

**ALASKA LEGISLATURE COMMITTEE FILES 1995-1996 8672**

**8840 SENATE COMMUNITY & REGIONAL AFFAIRS**

Community	Entity	FY 94 Project	FY 94 Award	FY 95 Project	FY 95 Award	FY 96 Project	FY 96 Award
Akiachak	IRA Council	Road Improvements	\$25,000.00	Public Safety Building	\$15,000.00	Replat Townsite for Water/Sewer/Road Paving Projects	\$25,917.00
Arctic Village	Traditional Council	Power Generation Upgrade	\$25,000.00	Equipment Repairs	\$10,000.00	Power Line System Upgrade	\$25,917.00
Boaver	Village Council	Design & Construction Mulli - Purpose	\$25,000.00	Bulk Fuel Tank	\$25,000.00	Multi-Purpose Building Phase III	\$25,000.00
Birch Creek	Village Council	Clinic Equipment	\$25,000.00	Multipurpose Building Design/Construction	\$25,000.00	Clinic Water and Sewer Installation	\$25,000.00
Central	Circle Dist. Hist. Soc.	Undesignated	\$0.00	Safe Water Treatment Plant Upgrade	\$25,000.00	Clinic Water and Sewer Installation	\$25,000.00
Chalkyitsik	Village Council	Washeteria	\$25,000.00	Community Facilities & Equipment	\$25,000.00	Addition to Museum/Library/Archives	\$25,000.00
Chenega Bay	IRA Council	Undesignated	\$0.00	Construct Community Washeteria Building/Offices	\$25,000.00	Water/Sewer Project Continuation	\$25,000.00
Chistochina	Village Council	Office Renovation and Repairs	\$25,000.00	Community Facilities & Equipment	\$0.00	Road Maintenance Equipment	\$50,000.00
Chitina	Village Council	Freezer Purchase	\$25,000.00	Community Hall Upgrade	\$25,000.00	Recreational Building Addition	\$25,000.00
Circle	Community Assn.	Undesignated	\$0.00	Washeteria	\$25,000.00	Incinerator Project	\$25,000.00
Copper Center	Nat. Vill. Kluti - Kaah	Undesignated	\$0.00	Community Facilities & Equipment	\$0.00	Community Facilities and Equipment	\$25,000.00
Crooked Creek	Traditional Council	Upgrade Office Equipment/Purchase	\$10,000.00	Snow Removal Vehicle/Equipment Purchase	\$25,000.00	Community Facilities and Equipment	\$25,000.00
		Repair Council Equipment	\$10,000.00	Clinic Improvements	\$15,000.00	Road Repairs	\$25,000.00
Deltana	Community Corp.	Processing Plant Phase I	\$23,750.00	Preschool Facility	\$15,000.00		
Dot Lake Services	Same	Undesignated	\$0.00	Processing Plant Construction	\$26,300.00	Processing Plant Phase III	\$25,060.00
Dot Lake Village	Village Council	Washeteria Site Preparations	\$10,000.00	Community Facilities & Equipment	\$25,000.00	Community Building Construction	\$50,000.00
		Washeteria Project Design	\$15,000.00	Community Hall Upgrade	\$23,800.00	ATCO Trailer Renovation	\$26,200.00
Eagle Village	Council	Village Safe Water Project	\$23,750.00				
Edna Bay	Community Assn.	Construction/Topping of Davidson Ave.	\$12,350.00	Safe Water and Sewer Project	\$20,300.00	Community Facilities and Equipment	\$25,000.00
		Marine Facilities Repair and Expansion	\$9,925.00	Construction of Breakwater	\$27,700.00	Harbor Maintenance and Improvements	\$13,750.00
Elfin Cove	Community Council	Boardwalk Replacement/Repair Grant	\$25,000.00			Road Construction and Access	\$10,000.00
Evansville	Village Council	Utility Truck	\$25,000.00	Hydroelectric Project	\$25,000.00	Community and Facilities	\$25,000.00
Four mile Road Comm.	Same	Road Stabilization Project	\$25,000.00	Bulk Fuel Storage Facility	\$25,000.00	Ambulance Purchase	\$25,000.00
Gakora	Village Council	Undesignated	\$0.00	Road Stabilization Project	\$25,000.00	Road Stabilization Project	\$25,000.00
Glennallen	Copper Valley Comm.	Distance Learning /Medical Link	\$25,000.00	Community Facilities & Equipment	\$0.00	Community Facilities and Equipment	\$25,000.00
Gulkana	Village Council	Site Preparation Work for Health Clinic	\$25,000.00	Library Building Expansion	\$40,000.00	Library Expansion/Renovation	\$25,000.00
				Health Clinic Completion	\$25,000.00	Community Recreation Park	\$15,000.00
Gustavus	Community Council	Landfill Compliance Grant	\$25,000.00			Clinic Site Completion	\$10,000.00
				Public Library Replacement	\$25,000.00	Landfill Activities	\$10,000.00
						Completion of New Library	\$7,000.00
						Medical/Office Equipment	\$8,000.00
Healy Lake	Traditional Council	Teacher Housing/Generator	\$25,000.00	Health Clinic Construction	\$25,000.00	Health Clinic Construction Phase I	\$25,091.00
Hollis	Community Council	Roads Upgrade	\$25,000.00	Pioneer Road Upgrade	\$25,000.00	Upgrade Lower Harris River Subdivisor Road	\$25,000.00
Hyder	Community Assn.	Design/Development of RV/Tenting Campground	\$25,000.00	Campground Design and Development	\$25,000.00	Community Facilities and Equipment	\$25,000.00
Kenny Lake	Community League	Athletic Storage Building	\$11,115.00	Track and Baseball Field	\$11,100.00	Land Acquisition for Community Center	\$25,000.00
		Track and Baseball Field	\$12,635.00	Hockey Rink	\$13,900.00		
Kipnuk	Village Council	Boardwalks	\$25,000.00	Boardwalk Renovation	\$25,000.00	House Moving Trailer	\$25,000.00
Klukwan	Chilkat Indian Vill. Cnl	Building Repairs	\$25,000.00	Community Center Design and Construction	\$25,000.00	Community Facilities and Equipment	\$25,000.00
Koliganek	Village Council	Design and Construction of New Health Clinic	\$25,000.00	Health Clinic Design and Construction	\$25,000.00	Health Clinic Construction Phase III	\$25,000.00
Kongiganak	Traditional Council	Facilities & Equipment Project	\$25,000.00	Community Facilities & Equipment	\$25,000.00	Community Hall/Office	\$25,000.00
Kwigillingok	IRA Council	Public Facilities	\$25,000.00	Community Facilities & Equipment	\$25,000.00	Community Facilities and Equipment Phase III	\$25,000.00
Lake Minchumina	Traditional Council	Undesignated	\$0.00	Community Facilities & Equipment	\$0.00	Community Facilities and Equipment	\$25,000.00
Limo Village	Traditional Council	Undesignated	\$0.00	Community Facilities & Equipment	\$0.00	Bulk Fuel Storage	\$12,500.00
						Village Electrification	\$25,000.00
						Road Improvements	\$12,500.00
Manley Hot Springs	Community Assn.	Phase 1 - Multi-Purpose Facility	\$25,000.00	Multipurpose Community Facility	\$25,000.00	Multipurpose Community Facility	\$25,000.00
Montasta	Village Council	Clinic Expansion Project	\$25,000.00	Village Store Renovation	\$25,700.00	Day Care/Elder Center	\$25,878.00
Metlakalla	Indian Village	Lift Station	\$23,775.00	Hatchery Site Preparation	\$25,000.00	Cold Storage Facility Repairs	\$18,000.00
						Replace Cannery Building Wall	\$7,000.00
Minto	IRA Council	Undesignated	\$0.00	Search and Rescue Supplies/Equipment/Training	\$25,000.00	Emergency Rescue Truck	\$25,000.00
Naukati Bay	Naukati West Inc.	Undesignated	\$0.00	Road Construction Rock Pit Development	\$25,000.00	Road Construction/Pit Development	\$25,000.00
Nelchina/Mondeltna	Corporation	Undesignated	\$0.00	Mondeltna Community Well	\$25,000.00	Community Facilities and Equipment	\$25,000.00
Nikolski	IRA Council	Undesignated	\$0.00	Community Facilities & Equipment	\$0.00	Community Facilities and Equipment	\$25,000.00

