s): SENATORS TORGERSON, Green, Phillips, Donley

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to the mandatory incorporation of certain boroughs in the
2 unorganized borough."

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

4 * Section 1. LEGISLATIVE FINDING AND PURPOSE. (a) The legislature finds that
5 the rights, opportunities, and obligations of borough residents are not equal to those of
6 residents in the unorganized borough, particularly in respect to education, taxation, and land
7 use regulation, and that this is not in keeping with art. I, sec. 1, Constitution of the State of
8 Alaska, that states in part, ". . . . that all persons are equal and entitled to equal rights,
9 opportunities, and protection under the law; and that all persons have corresponding
10 obligations to the people and to the State."

11 (b) It is the purpose of this Act to abide by the intent of the framers of the state
12 constitution and the voters who adopted it and to implement a more equitable distribution of
13 rights, opportunities, and obligations among all residents of the state by including most of the
14 unorganized borough within the boundaries of a borough, with the expectation that the few

1 areas not organized under this Act will be annexed to existing municipalities.

2 * Sec. 2. BOROUGH INCORPORATION PROPOSAL. (a) The Department of
3 Community and Regional Affairs shall prepare a second class borough incorporation proposal
4 for each of the model boroughs identified for formation in the report issued in 1995 by the
5 Local Boundary Commission entitled "Model Borough Boundaries." During the process of
6 preparing an incorporation proposal, the department shall hold at least one public hearing in
7 the area covered by the proposal and consider recommendations regarding the proposal. The
8 proposal must include the following information:

- 9 (1) name;
- 10 (2) boundaries;
- 11 (3) maps, documents, and other information considered by the department to
12 be necessary;
- 13 (4) composition and apportionment of the assembly;
- 14 (5) a proposed operating budget for the borough projecting sources of income
15 and items of expenditure through the first full fiscal year of operation; and
- 16 (6) a designation of areawide and nonareawide powers to be exercised.

17 (b) By January 1, 1997, the state assessor shall estimate the full and true value of
18 taxable property in each of the model boroughs identified for formation in the report issued
19 in 1995 by the Local Boundary Commission. The Department of Community and Regional
20 Affairs shall submit each borough incorporation proposal to the Local Boundary Commission
21 by

- 22 (1) July 1, 1997, for model boroughs with an estimated full and true value of
23 taxable property of at least \$550,000,000;
- 24 (2) July 1, 1998, for model boroughs with an estimated full and true value of
25 taxable property of at least \$350,000,000, but less than \$550,000,000;
- 26 (3) July 1, 1999, for model boroughs with an estimated full and true value of
27 taxable property of at least \$75,000,000, but less than \$350,000,000;
- 28 (4) July 1, 2000, for model boroughs with an estimated full and true value of
29 taxable property of less than \$75,000,000.

30 (c) Within six months after receiving a borough incorporation proposal submitted
31 under (b) of this section, the Local Boundary Commission may request the department to

1 make changes to the proposal. When the commission determines that the proposal meets the
2 standards for incorporation of a second class borough, the commission shall accept the
3 proposal and notify the director of elections of its acceptance.

4 * Sec. 3. ELECTION OF INITIAL OFFICIALS. (a) Within 30 days after receiving notice
5 from the Local Boundary Commission of its acceptance of an incorporation proposal, the
6 director of elections shall order an election in the proposed borough for initial borough
7 officials. The election shall be held under AS 29.05.120 not less than 30 nor more than 90
8 days after the date of the election order. The election order must specify the dates during
9 which nomination petitions of election of initial officials may be filed.

10 (b) At an election held under this section, each nonareawide power included in the
11 incorporation proposal shall also be placed separately on the ballot. Adoption of a
12 nonareawide power requires a majority of the votes cast on the question, and the vote is
13 limited to the voters residing in the proposed borough but outside all cities in the proposed
14 borough.

15 * Sec. 4. INCORPORATION OF NEW BOROUGHES. A region is incorporated as a
16 second class borough on the first Monday following certification of the election held under
17 sec. 3 of this Act. AS 29.05.130 - 29.05.150 and 29.05.190 - 29.05.210 apply to boroughs
18 incorporated under this section.

9-LS1640F ✓
Cook
2/28/96

CS FOR SENATE BILL NO. 280(CRA)
IN THE LEGISLATURE OF THE STATE OF ALASKA
NINETEENTH LEGISLATURE - SECOND SESSION

BY THE SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

Offered:
Referred:

Sponsor(s): SENATORS TORGERSON, Green, Phillips

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to the mandatory incorporation of certain boroughs in the**
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7 **use regulation, and that this is not in keeping with art. I, sec. 1, Constitution of the State of**
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17 sec. 3 of this Act. AS 29.05.130 - 29.05.150 and 29.05.190 - 29.05.210 apply to boroughs
18 incorporated under this section.

Alaska State Legislature

Committee Chair
Community & Regional Affairs

Committee Vice-Chair
Labor & Commerce

Committee Membership
Legislative Council



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145 Main St. Loop; Suite 226
Kenai, AK 99611
(907) 283-2690; fax 283-9267

Session Address:
State Capitol, Room 427
Juneau, AK 99801-1182
(907) 465-2828; fax 465-4779

Senator John Torgerson

SENATE BILL 280 SPONSOR STATEMENT

The Alaska Constitution states "that all persons are equal and entitled to equal rights, opportunities, and protection under the law; and that all persons have corresponding obligations to the people and to the State." Unfortunately, this is not the case today, particularly in regard to local efforts required for state programs. Education is just an example of where one part of the State does not have to contribute anything, while others are required to contribute large amounts.

The constitution also requires that boroughs be formed which embrace an area and population with common interests to the maximum degree. Alaska statutes further stipulate that the borough population be "integrated as to its social, cultural, and economic activities." The unorganized borough of Alaska fails to meet this criteria. It is recognized that it embraces an area that is greatly diverse in interests and activities.

Senate Bill 280 is the first step in resolving the above conflicts and concerns by requiring that the unorganized part of Alaska be incorporated into boroughs. The Department of Community and Regional Affairs is directed to submit second-class borough incorporation proposals for all areas of the unorganized borough to the Local Boundary Commission. These proposals are to be based upon the model borough boundary report issued by the Local Boundary Commission. Once accepted by the commission, elections are held for assembly members and the selection of borough powers, and the boroughs are formed upon the certification of the election.

This legislation differs from previous attempts at mandatory incorporation in that it references a specific report as a starting point, sets a deadline for the boundary proposals to be submitted, and provides a timeline for the process of borough incorporation.

The incorporation of the unorganized areas of the state into boroughs has many advantages both to the state and to the areas themselves. The formation of boroughs and the transfer of duties and responsibilities from the state allow greater local involvement in decision making that directly affects the residents. Currently these residents must depend on lawmakers to make these decisions for them.

Residents will have to contribute to the operation and maintenance of programs and projects in their area. This removes the perception held in many organized parts of the state that others are "getting a free ride."

While a certain amount of revenues, as well as costs, will be shifted to local governments, there will also be substantial savings realized by the consolidation of services that will occur through borough formation. In the long run, the organization of the entire state into boroughs is the most cost-effective way of providing comparable and equitable services to all the residents.

COMMITTEE SUBSTITUTE FOR SB 280 SECTIONAL ANALYSIS

Section 1: Legislative finding and purpose

Section 2: Requires the Department of Community and Regional Affairs to submit second-class borough incorporation proposals for all parts of the unorganized borough to the Local Boundary Commission. These proposals are to be based on the 1995 report entitled "Model Borough Boundaries"

Directs the state assessor to estimate the full and true value of taxable property in the unorganized borough by January 1, 1997. The borough incorporation proposals are to be submitted according to the following schedule.

- by July 1, 1997: model boroughs with an FY 97 estimated full property value of \$550,000,000 or more
- by July 1, 1998: model boroughs with an FY 97 estimated full property value of \$350,000,000 or more
- by July 1, 1999: model boroughs with an FY 97 estimated full property value of \$75,000,000 or more
- by July 1, 2000: model boroughs with an FY 97 estimated full property value of less than \$75,000,000 or more

Requires the commission to make a determination on each borough proposal within 6 months of its receipt. Directs the commission, after accepting each proposal to notify the director of elections of its acceptance.

Section 3: Directs the Division of Elections, after receiving notice from the Local Boundary Commission of its acceptance of an incorporation proposal, to order an election in the proposed borough for initial borough officials. Requires that each nonareawide power included in the incorporation proposal be placed separately on the ballot.

Section 4: States that each borough is incorporated as a second-class borough on the first Monday following certification of the election and that AS 29.05.130-29.05.150 (Integration of special districts and service areas; Transition; and Challenge of legality) and AS 29.05.190-29.05.210 (Organization grants to boroughs; Organization grant fund; and Transitional assistance to boroughs) apply to the boroughs formed by the legislation.

SENATE BILL 280 FACT SHEET

The Local Boundary Commission 1995 report entitled "Model Borough Boundaries" creates 19 new boroughs, expands 5 existing boroughs and leaves 11 boroughs unaltered. Senate Bill 280 directs the Department of Community and Regional Affairs and the Local Boundary Commission to follow this report in creating boroughs in the unorganized part of the state, while allowing the commission modify the borders to account for recent developments.