Northway	Village Council	Clinic Renovation	\$15,000.00	Community Hall Water/Sewer Hook-Up	\$25,000.00	Water/Sewer Hook-up for Community Hall/Council Office	\$25,000.00
		Youth Recreation - Cement Basketball Court	\$10,000.00				
Oscarville	Village Council	Undesignated	\$0.00	Community Facilities & Equipment	\$0.00	Community Facilities and Equipment	\$25,000.00
Paxson	Community Affairs	Undesignated	\$0.00	Community Facilities & Equipment	\$0.00	Community Facilities and Equipment	\$25,000.00
Pitka's Point	Village Council	Safewater Treatment Plant	\$25,000.00	Community Facilities & Equipment	\$0.00	Community Facilities and Equipment	\$25,000.00
Point Baker	Community	Safe Drinking Water Project	\$25,000.00	Community Drinking Water System Development	\$25,000.00	Community Facilities and Equipment	\$25,000.00
Port Protection	Community Assn.	Rebuilding of Rotting Boardwalk	\$25,000.00	Rebuild Boardwalk	\$25,000.00	Rebuild Boardwalk	\$25,000.00
Rampart	Village Council	Undesignated	\$0.00	Water Plant Building	\$25,000.00	Washeteria/Laundroma/Watering Point Construction	\$50,000.00
Red Devil	Corporation	Undesignated	\$0.00	Community Facilities & Equipment	\$25,000.00	Community Facilities and Equipment	\$50,000.00
Silver Springs	Area Residents Assn.	Undesignated	22,599.00	Road Improvements	\$27,400.00	Road Improvements	\$25,000.00
Slana Community	Corporation	Road Maintenance	\$10,000.00	Community Road Construction	\$20,000.00	Building Construction	\$30,000.00
		Road Construction	\$15,000.00				
Slana League	Same	Distance Learning/Medical Link	\$25,000.00	Distance Learning/Medical Link	\$25,000.00	Community Facilities and Equipment	\$25,000.00
Sleetmute	Traditional Council	Undesignated	\$0.00	Road Improvements	\$25,000.00	Community Facilities and Equipment	\$25,000.00
Stevens Village	IRA Council	Multi-Purpose Community Building	\$25,000.00	New Community Hall	\$25,000.00	Multi-Purpose Building Construction	\$25,000.00
Stony River	Traditional Council	Undesignated	\$0.00	Community Facilities & Equipment	\$0.00	Community Facilities and Equipment	\$25,000.00
Takolna	Community Assn.	Undesignated	23,684.00	Utility Office and Lodge Materials Purchase	\$25,000.00	Utility Office and Lodge Construction	\$25,000.00
Tanacross	Village Council	Undesignated	\$0.00	Washeteria Renovation	\$25,000.00	Community Hall and Fire Hall Rehabilitation Project	\$23,684.00
Tatitlek	IRA Council	Undesignated	\$0.00	Community Facilities & Equipment	\$0.00	Teacher Housing Construction	\$50,000.00
Tazlina	Assn. Tazlina Res.	Distance Learning/Medical Link	\$10,000.00	Distance Learning/Medical Link	\$20,000.00	Distance Learning/Medical Link	\$10,000.00
		Hockey Rink Building	\$10,000.00			Hockey Rink Construction	\$10,000.00
						School Bus Stop Shelters	\$5,000.00
Tetlin	Village Council	Road Improvements/Equipment Purpose	\$25,000.00	Repair Village Wash house/Replacement Equipment	\$25,000.00	Washeteria Phase II	\$25,917.00
Tok	Comm. Umbrella Corp	Water/Sewer Installation and Reconstruction	\$25,000.00	Community Center/Library/Yard Maintenance and Upgrade	\$25,000.00	Community Facilities and Equipment	\$25,000.00
Tolsona	Community Corp.	Undesignated	\$0.00	Firehall Well	\$25,000.00	Firehall Improvements	\$23,000.00
Tuntutuliak	Village Council	JAILHOUSE Construction	\$25,000.00	Bulk Fuel Tank/Farm Dike	\$25,000.00	Tractor	\$25,917.00
Twin Hills	Village Council	Undesignated	\$0.00	Community Facilities & Equipment	\$0.00	Tribal Office Building	\$50,000.00
Venetie	Village Council	Undesignated	\$0.00	Back-Up Generator Purchase	\$25,000.00	Youth Center Building Purchase	\$25,000.00
Whale Pass	Homeowners Assn.	Firehall	\$10,000.00	Dock Upgrade and Improvements	\$25,000.00	Firehall Renovation Project	\$23,750.00
		Dock	\$15,000.00				
Wiseman	Community Assn.	Phase 1 Land Purchase	\$25,000.00	Community Center Land Acquisition and Design	\$25,000.00	Community Center Electrical Generation Co-op	\$25,000.00

68 COMMUNITIES

9-LS1642F  
Cook  
2/27/96

CS FOR SENATE BILL NO. 287(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): SENATOR TORGERSON

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to the unincorporated community capital project matching grant  
2 program; and providing for an effective date."

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

4 \* Section 1. AS 37.06.020(b) is amended to read:

5 (b) The unincorporated community capital project matching grant fund is  
6 established in the department and consists of appropriations to the fund. Appropriations  
7 to the fund do not lapse except as provided in (h) of this section. The money in the fund  
8 is held by the department in custody under this subsection for each unincorporated  
9 community eligible for an allocation under this subsection. The department shall  
10 establish an individual grant account within the fund for each eligible unincorporated  
11 community [THAT WAS ENTITLED TO RECEIVE STATE AID UNDER  
12 AS 29.60.140 DURING THE PRECEDING FISCAL YEAR]. As provided in this  
13 subsection, each fiscal year the department shall allocate, to the individual grant  
14 accounts, appropriations to the fund. An unincorporated community is eligible for an  
15 allocation in a fiscal year if the requirements of (d) are met and the community (1)

1 was eligible to receive state aid under AS 29.60.140 during the preceding fiscal year; or  
 2 (2) is located in a borough, other than a unified municipality, and was a place in  
 3 which 25 or more individuals resided as a social unit during the preceding fiscal  
 4 year. The department shall credit interest earned on money in an individual grant  
 5 account to that account. Except as provided in (c) of this section, the amount allocated  
 6 under this subsection to an individual grant account in a fiscal year is determined by  
 7 dividing the total amount appropriated to the fund during that fiscal year by the number  
 8 of unincorporated communities eligible for an allocation during that fiscal year.

9 \* Sec. 2. AS 37.06.020(d) is amended to read:

10 (d) The department shall designate, in each eligible unincorporated community,  
 11 a [AN INCORPORATED] nonprofit corporation [ENTITY] or a Native village council  
 12 that agrees to receive and spend grant money allocated to the unincorporated  
 13 community's individual grant account under (b) of this section. If the community is  
 14 located in a borough, the department may only designate an entity that has been  
 15 approved by the assembly and the department must have written evidence of that  
 16 approval. If there is more than one qualified entity in a community, the department  
 17 shall designate the entity that the department finds most qualified to make draws from  
 18 that unincorporated community's individual grant account and spend the money. If there  
 19 is no qualified [INCORPORATED] nonprofit corporation [ENTITY] or Native village  
 20 council in an unincorporated community that will agree to receive and spend money  
 21 allocated to the community under (b) of this section, draws may not be made from the  
 22 unincorporated community's individual grant account and the amount allocated to the  
 23 account lapses into the general fund. An entity qualifies for designation under this  
 24 subsection only if it

- 25 (1) was formed to serve a public or civic purpose;
- 26 (2) is registered and in good standing with the Department of  
 27 Commerce and Economic Development if it is a nonprofit corporation;
- 28 (3) agrees to use the grant money for a public purpose;
- 29 (4) provides the residents of the community with a public facility or  
 30 service;
- 31 (5) has held a public meeting to give residents of the community the  
 32 opportunity to express their preferences and ideas for use of the grant money; and

1                                    (6) agrees to make a facility provided with grant money available to  
2                                    every person in the community.