Organized Boroughs and Unified Municipalities Unaltered by Report

Aleutians East Borough	Kodiak Island Borough	North Slope Borough
Municipality of Anchorage	Lake & Peninsula Borough	Northwest Arctic Borough
Kenai Peninsula Borough	Matanuska-Susitna Borough	City & Borough of Sitka
		City & Borough of Yakutat

Organized Boroughs Expanded by the Report

Denali Borough	Haines Borough	Ketchikan Gateway Borough
Fairbanks North Star	City & Borough of Juneau	

Organized Boroughs Created by the Report

Aleutian-Military \Combine	Glacier Bay	Prince William Sound
Aleutians-West /	Iditarod Region	Pribilof Islands
Annette Island Reserve	Kuspuk	Southwest Region
Bering Straits	Lower Kuskokwim	Upper Tanana Basin
Chatham	Lower Yukon	Wrangell/Petersburg
Copper River Basin	Prince of Wales Island	Yukon Flats
		Yukon-Koyukuk

Schedule of Borough Incorporation based on FY 94 estimated full & true property values

July 1, 1997: Borough incorporation proposals for the Copper River Basin, Prince William Sound and Upper Tanana

- Local Boundary Commission would accept borough proposal by January 1, 1998;
- Division of Elections would have election for assembly members and nonareawide powers by March 31, 1998
- Borough incorporation would occur approximately mid-April 1998

July 1, 1998: Borough incorporation proposals for Aleutians Military/West, Yukon Flats, Yukon-Koyukuk, and Wrangell-Petersburg

- Local Boundary Commission would accept borough proposal by January 1, 1999;
- Division of Elections would have election for assembly members and nonareawide powers by March 31, 1999
- Borough incorporation would occur approximately mid-April 1999

July 1, 1999: Bering Straits, Lower Kuskokwim, Lower Yukon, Prince of Wales, Southwest Region (Dillingham-Nushagak)

- Local Boundary Commission would accept borough proposal by January 1, 2000;
- Division of Elections would have election for assembly members and nonareawide powers by March 31, 2000
- Borough incorporation would occur approximately mid-April 2000

July 1, 2000: Chatham, Glacier Bay, Iditarod, Kusupuk, Pribiloff, Annette Island Reserve

- Local Boundary Commission would accept borough proposal by January 1, 2001;
- Division of Elections would have election for assembly members and nonareawide powers by March 31, 2001
- Borough incorporation would occur approximately mid-April 2001

**SENATE BILL 280
SECTIONAL ANALYSIS**

Section 1: Legislative finding and purpose

Section 2: Requires the Department of Community and Regional Affairs to submit second-class borough incorporation proposals for all parts of the unorganized borough to the Local Boundary Commission. These proposals are to be based on the 1995 report entitled "Model Borough Boundaries"

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Senate Community & Regional & Affairs Committee

CS SB 280 (CRA) Material

March 13, 1996

- Summary of CSSB 280 Preliminary Fiscal Implications
- Department Fiscal Notes
- 2/23/96 memo from DCRA re: property values of the unorganized borough
- Estimated schedule of incorporation based on 1994 full property value
- Legal Description of Model Borough Boundaries (provided by the Local Boundary Commission)
- Map of the model borough boundaries (provided by the local boundary commission)

Summary of CS SB 280 Preliminary Fiscal Implications

Preliminary Estimate of Cumulative Cost to the State of Alaska for the Incorporation of the Unorganized Boroughs	\$13,213.6
--	------------

School District Consolidation

Number of School Districts Disbanded by the incorporation of boroughs	20
---	----

Estimated annual savings from Administrative Costs alone from the reduction in school districts	\$17,708.6
---	------------

Property Value of Land in the Unorganized Borough not currently taxed on the local level.

1994 Estimated Value of non-Oil & Gas Property	\$1,116,014.6
--	---------------

1994 Estimated Value of Oil & Gas Property	<u>\$1,984,140.0</u>
--	----------------------

Total 1994 Estimated Value of property not currently taxed by local governments	\$3,100,154.6
---	---------------

Note: Only property that is not currently being taxed on the local level has been included in this summary because it is unknown how tax rates of first-class cities may change if they become part of a borough

**Estimated Local Revenues Generated from a Property
Tax on Land not currently taxed on the local level**

Estimated annual revenues from a 4 mil levy \$12,400.6
(This is the required local contribution equivalent
for the school foundation formula)

Estimated annual revenues from a 11.117 mil levy \$34,464.4
(This is the average borough rate levied by existing boroughs--
some areas experience a higher rate because of taxes levied by
service areas and first-class cities)

Note: Only property that is not currently being taxed on the local level has been
included in this summary because it is unknown how tax rates of first-class
cities and service areas may change if they become part of a borough

CS SB 280 Fiscal Notes

Department	Division	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
		(Thousands of Dollars)					
Administration		0.0	0.0	0.0	0.0	0.0	0.0
Commerce & Economic Dev.		0.0	0.0	0.0	0.0	0.0	0.0
	Organizational Grants	0.0	0.0	900.0	1,800.0	2,600.0	3,200.0
Community & Reg'l Affairs	State Assessor	63.5	70.7	79.2	79.5	77.4	78.4
	/ Local Boundary Comm.	15.6	31.2	31.2	41.6	0.0	0.0
Corrections		0.0	0.0	0.0	0.0	0.0	0.0
Education	K-12	0.0	0.0	0.0	0.0	2,530.7	41.2
Environmental Conservation							
Fish & Game							
Health & Social Services		0.0	0.0	0.0	0.0	0.0	0.0
Labor		0.0	0.0	0.0	0.0	0.0	0.0
Law	Civil Division	0.0	177.5	171.0	171.0	171.0	0.0
Military & Veterans Affairs							
Natural Resources	Resource Development	0.0	0.0	127.0	127.0	247.0	247.0
Public Safety	DPS Statewide Support	0.0	0.0	0.0	0.0	0.0	0.0
Revenue		0.0	0.0	0.0	0.0	0.0	0.0
Transportation & Public Fac.	Engineering Operations	0.0	0.0	0.0	0.0	0.0	0.0
Elections	Elective Operations	25.4	25.2	64.5	19.8		
TOTAL FISCAL NOTES RECEIVED		104.5	304.6	1,372.9	2,238.9	5,626.1	3,566.6
Cumulative		104.5	409.1	1,782.0	4,020.9	9,647.0	13,213.6

FISCAL NOTE

STATE OF ALASKA
1996 LEGISLATIVE SESSION

BILL NO. SB280

Revision Date: 3/12/96 Dept. Affected: Office of the Governor
 Title: An Act relating to mandatory incorporation BRU: Elective Operations
of certain boroughs in the unorganized borough Component: Elections
 Sponsor: Senator Torgerson
 Requester: Senate Community and Regional Affairs COMPONENT SERIAL NO. 21

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXPENDITURES	FY 97	FY 98	FY 99	FY 100	FY 01	FY 02
PERSONAL SERVICES	0.0	0.0	0.0	0.0		
TRAVEL	0.0	0.0	0.0	0.0		
CONTRACTUAL	25.4	25.2	64.5	19.8		
SUPPLIES	0.0	0.0	0.0	0.0		
EQUIPMENT	0.0	0.0	0.0	0.0		
LAND & STRUCTURES	0.0	0.0	0.0	0.0		
GRANTS, CLAIMS	0.0	0.0	0.0	0.0		
MISCELLANEOUS	0.0	0.0	0.0	0.0		
TOTAL OPERATING	25.4	25.2	64.5	19.8	0.0	0.0

CAPITAL EXPENDITURES						
----------------------	--	--	--	--	--	--

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

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	25.4	25.2	64.5	19.8		
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other						
TOTAL	25.4	25.2	64.5	19.8	0.0	0.0

Estimate of any current year (FY96) cost: \$ 0.0

POSITIONS

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

ANALYSIS: (Attach a separate page if necessary)

The contractual costs shown above reflect the cost of conducting the elections for initial borough officials. The division of elections used a schedule prepared by Local Boundary Commission staff to determine the year in which elections for the various boroughs will occur. The FY99 estimate is significantly larger because of the incorporation of boroughs that include two large REAAs.

The contractual line shows the cost of advertising, printing and shipping ballots, payment of election boards, absentee voting officials, and state review boards.

Prepared by: Dana LaTour *D. LaTour* Phone: 465-5347
 Division: Division of Elections Date: 3/12/96
 Approved by: _____
 Commissioner: Lt. Governor Fran Ulmer *John Amstrup* Date: 3/12/96
 Agency: Office of the Lt. Governor

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FISCAL NOTE

STATE OF ALASKA
1996 LEGISLATIVE SESSION

BILL NO. SB 280

Revision Date: _____
 Title: An Act relating to the mandatory incorporation of certain
 boroughs in the unorganized borough providing for an effective date.
 Sponsor: Togerson
 Requestor: _____

Department Affected: Administration
 BRU: Administrative Services
 COMPONENT SERIAL NO. 46

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING EXPENDITURES	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES	0	0	0	0	0	0
-----------------------------	---	---	---	---	---	---

CHANGE IN REVENUES ()	0	0	0	0	0	0
-------------------------------	---	---	---	---	---	---

FUND SOURCE: (Thousands of Dollars)

1002 Federal Receipts	0	0	0	0	0	0
1003 GF Match						
1004 GF						
1005 GF /Program Receipts						
1037 GF/Mental Health						
OTHER						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY 96) cost: \$ 0.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary.)

The administrative cost of the Capital Matching Grants Program in the Department of Administration would not be substantially impacted.

As new boroughs are created, this bill would increase the number of eligible grantees to the municipal side of the Matching Grants Program and would eliminate the unincorporated portion of this program. Allocated funds would need to be adjusted accordingly.

Prepared by: Sharon Barton
 Division: Administrative Services

Phone: 465-2277
 Date: 3/11/96

Approved by Commissioner: Mark Boyer
 Agency: Department of Administration

Date: 3/11/96

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FISCAL NOTE

Revision Date: March 12, 1996 Dept. Affected: Community & Regional Affairs
 Title: An Act relating to the mandatory incorporation of certain boroughs in the unorganized borou BRU: Local Gov't Assistance
 Sponsor: Sen. Torgerson Component: Local Boundary Commission
 Requestor: Senate CRA COMPONENT SERIAL NO. 674

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL	15.6	31.2	31.2	41.6		
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	15.6	31.2	31.2	41.6	0.0	0.0
CAPITAL	0.0	0.0	0.0	0.0	0.0	0.0

REVENUE FUND SOURCE:

--	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	15.6	31.2	31.2	41.6		
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	15.6	31.2	31.2	41.6	0.0	0.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current (FY94) impact \$ none

ANALYSIS: (Attach a separate page if necessary)

Local Boundary Commission:

The fiscal effects of this legislation on the Local Boundary Commission budget component are discussed in Attachment 1 under the heading "Local Boundary Commission."

Prepared by: Remond Henderson, Director Phone: 465-4708
 Division: Division of Administrative Services Date: 3/12/96
 Approved by Commissioner: [Signature] Date: 3/12/96
 Agency: Community & Regional Affairs

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FISCAL NOTE

Revision Date: March 12, 1996 Dept. Affected: Community & Regional Affairs
 Title: An Act relating to the mandatory incorporation of certain boroughs in the unorganized borou BRU: Local Gov't Assistance
 Sponsor: Sen. Torgerson Component: State Assessor
 Requestor: Senate CRA COMPONENT SERIAL NO. 673

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
PERSONAL SERVICES	59.0	60.7	62.6	64.5	66.4	68.4
TRAVEL	2.5	7.5	15.6	14.0	10.0	10.0
CONTRACTUAL						
SUPPLIES	0.5	1.0	1.0	1.0	1.0	
EQUIPMENT	1.5	1.5				
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	63.5	70.7	79.2	79.5	77.4	78.4
CAPITAL	0.0	0.0	0.0	0.0	0.0	0.0

REVENUE FUND SOURCE:

FUNDING: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	63.5	70.7	79.2	79.5	77.4	78.4
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	63.5	70.7	79.2	79.5	77.4	78.4

POSITIONS:

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

Estimate of current (FY94) impact \$ none

ANALYSIS: (Attach a separate page if necessary)

Office of the State Assessor:

The fiscal effects of this legislation on the Office of the State Assessor budget component are discussed in Attachment 1 under the heading "Office of the State Assessor."

Prepared by: Remond Henderson, Director Phone: 465-4708
 Division: Division of Administrative Services Date: 3/12/96
 Approved by Commissioner: [Signature] Date: 3/12/96
 Agency: Community & Regional Affairs

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FISCAL NOTE

Revision Date: March 12, 1996 Dept. Affected: Community & Regional Affairs
 Title: An Act relating to the mandatory incorporation of certain boroughs in the unorganized borou BRU: _____
 Component: _____
 Sponsor: Sen. Torgerson
 Requestor: Senate CRA COMPONENT SERIAL NO. _____

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS			900.0	1,800.0	2,600.0	3,200.0
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL	0.0	0.0	900.0	1,800.0	2,600.0	3,200.0
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REVENUE FUND SOURCE:						
----------------------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF			900.0	1,800.0	2,600.0	3,200.0
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	0.0	0.0	900.0	1,800.0	2,600.0	3,200.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current (FY94) impact \$ none

ANALYSIS: (Attach a separate page if necessary)

Organizational Grants:

The requirement for organizational grants is discussed in Attachment 1 under the heading "Organizational Grants." Recent organizational grants have been budgeted under the Capital Budget.

Prepared by: Remond Henderson, Director Phone: 465-4708
 Division: Division of Administrative Services Date: 3/12/96
 Approved by Commissioner: [Signature] Date: 3/12/96
 Agency: Community & Regional Affairs

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Attachment 1: Fiscal Note Analysis for CSSB280

This bill provides for the mandatory incorporation of the unorganized borough into a number of new boroughs as well as the expansion of several existing boroughs and unified municipalities. The incorporation process would occur on a phased basis over four years, based on the criteria of the estimated assessed value of the areas to be incorporated. This significant undertaking would involve substantial use of DCRA staff resources, including the staff to the Local Boundary Commission, the Office of the State Assessor, and numerous local government program and technical assistance staff who would be working on an ongoing basis with area residents and other agencies to facilitate the transition to municipally incorporated status.

While this proposal places substantial new demands on the department, we believe that much of the effort can be performed by existing staff and resources. The incremental expenditures presented in this fiscal note reflect those demands that cannot be met by existing staffing and resources. With regard to this department, there are basically three areas of fiscal impact that need to be addressed: Local Boundary Commission support, State Assessor support, and the municipal organizational grants as required by statute.

Local Boundary Commission

DCRA assumes there will be a total of 23 incorporation and annexation petitions developed under this bill. A contractor would be used to prepare the petitions at the cost of \$5,200 for each petition. DCRA will perform all other functions required by law relating to the processing of the petitions utilizing existing resources. These other requirements include publication of notice of filing of the petitions, analysis of the petitions, publication of draft and final reports concerning petitions, conducting public informational meetings concerning the proposed boroughs, publishing notice of the hearings of the Local Boundary Commission (LBC), hearings of the LBC, decisional meetings of the LBC, preparation of decisional statements, opportunity for reconsideration by the LBC, and implementation of the decisions of the LBC including coordination with the Division of Elections, preparation of the federal Voting Rights Act preclearance submissions and filing of legislative review proposals for annexation.

The contractual expenses would occur as follows:

FY 1997 - 3 petitions at \$5,200 each =	\$15,600
FY 1998 - 6 petitions at \$5,200 each =	\$31,200
FY 1999 - 6 petitions at \$5,200 each =	\$31,200
<u>FY 2000 - 8 petitions at \$5,200 each =</u>	<u>\$41,600</u>
Total - 23 petitions at \$5,200 each =	\$119,600

Office of the State Assessor

The bill requires the Office of the State Assessor to complete Full Value Determinations for another eighteen organized boroughs. This is in addition to the existing sixteen boroughs and unified municipalities. This has been accomplished for the last four years with a staff of two. The addition of an Assistant State Assessor position would be needed to effectively accomplish the new annual requirements imposed by the bill. The addition of this position would allow the Full Value Determinations to be realistic representations of the actual value of all boroughs statewide. Additionally, this position could assist the State Assessor meet the increased demands for education and training of the staffs of the new municipalities with regard to correct and

appropriate assessment practices. This fiscal note provides for this position as well as additional travel and contractual funding associated with creation of numerous new boroughs each year.

Organizational Grants

Alaska Statutes (AS 29.05.190) provide for organizational grants to newly incorporated boroughs to defray the start-up costs of establishing local government until the borough can establish its local revenue generation mechanisms. Every borough formed after December 31, 1985 is entitled to organizational grants of \$300,000 for the first full or partial fiscal year, \$200,000 for the borough's second year, and \$100,000 for the third year. The following table presents the anticipated order of borough incorporation and the cumulative schedule of organizational grant requirements. We are assuming that actual incorporation of boroughs would occur one year after DCRA borough proposals are presented to the LBC.

Borough	Incorporation Date	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04
Prince William Sound	July 1, 1998	\$300,000	\$200,000	\$100,000			
Copper River Basin	July 1, 1998	\$300,000	\$200,000	\$100,000			
Upper Tanana Basin	July 1, 1998	\$300,000	\$200,000	\$100,000			
Yukon Koyukuk	July 1, 1999		\$300,000	\$200,000	\$100,000		
Yukon Flats	July 1, 1999		\$300,000	\$200,000	\$100,000		
Aleutians West	July 1, 1999		\$300,000	\$200,000	\$100,000		
Wrangell Petersburg	July 1, 1999		\$300,000	\$200,000	\$100,000		
Lower Kuskokwim	July 1, 2000			\$300,000	\$200,000	\$100,000	
Bering Straits	July 1, 2000			\$300,000	\$200,000	\$100,000	
Southwest Region	July 1, 2000			\$300,000	\$200,000	\$100,000	
Prince of Wales	July 1, 2000			\$300,000	\$200,000	\$100,000	
Lower Yukon	July 1, 2000			\$300,000	\$200,000	\$100,000	
Pribilof Islands	July 1, 2001				\$300,000	\$200,000	\$100,000
Glacier Bay	July 1, 2001				\$300,000	\$200,000	\$100,000
Chatham (Northern SE)	July 1, 2001				\$300,000	\$200,000	\$100,000
Kuspuk (mid-Kusk.)	July 1, 2001				\$300,000	\$200,000	\$100,000
Iditarod	July 1, 2001				\$300,000	\$200,000	\$100,000
Annette Islands	July 1, 2001				\$300,000	\$200,000	\$100,000
Total		\$900,000	\$1,800,000	\$2,600,000	\$3,200,000	\$1,700,000	\$600,000

Attachment 2: Evaluation of Effects of CSSB280 on DCRA Programs.

Replacing the unorganized borough with a set of incorporated boroughs would have direct programmatic effects on communities located within the unorganized borough. Much or all of DCRA program funds now going to these communities would be redirected to the new boroughs.

In general, this shift in funding would result in no net difference in the State's general fund, or in the level of federal receipts. An exception would be the National Forest Receipts Program for which certain federal funds now shared to the State in conjunction with state-maintained roads in the unorganized borough would be re-directed to certain new boroughs or expanded boroughs.

The table below presents estimates — some of these are very rough estimates — of four DCRA program funds that would be re-directed to the proposed new boroughs. The notes at the bottom of the table indicate of the how this re-redirectation of funding would affect current program participants. The effects assume no change in overall program funding levels. Following the table are descriptions of these four programs. Finally, the implications for another department-administered program, the federally-funded Alaska Coastal Management Program, are discussed.

New Borough Name	Municipal Assistance	Revenue Sharing	Nat'l Forest Receipts	Fisheries Business Tax
Prince William Sound	\$25,419	\$82,836	\$29,500	\$38,244
Copper River Basin	\$1,315,797	\$34,000	\$0	\$0
Upper Tanana Basin	\$205,302	\$62,899	\$0	\$0
Yukon Koyukuk	\$36,738	\$31,000	\$0	\$0
Yukon Flats	\$43,353	\$31,000	\$0	\$0
Aleutians West	\$214,338	\$52,745	\$0	\$372,304
Wrangell/Petersburg	\$18,795	\$65,761	\$1,135,000	\$23,140
Lower Kuskokwim	\$342,799	\$140,247	\$0	\$5,070
Bering Straits	\$42,813	\$99,000	\$0	\$1,778
Southwest Region	\$19,587	\$45,244	\$0	\$83,841
Prince of Wales Island	\$53,586	\$53,550	\$1,066,000	\$30,746
Lower Yukon	\$23,367	\$70,857	\$0	\$495
Pribilof Islands	\$7,080	\$29,000	\$0	\$28,248
Glacier Bay	\$43,749	\$24,000	\$363,000	\$19,183
Chatham	\$16,836	\$24,000	\$804,000	\$23,140
Kuspuk	\$26,931	\$31,000	\$0	\$0
Iditarod	\$16,332	\$31,000	\$0	\$0
Annette Islands	\$86,995	\$23,000	\$68,000	\$0
Totals	\$2,539,817*	\$931,139**	\$3,465,500†	\$626,189**

* This figure represents 7.9% of the FY 96 Municipal Assistance Appropriation which would be absorbed by the other participating municipalities.