3 \* Sec. 3. AS 37.06.020(e) is amended to read:

4                    (e) By October 1 of each fiscal year, the [INCORPORATED] nonprofit  
5                    corporation [ENTITY] or Native village council designated by the department under (d)  
6                    of this section shall submit to the governor a prioritized list of capital projects and  
7                    estimated costs to be financed with money from the community's individual grant  
8                    account established under (b) of this section. The list must include the amount and source  
9                    of the local share required by AS 37.06.030. If the community is located in a  
10                   borough, the list is subject to approval of the assembly and must be accompanied  
11                   by written evidence of that approval. The governor shall include in the capital  
12                   improvements program presented to the legislature under AS 37.07.060 the projects  
13                   submitted by designated entities under this subsection that the governor recommends for  
14                   funding. If, in the capital improvements program, the governor includes projects in other  
15                   than the priority order submitted by a designated entity, the governor shall provide the  
16                   legislature with a written statement of the reasons for that action.

17 \* Sec. 4. AS 37.06.030(b) is amended to read:

18                    (b) For each draw made by an entity [OR COUNCIL] under AS 37.06.020, the  
19                    nonprofit corporation [INCORPORATED ENTITY] or Native village council that  
20                    makes the draw shall contribute a local share of the cost of the capital project for which  
21                    the draw is made. The amount of the local share for an unincorporated community  
22                    in a borough is the amount of the local share for that borough as calculated under  
23                    (a) of this section. The amount of the local share for an unincorporated community  
24                    in the unorganized borough equals the local share percentage as calculated under (1)  
25                    of this subsection, divided by the state share percentage as calculated under (2) of this  
26                    subsection, multiplied by the amount of the draw. For purposes of this subsection,  
27                    (1) the local share percentage is five percent;  
28                    (2) the state share percentage equals one minus the local share  
29                    percentage;  
30                    (3) the local share may be satisfied from (A) federal or local money; (B)  
31                    labor, materials, or equipment used directly in the construction of the project, or land,  
32                    including land transferred by the state; the department shall determine the value of a

1 contribution under this subparagraph; (C) money from another nonstate source; (D)  
2 money received by the unincorporated community under AS 29.60.010 - 29.60.375; or  
3 (E) money obtained from the sale or lease of land or other assets transferred by the state;  
4 except as provided in this paragraph, the local share may not be satisfied with money  
5 from, or with the portion of an asset that was obtained with money from, an  
6 appropriation, allocation, entitlement, grant, or other payment from the state.

7 \* Sec. 5. This Act takes effect July 1, 1996.

# Alaska State Legislature

Committee Chair  
Community & Regional Affairs

Committee Vice-Chair  
Labor & Commerce

Committee Membership  
Legislative Council



District Address:  
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*

## COMMITTEE SUBSTITUTE FOR SB 287 SPONSOR STATEMENT

There are two capital matching grant programs: the Municipal Capital Project Matching Grant Program, and the Unincorporated Community Matching Grant Program. The purpose of these programs is to "(1) provide a capital project funding system that is equitable to municipalities and unincorporated communities throughout the state; (2) enhance the role of communities in initiating and prioritizing the construction of capital projects; (3) encourage a sense of local ownership in capital projects by requiring local participation . . . ; and (4) improve the process for making grants. . . that involves the local community, the executive branch, and the legislature." (emphasis added)

Committee Substitute to Senate Bill 287 revises the Unincorporated Community Capital Project Matching Grant Program to include unincorporated communities located within organized boroughs. Currently when these communities want a capital project, they must first convince their borough that it has a higher priority than those which may benefit the entire borough, and has a higher priority than projects for other communities within that borough. Once the project is placed on the borough's list, it must then survive the State process.

This legislation allows unincorporated communities within boroughs to apply for a capital projects matching grant provided the project and the administering agency qualify on the same basic terms as unincorporated communities in the unorganized borough.

Recognizing that, because they are located within organized boroughs, they may receive greater benefits than their counterparts in the unorganized borough, unincorporated communities within boroughs have additional requirements that must be met for eligibility. They must obtain the approval of their borough assembly for both the project list and the administering agency, and their local share requirements are the same as the boroughs themselves. This assures that projects requested are of ample priority to justify the effort required to raise a higher local share and allows boroughs to concentrate on projects with a greater borough-wide benefit.

JT:dld:SB287:3/11/96

SPONSOR STATEMENT--CSSB 287-

**COMMITTEE SUBSTITUTE FOR SENATE BILL 287  
SECTIONAL ANALYSIS**

Section 1: Amends AS 37.06.020(b) to include unincorporated communities located within organized boroughs

Section 2: Amends AS 37.06.020(d) to require that the borough assembly must designate the entity which will be receiving the grant. It also lists the following qualifications for an entity receiving funds:

- formed to serve a public or civic purpose
- registered and in good standing with the Department of Commerce & Economic Development if it is a nonprofit corporation
- agrees to use the grant money for a public purpose
- provides the residents of a community with a public facility or service
- has held a public meeting to give residents the opportunity to express their preferences and ideas for use of the grant money; and
- agrees to make the facility provided with grant money available to every person in the community.

Section 3: Amends AS 37.06.020(e) to require that written assembly approval must accompany an unincorporated community's list of requested projects for communities within its boundaries.

Section 4: Amends AS 37.06.030(b) to state that the local share for an unincorporated community located within a borough is calculated the same as for that borough.