** This figure represents 3.5% of the FY 96 State Revenue Sharing Appropriation which would be absorbed by the other participating municipalities.

† This money would come from the cities and REAAs located within the Tongass and Chugach National Forests and the State (\$650,000) as they would no longer be eligible for funding.

** These fish tax \$ currently collected outside municipal boundaries, and shared back by DCRA, would be collected within the new borough boundaries and shared back by DOR.

State Revenue Sharing Program

The State Revenue Sharing Program, established in 1970, is designed to support services provided by local governments while making allowances for the unequal distribution of taxable property throughout the state. Funding is available to municipalities, unincorporated communities and volunteer fire departments serving areas outside organized municipalities. The SRS Program includes two components: Municipal Tax Resource Equalization and State Aid for Miscellaneous Purposes. As new boroughs were formed, program payments to unincorporated communities and volunteer fire departments would cease to occur. This represents about \$500,000 at current funding levels. The estimates of program funding required for the new boroughs (about \$900,000 collectively) is difficult to project because these payments are based on formulas which include a measure of locally generated revenues. We cannot predict what these locally generated revenues will be with any substantial degree of confidence. There would clearly be some increased demand on program funding. Assuming no change in program appropriations, this additionally demand would have to come out of the payments to current program participants.

Municipal Assistance Program

The Municipal Assistance program replaced the Gross Business Receipts Program (GBRP) in 1979. The program provides for a "base amount" distribution equivalent to a municipality's 1978 GBRP allocation. An appropriation to this program, above the level necessary to fund the total base amounts (\$10.6 million), is distributed on a per capita basis. Funds appropriated in excess of the base amounts are designed to provide property tax relief. According to statutes, the base amount of a newly incorporated borough is set at the same amount as whichever existing borough has the closest population count compared with the new borough. Note that the new Copper River Basin Borough would have a large Municipal Assistance payment because its population is most similar in number to the North Slope Borough which enjoys a large base amount. Assuming no increase in overall program appropriation, the payments to new boroughs would come out of the payments to existing municipalities. Because the base amounts are currently held harmless, the payments to new boroughs would come out of the per-capita element of Municipal Assistance funding. This would have much greater consequence for smaller, rural cities which typically have small base amounts.

Shared Fisheries Business Tax Program

The Shared Fisheries Business Tax Program was created in 1990. The purpose of this program is to provide for an annual sharing of fish tax collected outside municipal boundaries to municipalities that can demonstrate they suffered significant effects from fisheries business activities. The funding available for a given program year is equal to half the amount of state fisheries business tax revenues collected outside of municipal boundaries during the preceding calendar year. Funding has varied from \$675,000 to \$850,000 for the several years the program has existed. This program would cease to exist if the unorganized borough were incorporated as boroughs. In that case, all fisheries business tax would be collected inside of some municipality and consequently shared through the Department of Revenue's fish tax sharing program which shares back taxes collected inside municipal boundaries.

National Forest Receipts Program

The National Forest Receipts Program, established in 1908, is a federal revenue sharing program where 25% of the income earned from activities within the Tongass and Chugach National Forests is distributed to boroughs, cities and Regional Education Attendance Areas (REAA's) within the national forest. Federal and state law requires that national forest income be expended only for the benefit of public schools and public roads. About \$7.6 million (federal funding) was distributed in FY 96.

Payments from the State to organized boroughs are made on the basis of the national forest acreage within each borough proportional to the entire acreage of the national forest in which the borough is located. Within the unorganized borough, payments to cities and REAAs for schools are made on the basis of school enrollment. The State's share and payments to cities for roads are based upon the number of miles of state and locally maintained roads. In FY 96, the State general fund received about \$650,000 under the program. If all areas of the state with national forests were incorporated as boroughs, all federal funds under this program would go to the boroughs containing national forests.

Impacts of CSSB 280 on ACMP Grants:

The funding scheme for the FY96 ACMP grants is noted in the table on the next page. DCRA is currently proposing changes to the FY97 funding scheme. Generally, the new scheme, if approved, will reduce the CRSA grants and increase several borough grants.

As boroughs organize in accordance with CSSB 280, DCRA would simply make adjustments to the funding scheme. The adjustments would be over several years and, for this reason, would not have significant impacts. DCRA adjusts the funding scheme every few years anyway.

As noted below, in FY96, 4 CRSAs received \$382,000. 18 cities received \$108,000. As boroughs form, cities will no longer be eligible for ACMP funding (the borough will become the grant recipient) and CRSAs will dissolve. DCRA anticipates the bulk of the \$490,000 will be distributed to the boroughs along the coast. Thus, the level of funding for boroughs (as noted in the FY96 funding scheme below) will increase.

The change to borough status will require that local coastal management plans be amended, so some of the \$490,000 will likely go towards plan updates. But, the bulk of the \$490,000 will likely be distributed to the boroughs to pay for day-to-day staff functions.

FY96 ACMP Awards:

Group		Amount for each district	Total for the group
CRSAs	Aleutians West, Bering Straits, Bristol Bay CRSA, Cenaliulriit (4)	\$ 95,500	\$ 382,090
Municipalities over 20,000 population or high permit activity	Municipality of Anchorage, City and Borough of Juneau, Kenai Peninsula Borough, Matanuska-Susitna Borough, North Slope Borough (5)	35,500	177,560
Other Boroughs	Aleutians East, Bristol Bay Borough, Ketchikan Gateway, Kodiak Island, Lake and Peninsula, Northwest Arctic, City and Borough of Sitka, City and Borough of Yakutat (8)	23,500	188,000
Cities	All cities (18)	6,000	108,000
Special projects	Distributed on a competitive basis.	250,000	221,500
Total			\$1,077,000

Assuming the FY96 ACMP funding scheme for future years, the following estimated impacts would occur:

FY98 (fiscal year ending 6/30/98) - No significant change.

Lose 3 city grants (Cordova, Whittier, Valdez = \$18,000) and write 1 borough (PWS = \$23,500) grant.

FY99 - \$72,000 would become available for reallocation.

Lose 1 CRSA (AW = \$95,500) and write 1 borough (AW = \$23,500) grant.

Neither Wrangell or Petersburg currently participate in the ACMP. Assume no borough participation.

FY00 - \$193,000 would become available for reallocation.

Lose 1 CRSA (Cenaliulriit = \$95,500) and write 2 borough (Lower Kuskokwim and Lower Yukon = \$47,000) grants.

Lose 1 CRSA (Bering Straits = \$95,500) and write 1 borough (Bering Straits = \$23,500) grant.

Lose 1 CRSA (Bristol Bay = \$95,500) and write 1 borough (Bristol Bay = \$23,500) grant.

Lose 4 city grants (Craig, Hydaburg, Klawock, Thorne Bay = \$24,000) and write 1 borough (Prince of Wales = \$23,500) grant.

FY01 - \$28,500 would be required to fund borough participation in the ACMP.

Lose 1 city grant (St. Paul = \$6,000) and write 1 borough (Pribilofs = \$23,500) grant.

Lose 2 city grants (Hoonah, Pelican = \$12,000) and write 1 borough (Glacier Bay = \$23,500) grant.

Lose 2 city grants (Angoon, Kake = \$12,000) and write 1 borough (Chatham = \$23,500) grant.

Lose 2 city grants (Haines, Skagway = \$12,000) and write 1 borough (Haines = \$23,500) grant.

FISCAL NOTE

STATE OF ALASKA

BILL NO. CSSB280 (CRA)

1996 LEGISLATIVE SESSION

Revision Date: February 28, 1996

Department Affected: Education

Title: "An Act relating to the mandatory incorporation of certain boroughs in the unorganized borough."

BRU: K-12 Support

Sponsor: Senator Torgerson

Component: Foundation Program

Requester: Senator Torgerson

COMPONENT SERIAL NO. 141

Expenditures/Revenues:

(Thousands of Dollars)

OPERATING	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS	-0-	-0-	-0-	-0-	2,530.7	41.2
MISCELLANEOUS						
TOTAL OPERATING						

CAPITAL EXPENDITURES	-0-	-0-	-0-	-0-	2,530.7	41.2
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CHANGE IN REVENUES						
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FUND SOURCE

(Thousands of Dollars)

FUND SOURCE	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
1002 Federal Receipts						
1003 GF Match						
1004 GF	-0-	-0-	-0-	-0-	2,530.7	41.2
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL						

POSITIONS:

POSITIONS	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year (FY96) impact: \$ -0-

ANALYSIS: (Attach a separate page if necessary.) See Attached.

Prepared by: Eddy Jeans

Phone: 465-8685

Division: School Finance

Date: 3-12-1996

Approved by Commissioner: *Richard S. Cress*

Richard S. Cress

Agency: Education

Date: 3-12-1996

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Fiscal Note CSSB280

AS 29.05.130 allows a newly incorporated municipality to integrate service areas within two years after date of incorporation. Regional education attendance areas are included as service areas according to AS 29.03.020. AS 14.17.025(f) allows the phasing-in of local contributions to schools over a four year period after the newly formed borough operates schools. The phase-in provisions are as follows; the first year is zero, the second year is the equivalent of 2 mills, the third year is the equivalent of 3 mills and forth year is the equivalent of 4 mills. Currently, home rule and first class cities in the unorganized boroughs are required to contribute to schools the equivalent of a four mill tax levy. When a first class city is incorporated into a borough, the city's local share to schools is subsidized with state general fund during the phase-in provisions of AS 14.17.025(f). Based on the schedule of borough incorporation outlined in section 2 of CSSB280 and the phase-in provisions of AS 29.05.130 and AS 14.17.025(f), all boroughs will be subject to the 4 mill required local effort of AS 14.17.025 by fiscal year 2007.

Following is the potential increase in required local effort when all boroughs are fully phased-in and contributing at the 4 mill requirement.

	4 Mill Equivalent	
Existing 1994 Full Values utilized in foundation formula excluding North Slope, Unalaska and Valdez. /1	\$27,658,929,310	\$110,635,717
Proposed 1994 Full Values utilized in foundation formula excluding North Slope, Aleutians West (Unalaska area) and Prince William Sound (Valdez area).	\$30,694,380,530	<u>\$122,777,522</u>
	Difference	\$12,141,805

/1 - North Slope, Unalaska and Valdez full values have been excluded because their required local effort under the foundation program is 35% of basic need of the preceding year.

	A	B	C	D	E	F	G
1	CSSB280 Fiscal Note						
2							
3							
4							
5	Incorporation						
6	Date	FY98	FY99	FY00	FY01	FY02	
7							
8	7/1/98	C & RA	C & RA	ED	2,530.70	(2,460.60)	
9						(4,991.30)	2 mill Eq.
10							
11							
12	7/1/99	N/A	C & RA	C & RA	ED	2,501.80	
13							
14				Total	2,530.70	41.20	
15							
16	KEY						
17	C & RA = AS 29.05.130, Integration of special districts and service areas - within two years after date of incorporation.						
18	ED = AS 14.17.025, Local Contributions - four year phase-in of required local effort, after borough operates schools.						
19	First year is zero, second year equivalent of 2 mills, third year equivalent of 3 mills and fourth year equivalent of 4 mills.						
20							
21							
22							
23							
24							4 Mill Equivalent
25	Existing FY1994 Full Values utilized in foundation formula excluding North Slope, Unalaska and Valdez				\$27,658,929,310	\$110,635,717	
26	Proposed FY1994 Full Values utilized in foundation formula excluding North Slope, Aleutians West and Prince William Sound				\$30,694,380,530	\$122,777,522	
27					Increases in required local effort by the year 2007	\$12,141,805	
28							

To: Eddy Jeans, Department of Education (by fax: 463-5279) [telephone 465-8685]

From: Dan Bockhorst (fax: 269-4539) [telephone 269-4559]

Date: March 5, 1996

Subject: CSSB 280 (C&RA)

For purposes of preparing its fiscal note for the subject legislation, DCRA will assume that incorporation of new boroughs and annexation to existing boroughs and unified municipalities will take effect according to the following schedule:

July 1, 1998

1. Incorporation of Prince William Sound Borough (Chugach REAA, Cordova and Valdez)
2. Incorporation of Copper River Basin Borough (Copper River REAA)
3. Incorporation of Upper Tanana Basin Borough (Alaska Gateway and Delta Greely REAAs)

July 1, 1999

1. Incorporation of Yukon Koyukuk Borough (Yukon Koyukuk REAA, Galena; excludes Nenana)
2. Annexation of Nenana to the Denali Borough
3. Incorporation of Yukon Flats Borough (Yukon Flats REAA, excluding Livengood, Central and Circle Hot Springs)
4. Annexation of Livengood, Central and Circle Hot Springs to the Fairbanks North Star Borough
5. Incorporation of Aleutians-West Borough (Aleutian Region REAA, Unalaska) [note: this would combine two model borough regions into one which appears warranted due to closure of Adak Naval Air Station]
6. Incorporation of Wrangell/Petersburg Borough (Wrangell, Petersburg, Kupreanof) [note: it is possible, indeed likely that DCRA would recommend that Wrangell and Petersburg be allowed to form separate boroughs]

July 1, 2000

1. Incorporation of Lower Kuskokwim Borough (Lower Kuskokwim REAA, Yupiit REAA)
2. Incorporation of Bering Straits Borough (Bering Straits REAA, Nome)
3. Incorporation of Southwest Region Borough (Southwest Region REAA, Dillingham)
4. Incorporation of Prince of Wales Island Borough (portion of Southeast Islands REAA - all of Prince of Wales Island, including Hydaburg, Craig and Klawock, the southern end of Baranof Island including Port Alexander and the southern end of Kulu Island)
5. Annexation of Hyder and Meyers Chuck to the Ketchikan Gateway Borough

Page 2

6. Incorporation of Lower Yukon Borough (Lower Yukon REAA, Kasnunamiut REAA, St. Mary's)

July 1, 2001

1. Incorporation of Pribilof Islands Borough (Pribilof Islands REAA)
2. Incorporation of Glacier Bay Borough (portion of Chatham REAA encompassing Gustavus, Elfin Cove, Freshwater Bay, Game Creek, Whitestone Logging Camp and Tenakee Springs; Hoonah, Pelican)
3. Incorporation of Chatham Borough (Rowan Bay, Cube Cove, Kake, Angoon)
4. Annexation of Skagway and Klukwan to the Haines Borough [note: DCRA may support formation of a separate borough for Skagway]
5. Annexation of Hobart Bay to the City and Borough of Juneau
6. Incorporation of Kuspuk Borough (Kuspuk REAA)
7. Incorporation of Iditarod Borough (Iditarod REAA)
8. Incorporation of Annette Islands Borough (Annette Islands REAA)

FISCAL NOTE

Work Draft 2/28/96

STATE OF ALASKA
1996 LEGISLATIVE SESSION

BILL NO. CSSB 280 (C&RA)

Revision Date: _____	Dept. Affected: <u>Department of Law</u>	_____
Title: <u>"An Act relating to the mandatory incorporation of certain boroughs in the unorganized borough."</u>	BRU: <u>Civil Division</u>	_____
Sponsor: <u>Senator Torgerson</u>	Component: <u>General Legal Services</u>	_____
Requester: <u>Senate C&RA Committee</u>	COMPONENT SERIAL NO. <u>2027</u>	_____

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXPENDITURES	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
PERSONAL SERVICES		115.2	115.2	115.2	115.2	
TRAVEL		7.8	7.8	7.8	7.8	
CONTRACTUAL		43.7	43.7	43.7	43.7	
SUPPLIES		3.3	3.3	3.3	3.3	
EQUIPMENT		7.5	1.0	1.0	1.0	
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	177.5	171.0	171.0	171.0	0.0

CAPITAL EXPENDITURES						
----------------------	--	--	--	--	--	--

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

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF		177.5	171.0	171.0	171.0	
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	0.0	177.5	171.0	171.0	171.0	0.0

Estimate of any current year (FY96) cost: \$ 0.0

POSITIONS

FULL-TIME	0.0	1.0	1.0	1.0	1.0	0.0
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

This bill will require the Department of Community and Regional Affairs to prepare a second class borough incorporation proposal for each of the model boroughs identified for formation in the report issued in 1995 by the Local Boundary Commission entitled "Model Borough Boundaries." The bill has the effect of including most of the unorganized borough within the boundaries of a borough, with the exception that the few areas not organized under the bill will be annexed to existing municipalities. Thus, 18 new boroughs would be established, and areas of 5 existing boroughs would be expanded. These changes would take place over a four year period, beginning in FY98, based on a sliding scale of the estimated full and true value of taxable property in the areas to be incorporated.

The Department of Law believes that the mandatory incorporation of the unorganized borough into a large number of second class boroughs will result in considerable litigation involving lawsuits from opponents residing in several areas of the unorganized borough. The department therefore believes that it will be necessary to add

Prepared by: <u>Richard I. Peques, Director</u>	Phone: <u>465-3672</u>
Division: <u>Administrative Services Division</u>	Date: <u>3/5/96</u>
Approved by Commissioner: <u>Bruce M. Botelho, Attorney General</u>	Date: <u>3/5/96</u>
Agency: <u>Department of Law</u>	

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FISCAL NOTE

STATE OF ALASKA
1996 LEGISLATIVE SESSION

Work Draft 2/28/96
BILL NO. CSSB 280 (C&RA)

ANALYSIS CONTINUATION:

a full-time attorney, and provide for out-of-pocket trial costs, to defend the bill if it is enacted. These costs will begin in FY98 and continue for three or four years thereafter, until all of the litigation is resolved.

The fiscal impact analysis is based on 1,500 project hours of Attorney IV (journey level) services annually. Project hours are those hours that are attributable to a specific work assignment, and they do not include the time lost to leave, training, supervision, or other duties and activities that are not specific as to a particular legal matter. Project specific costs include the weighted overhead cost of clerical support, space, communications, supplies, and law library. Additionally, \$7,500 for case travel and \$30,000 for experts and depositions will also be required annually.

03/05/96

15:52:51.3

PERSONAL SERVICES EXPENDITURES NEW POSITION DETAIL REPORT

PAGE: 11

DEPARTMENT OF LAW

SCENARIO: 1

COMPONENT #: 9701010101 NAME: GENERAL LEGAL SERVICES (GF)

DRU NAME: CIVIL DIVISION

PCN	UNAUTN PCN	JOB CLASS TITLE	T S	LOCATION NAME	R B S C U	R&S MOS BUDG	SALARY	PREM PAY	BENES	PER.SERV. COSTS	G. F. AMOUNT
03/040		ATTORNEY IV	F	JUNEAU	A XE AA	24A 12	61923	0	20100	82023.52	

**** JUSTIFICATION:

This attorney position will be needed to defend SB280 which mandates the incorporation of unorganized borough into 18 new second class boroughs and the expansion of 5 existing boroughs. Challenges will probably be based both on the basis of the constitutionality of the mandate and on the actual boundaries and other fact-based situations involved in the establishment of individual boroughs. Because of the importance of these issues, Journey-level Attorney IV services will be required. Non-personal services include \$7,500 in travel and \$30,000 for depositions and experts. The remainder of the non-personal services is in accordance with the civil division's approved cost allocation/billing rate plan. Additionally, \$33.2 in personal services costs over and above the amount shown in this report is included in the fiscal note to pay clerical pool support costs.