## Comparison of CS SB 287 (CRA) with Current Program

### Current Program

- Unincorporated communities in the unorganized borough are eligible to participate
- One appropriation is made and allocated equally among the eligible communities' accounts
- Currently sufficient funds are appropriated to allocate \$25,000 to each account--\$1,700,000 for FY 97 is requested
- Unincorporated communities must have been eligible for revenue sharing the previous fiscal year (revenue sharing eligibility criteria are contained in regulation)
- DCRA designated a nonprofit corporation or a Native village council to receive and spend grant money

### CS SB 287(CRA)

- Unincorporated communities in organized boroughs are added to those who can participate
- Same as Current Program
- Without additional funding, allocation amounts will be reduced depending on the number of additional participants--worst case scenario reduces individual allocation to approximately \$13,281, a reduction of \$11,719
- Unincorporated communities must meet the same basic eligibility requirements; however criteria is now in the statute

Additionally communities in boroughs must obtain borough approval for project list and for administering entity

- Same as current program

Additionally communities in boroughs must obtain borough approval for administering entity

## Comparison of CS SB 287 (CRA) with Current Program

- Designated administering entity submits prioritized list of capital projects to be funded from individual accounts to governor along with amount and source of local share required.
- Governor submits list of approved projects to the legislature for its approval
- Local share percentage is 5 percent
- Same as current program  
Additionally communities in boroughs must obtain borough approval for administering entity
- Same as Current Program
- Local share percentage for communities in the unorganized borough remains at 5 percent  
Local share percentage for communities in boroughs is the same as the borough in which they're located

Participating Communities in the Unorganized Borough		Communities in the Organized Boroughs Possibly Eligible to Participate				Communities in the Organized Boroughs Most Likely NOT Eligible to Participate	
		Community	Borough	Community	Borough		
Akiachak	Lime Village	Nelson Lagoon	Aleutians East	Ninilchik	Kenai	Elkutna	Anchorage
Arctic Village	Manley Hot Springs	King Salmon	Bristol Bay	Port Graham	Kenai	Ferry	Denali
Beaver	Mentasta Lake	Naknek	Bristol Bay	Primrose	Kenai	Lignite	Denali
Birch Creek	Metlakatla	South Naknek	Bristol Bay	Salamatof	Kenai	Collega	Fairbanks
Central	Minto	Cantwell	Denali	Tyonek	Kenai	Elelson AFB	Fairbanks
Chalkyitsik	Naukatu Bay	Healy	Denali	Chiniak	Kodiak	Ester	Fairbanks
Chenegu Bay	Nelchina/Mendaltna	McKinley Park	Denali	Karluk	Kodiak	Covenant Life	Haines
Chistochina	Nikolski	Fox	Fairbanks	Chignik Lagoon	Lake & Pen	Fritz Creek	Kenai
Chitna	Northway	Harding Lake	Fairbanks	Chignik Lake	Lake & Pen	Nikiski	Kenai
Circle	Oscarville	Moose Creek	Fairbanks	Egegik	Lake & Pen	Ridgeway	Kenai
Copper Center	Paxson	Pleasant Valley	Fairbanks	Igiugig	Lake & Pen	Sterling	Kenai
Crooked Creek	Pitka's Point	Salcha	Fairbanks	Iliamna	Lake & Pen	Kodiak Station	Kodiak
Deltana	Point Baker	Two Rivers	Fairbanks	Ivanof Bay	Lake & Pen	Womens Bay	Kodiak
Dot Lake Services	Port Protection	Lutak	Haines	Kokhanok	Lake & Pen	Butte	Mat-Su
Dot Lake Village	Rampart	Mosquito Lake	Haines	Levelock	Lake & Pen	Lazy Mountain	Mat-Su
Eagle Village	Red Devil	Anchor Point	Kenai	Pedro Bay	Lake & Pen	Meadow Lakes	Mat-Su
Edna Bay	Silver Springs	Clam Gulch	Kenai	Perryville	Lake & Pen	Deadhorse	North Slope
Elfin Cove	Slana	Cohoe	Kenai	Port Alsworth	Lake & Pen	Prudhoe Bay	North Slope
Evansville	Slana	Cooper Landing	Kenai	Alexander Creek	Mat-Su		
Four Mile Rd Comm.	Sleetmute	Crown Point	Kenai	Big Lake	Mat-Su		
Gakona	Stevens Village	Fox River	Kenai	Chase	Mat-Su		
Glennallen	Stony River	Halibut Cove	Kenai	Chickaloon	Mat-Su		
Gulkana	Takotna	Happy Valley	Kenai	Knik	Mat-Su		
Gustavus	Tanacross	Hope	Kenai	Skwentna	Mat-Su		
Healy Lake	Tatituk	Jakolof Bay	Kenai	Sutton	Mat-Su		
Hollis	Tazlina	Kalifonsky	Kenai	Talkeetna	Mat-Su		
Hyder	Tetlin	Kasilof	Kenai	Trapper Creek	Mat-Su		
Kenny Lake	Tok	Moose Pass	Kenai	Willow	Mat-Su		
Kipnuk	Tolsona	Nanwalek	Kenai	Point Lay	North Slope		
Klukwan	Tuntutulak	Nikolaevsk	Kenai	Noatak	Northwest Arctic		
Koliganek	Twin Hills						
Kongiganak	Venette						
Kwigillingok	Whale Pass						
Lake Minchumina	Wiseman						