TRAVEL COSTS	7800.00	
CONTRACTUAL COSTS	43700.00	
SUPPLIES COSTS	3300.00	
EQUIPMENT COSTS	7500.00	
OTHER COSTS	0.00	
=====		
TOTAL COSTS	144323.52	82023.52

*** FUNDING DETAIL:

1004 GENERAL FUND RECEIPTS	82023.52
=====	
TOTAL FUNDING	82023.52

**** COMPONENT TOTALS:

FULL TIME NEW POSITIONS	1	TOTAL PERSONAL SERVICES	82023.52
PART TIME/SEASONAL NEW POSITIONS	0		
NON PERMANENT NEW POSITIONS	0	TOTAL COSTS INC. ASSOC COSTS	144323.52
OTHER.....	0		
=====			

NUMBER OF NEW POSITIONS IN COMPONENT: 1

FUNDING DATA: G.F. & G.F. MATCH:	82023.52
OTHER FUNDS:	0.00
=====	
TOTAL FUNDING:	82023.52

FISCAL NOTE

STATE OF ALASKA

BILL NO. SB280

1996 LEGISLATIVE SESSION

Revision Date: Original Dept Affected Natural Resources
 Title: An Act relating to the mandatory BRU: Resource Development
incorporation of certain boroughs in the unorganized borough Component: Land Development
 Sponsor: Senator(s) Torgerson, Green, Phillips ...
 Requestor: Senate CRA Component Serial No. 431

Expenditures/Revenues	(Thousands of Dollars)					
OPERATING EXPENDITURES	FY97	FY98	FY99	FY00	FY01	FY02
PERSONAL SERVICES			110.0	110.0	220.0	220.0
TRAVEL			5.0	5.0	5.0	5.0
CONTRACTUAL			10.0	10.0	20.0	20.0
SUPPLIES			2.0	2.0	2.0	2.0
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	127.0	127.0	247.0	247.0
CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
CHANGE IN REVENUES ()	0.0	0.0	0.0	0.0	0.0	0.0

FUND SOURCE	(Thousands of Dollars)					
1002 Federal Receipts						
1003 GF Match						
1004 GF			127.0	127.0	247.0	247.0
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	0.0	0.0	127.0	127.0	247.0	247.0

Estimate of any current year (FY96) cost: \$ None

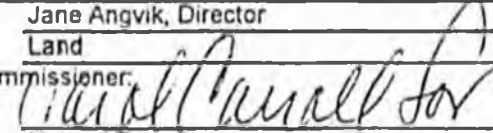
POSITIONS						
FULL-TIME	0	0	2	2	4	4
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

ANALYSIS: (Attach a separate page if necessary)

Currently there are about 45,000,000 acres of state land located outside of existing municipalities. If boroughs are formed about 4,500,000 acres of this land must be conveyed to effected municipalities.

Current law, AS 29.65, requires us to certify the municipalities land entitlement within 2 1/2 years of incorporation. The municipality then has one year to select the land and the state is required to convey the land within nine months of selection.

This fiscal note estimates the cost to implement this process.

Prepared by: Jane Angvik, Director Phone: 269-8503
 Division: Land Date: 6-Mar-96
 Approved by Commissioner:  Date: 6-Mar-96
 Agency: Natural Resources

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FISCAL NOTE

STATE OF ALASKA

BILL
NO:

SB 280

1996 LEGISLATIVE SESSION

Revision Date: _____ Dept. Affected: Public Safety
 Title: Mandatory Incorporation of Certain Boroughs DPS Statewide Support
 Component: Commissioner's Office
 Sponsor: Senator Torgerson
 Requestor: S.CRA COMPONENT SERIAL NO. 0523

EXPENDITURES/REVENUES: (Thousands of Dollars) (inflation not included)

OPERATING	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-
CAPITAL EXPENDITURES	-0-	-0-	-0-	-0-	-0-	-0-
CHANGE IN REVENUES ()	-0-	-0-	-0-	-0-	-0-	-0-
Code Revenue						

FUNDING: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

Estimate of current year (FY 96) impact: \$ _____

POSITIONS:

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

ANALYSIS: (Attach a separate page if necessary.)
 No noticeable fiscal impact is anticipated to the Department of Public Safety at this time.

Prepared By: Sandy Perry-Provost, Special Assistant to the Commissioner Phone: 465-4322
 Division: Commissioner's Office Date: March 5, 1996
 Approved by Commissioner: Ronald L. Otte Date: 3/5/96
 Agency: Ronald L. Otte, Dept. of Public Safety

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FISCAL NOTE

STATE OF ALASKA
1996 LEGISLATIVE SESSION

BILL NO. SB 280

Revision Date: 3/7/96 Dept. Affected: DOT&PF
 Title: "An Act relating to the mandatory incorporation of BRU: Engineering & Operations
certain boroughs in the unorganized borough." Component: Engineering & Operations
 Sponsor: Torgerson, Green, Phillips
 Requester: CRA, STA COMPONENT SERIAL NO. #547

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXPENDITURES	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0
CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
CHANGE IN REVENUES ()	0.0	0.0	0.0	0.0	0.0	0.0

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY96) cost: \$ 0.0

POSITIONS

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

No anticipated department cost associated with this legislation.

Prepared by: Loren Rasmussen, P.E., Acting Director *Loren Rasmussen* Phone: 465-2960
 Division: Engineering and Operations Date: 3/7/96
 Approved by: Joseph L. Perkins *Joseph L. Perkins* Date: 3/7/96
 Agency: Department of Transportation and Public Facilities

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DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS

MUNICIPAL & REGIONAL ASSISTANCE DIVISION

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February 23, 1996

The Honorable John Torgerson State Senator State Capitol, Room 427 Juneau, Alaska 99801-1182

Dear Senator Torgerson:

In response to a request from your staff, this is to provide background information, particularly projected property values, concerning the areas within model borough boundaries as defined by the Local Boundary Commission a few years ago.

Presently, there are 16 organized boroughs and unified municipalities in Alaska. The boundaries of the following 11 organized boroughs and unified municipalities would not be altered under the Local Boundary Commission's Model Borough Boundary Study:

- 1. Aleutians East Borough 2. Municipality of Anchorage 3. Bristol Bay Borough 4. City & Borough of Yakutat 5. North Slope Borough 6. Matanuska-Susitna Borough 7. City and Borough of Sitka 8. Kenai Peninsula Borough 9. Kodiak Island Borough 10. Lake & Peninsula Borough 11. Northwest Arctic Borough

The boundaries of the other 5 existing boroughs and unified municipalities listed on the following page would be expanded:

- 1. Denali Borough 2. Fairbanks North Star Borough 3. Haines Borough 4. City and Borough of Juneau 5. Ketchikan Gateway Borough

The following 19 new organized boroughs would be created under the Model Borough Boundary Study:

1. Aleutian - Military
2. Aleutians West Region
3. Annette Island Reserve
4. Bering Straits
5. Prince William Sound
6. Copper River Basin
7. Upper Tanana Basin
8. Glacier Bay
9. Iditarod Region
10. Kuspuk
11. Lower Kuskokwim
12. Lower Yukon
13. Pribilof Islands
14. Southwest Region
15. Wrangell/Petersburg
16. Yukon Flats
17. Yukon-Koyukuk
18. Prince of Wales Island
19. Chatham

Implementation of the Model Borough Boundary Study would reduce the number of school districts in Alaska from the current level of 54 to 35. That represents a 35% reduction in the number of school districts.

Although the model boundaries seemed appropriate at the time they were approved by the Local Boundary Commission, certain developments subsequent to the completion of the Model Borough Boundaries Study may warrant some modification of the boundaries. For example, the closure of the Adak Naval Air Facility would seem to warrant the consolidation of the Aleutians-Military and Aleutians West regions. In addition, there may be merit in splitting Wrangell and Petersburg into two boroughs and allowing Skagway to form its own borough.

Exact estimates of the value of all taxable property in the entire unorganized borough do not exist. However, reliable figures are available for much of the inhabited and developed portions of the unorganized borough. For example, precise figures exist for the value of oil and gas properties in the unorganized borough that are taxable under AS 43.56. Additionally, accurate figures are available for 26 cities in the unorganized borough. The 26 cities include all 5 home rule cities and 13 first class cities in the unorganized borough, as well as 8 second class cities in the unorganized borough. The 26 cities are:

1. Bethel
2. Cordova
3. Craig
4. Delta Junction
5. Dillingham
6. Eagle
7. Emmonak
8. Galena
9. Hoonah
10. Hooper Bay
11. Hydaburg
12. Kake
13. Klawock
14. Mt. Village
15. Nenana
16. Nome
17. Pelican
18. Petersburg
19. St. Mary's
20. Skagway
21. Tanana
22. Togiak
23. Unalaska
24. Valdez
25. Whittier
26. Wrangell

The combined populations of the 26 cities is 40,746, which represents 51.1% of the total population of the unorganized borough.

Estimates for the value of property in the remainder of the unorganized borough are less precise. They were prepared by the State Assessor principally on the basis of formulae projecting values on a per-capita basis.

Estimates for the values in the territory within the model borough boundaries are provided on the enclosures. Also included for comparison purposes are values of the 11 organized boroughs and unified municipalities whose boundaries would not change under the defined model boundaries. The first enclosure ranks the areas in descending order in terms of per capita values. The second enclosure ranks the areas in descending order in terms of total value, excluding oil and gas property that is taxable under AS 43.56 and also excluding property that is presently within the boundaries of a municipal school district.

If you have questions concerning this information or if you desire additional information concerning this matter, please contact me or Dan Bockhorst.

Cordially,



Patrick K. Poland
Director

cc: Lamar Cotten, Deputy Commissioner
Local Boundary Commission
Dan Bockhorst, LBC Staff
Steve Van Sant, State Assessor
Michael Cushing, MRAD-Juneau

Estimated 1994 Full Value (by Model Borough Boundaries)

(ranked in descending order of per capita value)

Column A Column B Column C Column D Column E Column F Column G

Model Borough Boundaries that Include Territory Wholly or Partially within the Unorganized Borough

Area	Population	Estimated Full Value	Per Capita Value	Oil & Gas Property	Value within Municipal School District (ex. col. E)	Value excluding col. E & F
Yukon Flats	1,485	\$435,075,000	\$292,980	\$405,600,000	\$0	\$29,475,000
Copper River Basin	2,935	\$668,665,000	\$227,893	\$604,440,000	\$0	\$64,425,000
Prince William Sound	7,613	\$1,272,675,200	\$167,171	\$817,060,600	\$421,429,900	\$34,184,700
Yukon-Koyukuk	3,318	\$522,226,600	\$157,392	\$446,760,000	\$31,066,500	\$44,400,000
Upper Tanana Basin	6,160	\$554,095,700	\$107,383	\$407,340,000	\$0	\$146,755,700
Aleutians West Region	4,490	\$361,535,300	\$80,520	\$0	\$358,385,300	\$3,150,000
Pribilof Islands	793	\$59,525,400	\$75,064	\$0	\$0	\$59,525,400
Upper Lynn Canal	3,375	\$223,667,600	\$66,278	\$0	\$220,912,500	\$2,775,000
Ketchikan Gateway Borough	15,074	\$988,691,900	\$65,589	\$0	\$985,541,900	\$3,150,000
City and Borough of Juneau	28,903	\$1,767,834,100	\$61,157	\$0	\$1,765,984,100	\$1,659,000
Wrangell/Petersburg	6,352	\$350,186,100	\$55,130	\$0	\$350,186,100	\$0
Fairbanks North Star Borough	82,638	\$3,578,017,970	\$43,315	\$479,107,070	\$3,093,810,500	\$2,100,000
Southwest Region	4,358	\$171,120,300	\$39,284	\$0	\$131,012,300	\$40,108,000
Denali Borough	2,343	\$91,749,700	\$39,159	\$0	\$91,749,700	\$0
Glacier Day	2,059	\$56,598,300	\$27,488	\$0	\$38,148,300	\$18,450,000
Bering Straits	8,763	\$235,140,200	\$26,833	\$0	\$132,968,700	\$102,171,500
Prince of Wales Island	5,290	\$138,869,900	\$26,251	\$0	\$84,269,900	\$54,600,000
Lower Kuskokwim	13,009	\$339,446,800	\$26,093	\$0	\$0	\$339,446,800
Aleutian - Military	15	\$376,000	\$25,000	\$0	\$0	\$375,000
Chatham	1,594	\$34,490,300	\$21,638	\$0	\$17,315,300	\$17,175,000
Kuspuk	1,575	\$31,950,000	\$20,286	\$0	\$0	\$31,950,000
Iditarod Region	1,545	\$30,600,000	\$19,806	\$0	\$0	\$30,600,000
Lower Yukon	6,491	\$94,081,000	\$14,494	\$0	\$4,533,500	\$89,547,500
Annette Island Reserve	1,600	\$0	\$0	\$0	\$0	\$0
SUBTOTALS	210,874	12,003,637,170	\$56,977	3,160,307,670	7,727,314,900	1,116,014,600

Territory within Organized Boroughs & Unified Municipalities Whose Boundaries Wouldn't Change

Area	Population	Estimated Full Value	Per Capita Value	Oil & Gas Property	Value within Municipal School District (ex. col. E)	Value excluding col. E & F
North Slope Borough	6,743	\$12,291,192,390	\$1,822,808	\$12,072,123,590	\$219,068,800	\$0
Bristol Bay Borough	1,676	\$176,792,300	\$112,178	\$0	\$176,792,300	\$0
Kenai Peninsula Borough	44,411	\$3,640,761,750	\$79,727	\$500,476,350	\$3,034,285,400	\$0
City and Borough of Sitka	9,052	\$528,278,800	\$58,360	\$0	\$528,278,800	\$0
Kodiak Island Borough	16,012	\$858,852,600	\$57,211	\$0	\$858,852,600	\$0
Matanuska-Susitna Borough	45,936	\$2,423,675,790	\$52,762	\$9,384,890	\$2,414,290,900	\$0
Municipality of Anchorage	248,296	\$12,434,108,720	\$50,076	\$62,691,020	\$12,371,417,700	\$0
City & Borough of Yakutat	691	\$27,801,100	\$40,233	\$0	\$27,801,100	\$0
Lake & Peninsula Borough	1,827	\$68,357,600	\$37,415	\$0	\$68,357,600	\$0
Aleutians East Borough	2,569	\$89,105,700	\$34,685	\$0	\$89,105,700	\$0
Northwest Arctic Borough	6,631	\$177,209,500	\$26,724	\$0	\$177,209,500	\$0
SUBTOTALS	382,744	32,616,136,250	\$85,217	12,650,675,850	19,965,460,400	\$0

Statewide Totals

TOTALS	593,418	44,619,773,420	\$75,191	15,810,983,520	27,692,775,300	1,116,014,600
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Estimated 1994 Full Value (by Model Borough Boundaries)

(ranked in descending order of value of column G)

Column A	Column B	Column C	Column D	Column E	Column F	Column G
Model Borough Boundaries that Include Territory Wholly or Partially within the Unorganized Borough						
Area	Population	Estimated Full Value	Per Capita Value	Oil & Gas Property	Value within Municipal School District (ex. col. E)	Value excluding col. E & F
Lower Kuskokwim	13,009	\$339,446,800	\$26,093	\$0	\$0	\$339,446,800
Upper Tanana Basin	5,160	\$554,095,700	\$107,383	\$407,340,000	\$0	\$148,755,700
Bering Straits	8,763	\$235,140,200	\$26,833	\$0	\$132,968,700	\$102,171,500
Lower Yukon	6,491	\$94,081,000	\$14,494	\$0	\$4,533,600	\$89,547,500
Copper River Basin	2,935	\$668,865,000	\$227,893	\$604,440,000	\$0	\$64,425,000
Pribilof Islands	793	\$59,525,400	\$75,064	\$0	\$0	\$59,525,400
Prince of Wales Island	5,290	\$138,869,900	\$26,251	\$0	\$84,269,900	\$54,600,000
Yukon-Koyukuk	3,318	\$522,226,500	\$157,392	\$446,760,000	\$31,066,500	\$44,400,000
Southwest Region	4,358	\$171,120,300	\$39,284	\$0	\$131,012,300	\$40,108,000
Prince William Sound	7,813	\$1,272,875,200	\$167,171	\$817,060,600	\$421,429,900	\$34,184,700
Kuspuk	1,575	\$31,950,000	\$20,286	\$0	\$0	\$31,950,000
Iditarod Region	1,545	\$30,600,000	\$19,806	\$0	\$0	\$30,600,000
Yukon Flats	1,485	\$435,075,000	\$292,980	\$405,600,000	\$0	\$29,475,000
Glacier Bay	2,059	\$56,598,300	\$27,488	\$0	\$38,148,300	\$18,450,000
Chatham	1,594	\$34,490,300	\$21,638	\$0	\$17,315,300	\$17,175,000
Aleutians West Region	4,490	\$361,635,300	\$80,520	\$0	\$358,385,300	\$3,150,000
Ketchikan Gateway Borough	15,000	\$988,891,900	\$65,589	\$0	\$985,541,900	\$3,150,000
Upper Lynn Canal	3,375	\$223,687,600	\$66,276	\$0	\$220,912,500	\$2,775,000
Fairbanks North Star Borough	82,536	\$3,575,017,970	\$43,315	\$479,107,070	\$3,093,810,900	\$2,100,000
City and Borough of Juneau	28,903	\$1,767,834,100	\$61,157	\$0	\$1,765,984,100	\$1,650,000
Alcutian - Military	15	\$376,000	\$25,000	\$0	\$0	\$376,000
Annette Island Reserve	1,600	\$0	\$0	\$0	\$0	\$0
Denali Borough	2,343	\$91,749,700	\$39,159	\$0	\$91,749,700	\$0
Wrangell/Petersburg	6,352	\$350,186,100	\$55,130	\$0	\$350,186,100	\$0
SUBTOTALS	210,674	12,003,637,170	\$56,977	3,160,307,870	7,727,314,900	1,116,014,600
Territory within Organized Boroughs & Unified Municipalities Whose Boundaries Wouldn't Change						
Area	Population	Estimated Full Value	Per Capita Value	Oil & Gas Property	Value within Municipal School District (ex. col. E)	Value excluding col. E & F
Aleutians East Borough	2,569	\$89,105,700	\$34,685	\$0	\$89,105,700	\$0
Municipality of Anchorage	248,296	\$12,434,108,720	\$50,078	\$82,691,020	\$12,371,417,700	\$0
Bristol Bay Borough	1,576	\$176,792,300	\$112,178	\$0	\$176,792,300	\$0
City & Borough of Yakutat	691	\$27,801,100	\$40,233	\$0	\$27,801,100	\$0
North Slope Borough	6,743	\$12,291,192,390	\$1,822,808	\$12,072,123,590	\$219,068,900	\$0
Matanuska-Susitna Borough	45,936	\$2,423,675,790	\$52,762	\$9,384,890	\$2,414,290,900	\$0
City and Borough of Sitka	9,052	\$528,278,800	\$58,360	\$0	\$528,278,800	\$0
Kenai Peninsula Borough	44,411	\$3,540,761,750	\$79,727	\$506,476,350	\$3,034,285,400	\$0
Kodiak Island Borough	16,012	\$858,852,600	\$53,211	\$0	\$858,852,600	\$0
Lake & Peninsula Borough	1,827	\$68,357,600	\$37,415	\$0	\$68,357,600	\$0
Northwest Arctic Borough	6,631	\$177,209,500	\$26,724	\$0	\$177,209,500	\$0
SUBTOTALS	382,744	32,616,136,250	\$85,217	12,650,675,850	19,963,460,400	\$0
Statewide Totals						
TOTALS	593,418	44,619,773,420	\$76,191	15,810,983,720	27,692,775,300	1,116,014,600

Schedule of Incorporation

- By July 1, 1997, those model boroughs with an FY 94 estimated full property value of \$550,000,000 or more.
- By July 1, 1998, those model boroughs with an FY 94 estimated full property value of \$350,000,000 or more
- By July 1, 1999, those model boroughs with an FY 94 estimated full property value of \$75,000,000 or more
- By July 1, 2000, those model boroughs with an FY 94 estimated full property value of under \$75,000,000.