**Effect of Senate Bill 287 on Existing Program**

	CURRENT PROGRAM		SENATE BILL 287--addition of unincorporated communities in boroughs					
	Unorganized Borough	FY97 Request (\$25,000 per community)	Organized Borough	TOTAL under SB 287	Funding Needed for \$25,000 per community	Add'l Funding Over FY 97 Request	Allocation No Add'l Funding	Existing Allocation Reduced by
Total Number of Unincorporated Communities	90 (1)		78 (1)	168				
Number Possibly Eligible to Participate	81 (1)		59 (1)	140				
Number of Participants	68 (2)	1,700,000	60 (3)	128	3,200,000	1,500,000	13,281	11,719
			59 (4)	127	3,175,000	1,475,000	13,386	11,614
			50 (5)	118	2,950,000	1,250,000	14,407	10,593

(1) Based on information provided by the Department of Community & Regional Affairs

(2) This number represents 76% of all unincorporated communities in the unorganized borough  
It also represents 84% of those communities that might be eligible if they chose to participate

(3) DCRA's estimate of additional communities which might possibly be eligible for grant program

(4) For comparison purposes, this number represents 76% of all unincorporated communities in the organized borough.

(5) For comparison purposes, this number represents 84% of the unincorporated communities in the organized borough that might be eligible if they chose to participate

# FISCAL NOTE

STATE OF ALASKA  
1996 LEGISLATIVE SESSION

BILL NO: SB 287

Revision Date: 2/20/96 Dept. Affected: Community & Regional Affairs  
 Title: An Act relating to unincorporated community capital project matching grant program BRU: Administration and Support  
 Component: Administrative Services  
 Sponsor: Sen. Torgerson  
 Requestor: Senate C&RA COMPONENT SERIAL NO. 684

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

OPERATING	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
PERSONAL SERVICES	42.7	43.9	45.3	46.6	48.1	49.6
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>42.7</b>	<b>43.9</b>	<b>45.3</b>	<b>46.6</b>	<b>48.1</b>	<b>49.6</b>

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

Revenue Fund Source	0.0	0.0	0.0	0.0	0.0	0.0
---------------------	-----	-----	-----	-----	-----	-----

**FUNDING: (Thousands of Dollars)**

1002 Federal Receipts						
1003 GF Match						
1004 GF	42.7	43.9	45.3	46.6	48.1	49.6
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
<b>TOTAL</b>	<b>42.7</b>	<b>43.9</b>	<b>45.3</b>	<b>46.6</b>	<b>48.1</b>	<b>49.6</b>

Estimate of current year (FY 96) impact: \$ none

**POSITIONS:**

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

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

Based on the definition of communities eligible for program participation under this legislation, the Department assumes approximately 60 additional unincorporated communities could participate. The program provides for a \$25,000 match for each unincorporated participant. Therefore, an additional \$1,500,000 would be needed to fully fund the unincorporated element of the amended Capital Match Program administered by the Department. However, it is our understanding that either the additional required funds would be re-allocated to the Department from the municipal element of the program administered by the Department of Administration or the unincorporated program funding level would be held at the level required (continued next page)

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

**PREPARER TO PROVIDE ALL DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE**

For further distribution information call the Governor's Legislative Office

Revision Date: 2/20/96 Dept. Affected: Community & Regional Affairs

ANALYSIS CONTINUED:

before the addition of the 60 new communities (\$1.7 million). The later case would result in a pro-rating of each unincorporated community's share from \$25,000 down to \$13,281. In either case, there would be zero net fiscal impact to the general fund with regard to funding the Capital Match Program under the proposed amendment.

The addition of 60 new participants to the unincorporated community Capital Match Program administered by the Department will translate into increased burdens of grant tracking and community assistance for the agency. Existing staff would not be able to absorb the increased work load. The Department feels these additional duties could only be absorbed by a new grant administration position. Therefore, a Grants Administrator I (range 13) with full-time funding is included in this fiscal note. It is important that full funding be attached due to the imminent general fund reductions to the component'

**SENATE BILL 287  
SECTIONAL ANALYSIS**

Section 1: Amends AS 37.06.020(b) to include unincorporated communities located within organized boroughs

Section 2: Amends AS 37.06.020(d) to require that the borough assembly must designate the entity which will be receiving the grant. It also lists the following qualifications for an entity receiving funds:

- formed to serve a public or civic purpose
- registered and in good standing with the Department of Commerce & Economic Development if it is a nonprofit corporation
- agrees to use the grant money for a public purpose
- provides the residents of a community with a public facility or service
- has held a public meeting to give residents the opportunity to express their preferences and ideas for use of the grant money; and
- agrees to make the facility provided with grant money available to every person in the community.

Section 3: Amends AS 37.06.020(e) to require that written assembly approval must accompany an unincorporated community's list of requested projects for communities within its boundaries.

(f) A municipality shall repay to the department money drawn from its individual grant account if substantial, ongoing work on the capital project is not started within five years after the effective date of the appropriation from which the draw is funded. Money repaid shall be deposited into the general fund. Money from an allocation to a municipality's individual grant account that has not been drawn out by the municipality within five years after the effective date of the appropriation from which the allocation is funded lapses into the general fund.

(g) For purposes of this section, in calculating the population of a borough the population of each city in the borough is excluded. The determination of population shall be based upon data used by the Department of Community and Regional Affairs under AS 29.60.020.

(h) The provisions of AS 37.05.321 apply to a grant and draws made under this section, and to earnings from the grant and draws.

(i) In this section, unless specified otherwise, "department" means the Department of Administration. (§ 3 ch 80 SLA 1993)

**Sec. 37.06.020. Unincorporated community capital project matching grant program.** (a) The unincorporated community capital project matching grant program is established in the department. Grants to unincorporated communities under the program shall be administered as provided in this section.

(b) The unincorporated community capital project matching grant fund is established in the department and consists of appropriations to the fund. Appropriations to the fund do not lapse except as provided in (h) of this section. The money in the fund is held by the department in custody under this subsection for each unincorporated community eligible for an allocation under this subsection. The department shall establish an individual grant account within the fund for each unincorporated community that was entitled to receive state aid under AS 29.60.140 during the preceding fiscal year. As provided in this subsection, each fiscal year the department shall allocate, to the individual grant accounts, appropriations to the fund. An unincorporated community is eligible for an allocation in a fiscal year if the community was eligible to receive state aid under AS 29.60.140 during the preceding fiscal year. The department shall credit interest earned on money in an individual grant account to that account. Except as provided in (c) of this section, the amount allocated under this subsection to an individual grant account in a fiscal year is determined by dividing the total amount appropriated to the fund during that fiscal year by the number of unincorporated communities eligible for an allocation during that fiscal year.

(c) A minimum of \$25,000 shall be allocated to each eligible unincorporated community's grant account each fiscal year under (b) of this section. If appropriations are not sufficient to fully fund the mini-

maximum amount for each eligible unincorporated community, the amount appropriated shall be allocated equally among the eligible unincorporated communities.

(d) The department shall designate, in each eligible unincorporated community, an incorporated nonprofit entity or a Native village council that agrees to receive and spend grant money allocated to the unincorporated community's individual grant account under (b) of this section. If there is more than one qualified entity in a community, the department shall designate the entity that the department finds most qualified to make draws from that unincorporated community's individual grant account and spend the money. If there is no qualified incorporated nonprofit entity or Native village council in an unincorporated community that will agree to receive and spend money allocated to the community under (b) of this section, draws may not be made from the unincorporated community's individual grant account and the amount allocated to the account lapses into the general fund.

(e) By October 1 of each fiscal year, the incorporated nonprofit entity or Native village council designated by the department under (d) of this section shall submit to the governor a prioritized list of capital projects and estimated costs to be financed with money from the community's individual grant account established under (b) of this section. The list must include the amount and source of the local share required by AS 37.06.030. The governor shall include in the capital improvements program presented to the legislature under AS 37.07.060 the projects submitted by designated entities under this subsection that the governor recommends for funding. If, in the capital improvements program, the governor includes projects in other than the priority order submitted by a designated entity, the governor shall provide the legislature with a written statement of the reasons for that action.

(f) The legislature may make appropriations, from an unincorporated community's individual grant account established under (b) of this section, for the unincorporated community for capital projects under this section. Subject to appropriations under this subsection and to the local share requirements of AS 37.06.030, an entity designated by the department under (d) of this section may draw, on behalf of the unincorporated community, amounts from that community's individual grant account for a capital project in accordance with an appropriation for that project. In accepting a draw, an entity designated by the department under (d) of this section acknowledges that the state is not responsible for operating or maintaining a capital project for which the draw is used, or for paying for its operation or maintenance. The acknowledgment does not apply to use of money from a draw for repair or improvement of an existing facility that is operated or maintained by the state at the time that the draw is made if the repair or improvement for which the draw is used will not substantially increase the

operating or maintenance costs to the state. No more than 10 percent of the total amount of money from a draw for land acquisition, or planning, design, construction, or repair of a facility may be used for administrative expenses. No more than five percent of the total amount of money from a draw for equipment or equipment repairs may be used for administrative expenses. The designated entity and its agents, contractors, and subcontractors shall comply with the hiring preferences under AS 36.10 in hiring employees to be paid wholly or in part with money from a draw.

(g) An entity designated by the department under (d) of this section that is a Native village council may not draw money from an unincorporated community's individual grant account unless the council waives immunity from suit for claims arising out of activities of the council related to the draw. A waiver of immunity from suit under this subsection must be on a form provided by the Department of Law. Neither this subsection nor any action taken under it enlarges or diminishes the governmental authority or jurisdiction of a Native village council.

(h) An entity designated by the department under (d) of this section shall repay to the department money it has drawn from an unincorporated community's individual grant account if substantial, ongoing work on the project is not started within five years after the effective date of the appropriation from which the draw is funded. Money repaid shall be deposited into the general fund. Money from an allocation to an unincorporated community's individual grant account that has not been drawn out by a designated entity within five years after the effective date of the appropriation from which the allocation is funded lapses into the general fund.

(i) The limitations of AS 44.47.140 do not apply to a grant made under this section.

(j) The provisions of AS 37.05.321 apply to a grant and draws made under this section, and to earnings from the grant and draws.