BOROUGH	FY 94 FULL VALUE	POPULATION	PER CAPITA VALUE	YEAR FORM
Prince William Sound	1,272,675,200	7,613	167,171	1997
Copper River Basin	668,865,000	2,935	227,893	1997
Upper Tanana	554,095,700	5,160	107,383	1997
Yukon Koyukuk	522,226,500	3,318	157,392	1998
Yukon Flats	435,075,000	1,485	292,980	1998
Aleutians West/Military	361,910,300	4,505	80,335	1998
Wrangell-Petersburg	350,186,100	6,352	55,130	1998
Lower Kuskokwim	339,446,800	13,009	26,093	1999
Bering Straits	235,140,200	8,763	26,833	1999
Prince of Wales	138,869,900	5,290	26,251	1999
Dillingham-Nushagak	171,120,300	4,356	39,284	1999
Lower Yukon	94,081,000	6,491	14,494	1999
Pribilof Islands	59,525,400	793	75,064	2000
Glacier Bay	56,598,300	2,059	27,488	2000
Chatham Region	34,490,300	1,594	21,638	2000
Kuspuk	31,950,000	1,575	20,286	2000
Iditarod	30,600,000	1,545	19,806	2000

Consolidation of School Districts

Borough Name	REAA/School District	1993-1994 Administration Cost	Average Administration Cost	Number of School Districts Disbanded	Possible Annual Savings
Unchanged Boroughs					
Aleutians East	Aleutians East	1,157,767			
Anchorage	Anchorage	30,264,173			
Bristol Bay	Bristol Bay	460,880			
Kenai Peninsula	Kenai	7,914,722			
Kodiak	Kodiak	2,480,813			
Lake & Peninsula	Lake & Pen	1,397,875			
Mat-Su	Mat-Su	10,734,599			
North Slope	North Slope	7,904,192			
Northwest Arctic	Northwest Arctic	3,710,913			
Sitka	Sitka	1,416,807			
Yakutat	Yakutat	310,166			
Expanded Boroughs					
Fairbanks	Fairbanks	11,958,105			
Juneau	Juneau	4,080,493			
Ketchikan	Ketchikan	1,889,490			
Haines	Haines	440,682 \			
	Skagway	253,066 /	346,874	1	346,874
Denali	Denali	604,621 \			
Denali	Nenana	525,743 /	565,182	1	565,182
New Boroughs					
Prince William	Chugach	436,018 \			
	Cordova	551,104	638,805	2	1,277,611
	Valdez	929,294 /			
Copper River	Copper River	861,394			
Upper Tanana	Alaska Gateway	1,027,331 \			
	Delta/Greely	1,243,378 /	1,135,355	1	1,135,355
Yukon Koyukuk	Tanana	398,827 \			
	Galena	406,871	754,057	2	1,508,113
	Yukon/Koyukuk	1,456,472 /			
Yukon Flats	Yukon Flats	553,228			
Aleutian West	Adak	955,641 \			
	Aleutian Region 1	261,252	572,340	2	1,144,679
	Unalaska	500,126 /			

Consolidation of School Districts

Borough Name	REAA/School District	1993-1994 Administration Cost	Average Administration Cost	Number of School Districts Disbanded	Possible Annual Savings
Wrangell/Petersburg	Petersburg	571,987 \			
	Wrangell	524,450 /	548,219	1	548,219
Lower Kuskokwim	Lower Kuskokwim	6,292,411 \			
	Yupilt	1,169,518 /	3,730,965	1	3,730,965
Bering Strait	Bering Strait	3,376,139 \			
Bering Strait	Nome	854,586 /	2,115,363	1	2,115,363
Prince of Wales	Craig	405,585 \			
	Hydaburg	214,760			
	Klawock	412,160	423,375	3	1,270,125
	SE Island	660,995 /			
Dillingham	Dillingham	717,979 \			
	SW Region	966,629 /	842,304	1	842,304
Lower Yukon	Kashunamiut	413,066 \			
	Lower Yukon	2,919,619	1,187,567	2	2,375,134
	St. Mary's	230,016 /			
Pribilof	Pribilof	398,089			
Glacier Bay	Hoonah	464,991 \			
Glacier Bay	Pelican	175,753 /	320,372	1	320,372
Chatham	Chatham	642,613 \			
	Kake	414,009 /	528,311	1	528,311
Kuspuk	Kuspuk	879,318			
Iditarod	Iditarod	1,307,265			
Annette	Annette	769,822			
TOTAL		121,867,803		20	17,708,605

CSSB 280(CRA)
Possible new revenues from 4 mill tax

	(a)	(b)	(c)	(d)	
Borough	1994 Estimated True Property Value Currently In Local Taxing Jurisdiction	1994 Estimate of Property Not Currently In Local Taxing Jurisdiction	1994 Estimate of O & G Property Not Currently In Local Taxing Jurisdiction	1994 Estimate of Total Property Value (sum of columns a-c)	4-mil equivalent on property not currently in a local taxing jurisdiction
Unchanged Boroughs					
Aleutians East	89,105,700			89,105,700	0
Anchorage	12,434,108,720			12,434,108,720	0
Bristol Bay	176,792,300			176,792,300	0
Kenai Peninsula	3,540,761,750			3,540,761,750	0
Kodiak	858,852,600			858,852,600	0
Lake & Pen	68,357,600			68,357,600	0
Mat-Su	2,423,675,790			2,423,675,790	0
North Slope	12,291,192,390			12,291,192,390	0
Northwest Arctic	177,209,500			177,209,500	0
Sitka	528,278,800			528,278,800	0
Yakutat	27,801,100			27,801,100	0
Expanded Boroughs					
Fairbanks	3,452,917,970	2,100,000	120,000,000	3,575,017,970	488,400
Juneau	1,765,984,100	1,650,000		1,767,634,100	6,600
Ketchikan	985,541,900	3,150,000		988,691,900	12,600
Haines+Skagway	220,912,500	2,775,000		223,687,500	11,100
Denali	91,749,700	0		91,749,700	0
New Boroughs					
Prince William Sound	1,238,490,500	34,184,700	0	1,272,675,200	136,739
Copper River Basin	0	64,425,000	604,440,000	668,865,000	2,675,460
Upper Tanana		146,755,700	407,340,000	554,095,700	2,216,383
Yukon Koyukuk	31,066,500	44,400,000	446,760,000	522,226,500	1,964,640
Yukon Flats	0	29,475,000	405,600,000	435,075,000	1,740,300
Aleutians West/Military	358,385,300	3,525,000		361,910,300	14,100
Wrangell-Petersburg	350,186,100	0		350,186,100	0
Lower Kuskokwim	0	339,446,800		339,446,800	1,357,787
Bering Straits	132,968,700	102,171,500		235,140,200	408,686
Prince of Wales	84,269,900	54,600,000		138,869,900	218,400
Dillingham-Nushagak	131,012,300	40,108,000		171,120,300	160,432
Lower Yukon	4,533,500	89,547,500		94,081,000	358,190
Pribilof Islands	0	59,525,400		59,525,400	238,102
Glacier Bay	38,148,300	18,450,000		56,598,300	73,800
Chatham Region	17,315,300	17,175,000		34,490,300	68,700
Kuspuk	0	31,950,000		31,950,000	127,800
Iditarod	0	30,600,000		30,600,000	122,400
Annette Reservation	0			0	0
34 Boroughs	41,519,618,820	1,116,014,600	1,984,140,000	44,619,773,420	12,400,618
18 new; 5 expanded; 11 remain the same					

CSSB 280(CRA)
Possible new revenues from 11.117 mil tax

	(a)	(b)	(c)	(d)	(e)	
Borough	1994 Estimated True Property Value Currently in Local Taxing Jurisdiction	1994 Estimate of Property Not Currently in Local Taxing Jurisdiction	1994 Estimate of O & G Property Not Currently in Local Taxing Jurisdiction	1994 Estimate of Total Property Value (sum of columns a-c)	Borough Levy	Average mil rate of boroughs with property tax (11.117 mils) Revenue from property not currently in a local taxing jurisdiction
Unchanged Boroughs						
Aleutians East	89,105,700			89,105,700	No property	0
Anchorage	12,434,108,720			12,434,108,720	18.120	0
Bristol Bay	176,792,300			176,792,300	7.000	0
Konai Peninsula	3,540,761,750			3,540,761,750	8.590	0
Kodiak	858,852,600			858,852,600	6.750	0
Lake & Pen	68,357,600			68,357,600	No property	0
Mat-Su	2,423,675,790			2,423,675,790	14.550	0
North Slope	12,291,192,390			12,291,192,390	18.560	0
Northwest Arctic	177,209,500			177,209,500	No property	0
Sitka	528,278,800			528,278,800	6.000	0
Yakutat	27,801,100			27,801,100	9.000	0
Expanded Boroughs						
Fairbanks	3,452,917,970	2,100,000	120,000,000	3,575,017,970	13.274	1,357,386
Juneau	1,765,984,100	1,650,000		1,767,634,100	13.060	18,343
Ketchikan	985,541,900	3,150,000		988,691,900	14.500	35,019
Haines-Skagway	220,912,500	2,775,000		223,687,500	4.000	30,850
Denali	91,749,700	0		91,749,700	No property	0
New Boroughs						
Prince William Sound	1,238,490,500	34,184,700	0	1,272,675,200		380,031
Copper River Basin	0	64,425,000	604,440,000	668,865,000		7,435,772
Upper Tanana		146,755,700	407,340,000	554,095,700		6,159,882
Yukon Koyukuk	31,066,500	44,400,000	446,760,000	522,226,500		5,460,226
Yukon Flats	0	29,475,000	405,600,000	435,075,000		4,836,729
Aleutians West/Military	358,385,300	3,525,000		361,910,300		39,187
Wrangell Petersburg	350,186,100	0		350,186,100		0
Lower Kuskokwim	0	339,446,800		339,446,800		3,773,630
Bering Straits	132,968,700	102,171,500		235,140,200		1,135,841
Prince of Wales	84,269,900	54,600,000		138,869,900		606,988
Dillingham-Nushagak	131,012,300	40,108,000		171,120,300		445,881
Lower Yukon	4,533,500	89,547,500		94,081,000		395,500
Pribilof Islands	0	59,525,400		59,525,400		661,744
Glacier Bay	38,148,300	18,450,000		56,598,300		205,109
Chatham Region	17,315,300	17,175,000		34,490,300		190,934
Kuspuk	0	31,950,000		31,950,000		355,188
Iditarod	0	30,600,000		30,600,000		340,180
Annettelee Reservation	0			0		0
34 Boroughs	41,519,618,820	1,116,014,600	1,984,140,000	44,619,773,420		34,464,419
18 new; 5 expanded; 11 remain the same						