(k) In this section, unless specified otherwise, "department" means the Department of Community and Regional Affairs. (§ 3 ch 80 SLA 1993)

**Sec. 37.06.030. Local share requirements.** (a) For each draw made by a municipality under AS 37.06.010, the municipality shall contribute a local share to the cost of the capital project for which the draw is made. The amount of the local share equals the local share percentage as calculated under (1) of this subsection, divided by the state share percentage as calculated under (2) of this subsection, multiplied by the amount of the draw. For purposes of this subsection,

(1) the local share percentage is

(A) 30 percent for a municipality with a population of 5,000 or more;

0 percent  
sition, or  
used for  
the total  
t repairs  
ntity and  
the hir-  
d wholly

s section  
unincor-  
council  
es of the  
nder this  
of Law.  
arges or  
Native

s section  
incorpo-  
ongoing  
effective  
oney re-  
alloca-  
unt that  
rs after  
ation is

t made  
s made  
aws.  
means  
30 SLA

a draw  
y shall  
ich the  
share  
by the  
n, mul-  
ection,

000 or

(B) for a municipality with a population of 1,000 — 4,999, the greater of

- (i) 15 percent; or
- (ii) the percentage obtained by dividing the amount that would be received by the municipality from a property tax levy of 1/1000th of a mill per \$1,000 of grant funds received by the sum of that first amount plus the amount of the grant or draw, but not more than 30 percent;

(C) for a municipality with a population of under 1,000, the greater of

- (i) five percent; or
- (ii) the percentage obtained by dividing the amount that would be received by the municipality from a property tax levy of 1/1000th of a mill per \$1,000 of grant funds received by the sum of that first amount plus the amount of the grant or draw, but not more than 30 percent;

(2) the state share percentage equals one minus the local share percentage;

(3) the local share to be contributed by a municipality may be satisfied with (A) federal, municipal, or local money; (B) labor, materials, or equipment used directly in the construction of the project, or land, including land transferred by the state to the municipality; the department shall determine the value of a contribution under this subparagraph; (C) money from another nonstate source; (D) money received by the municipality under AS 29.60.010 — 29.60.375; (E) state taxes refunded or reimbursed to the municipality whose use for the purposes of this subsection is not prohibited; (F) allocations of state aid for the costs of school construction debt under AS 14.11.100; and (G) money obtained from the sale or lease of land or other assets transferred by the state to the municipality; except as provided in this paragraph, the local share may not be satisfied with money from, or with the portion of an asset that was obtained with money from, an appropriation, allocation, entitlement, grant, or other payment from the state.

(b) For each draw made by an entity or council under AS 37.06.020, the incorporated entity or Native village council that makes the draw shall contribute a local share of the cost of the capital project for which the draw is made. The amount of the local share equals the local share percentage as calculated under (1) of this subsection, divided by the state share percentage as calculated under (2) of this subsection, multiplied by the amount of the draw. For purposes of this subsection,

- (1) the local share percentage is five percent;
- (2) the state share percentage equals one minus the local share percentage;

(3) the local share may be satisfied from (A) federal or local money; (B) labor, materials, or equipment used directly in the construction of the project, or land, including land transferred by the state; the department shall determine the value of a contribution under this sub-

paragraph: (C) money from another nonstate source; (D) money received by the unincorporated community under AS 29.60.010 — 29.60.375; or (E) money obtained from the sale or lease of land or other assets transferred by the state; except as provided in this paragraph, the local share may not be satisfied with money from, or with the portion of an asset that was obtained with money from, an appropriation, allocation, entitlement, grant, or other payment from the state.

(c) For purposes of (a) of this section, in calculating the population of a borough the population of each city in the borough is excluded. The determination of population shall be based upon data used by the Department of Community and Regional Affairs under AS 29.20.060. (§ 3 ch 80 SLA 1993)

**Sec. 37.06.080. Adoption of regulations.** The Department of Administration for grants under AS 37.06.010 and the Department of Community and Regional Affairs for grants under AS 37.06.020

(1) may adopt regulations that impose additional requirements or procedures to implement, interpret, make specific, or otherwise carry out the applicable provisions of this chapter for grants administered by the department;

(2) shall adopt regulations providing for periodic audits of the use of money for grants administered by the department under this chapter, including audit of the department's determination of the value of, and adequacy of the verification of the actual use of, locally funded or contributed labor on projects funded by a grant under this chapter. (§ 3 ch 80 SLA 1993)

**Sec. 37.06.090. Definition of "capital project."** In this chapter, "capital project" means a project with a cost exceeding \$10,000 to acquire or improve an asset with an anticipated life exceeding one year and includes land acquisition, construction, repair or structural improvement of a facility, engineering and design for a facility, and acquisition or repair of equipment. (§ 3 ch 80 SLA 1993)

### Chapter 07. Executive Budget Act.

**Section**

- 10. Statement of policy
- 20. Responsibilities of the governor
- 30. Responsibilities of the legislature
- 40. Office of management and budget
- 50. Agency program and financial plans
- 60. Governor's recommendation
- 62. Capital budget
- 70. Legislative review

**Section**

- 80. Program execution
- 90. Performance reporting
- 100. Proposed supplemental or special appropriations
- 110. Interpretation of chapter
- 120. Definitions
- 130. Short title

19 AAC 010.0920

DETERMINATION OF COMMUNITY.

(a) In determining whether a population comprises a community or social unit, the commission will, in its discretion, consider relevant factors, including whether the people

(1) reside permanently in a close geographical proximity that allows frequent personal contacts and has a population density that is characteristic of neighborhood living;

(2) residing permanently at a location are a discrete and identifiable unit, as indicated by such factors as school enrollment, number of sources of employment, voter registration, precinct boundaries, permanency of dwelling units, and the number of commercial establishments and other service centers.

(b) Absent a specific and persuasive showing to the contrary, the commission will presume that a population does not constitute a community or social unit if

(1) public access to or the right to reside at, the location of the population is restricted;

(2) the population is contiguous or closely adjacent to a community or social unit and is dependent upon that community or social unit for its existence; or

(3) the location of the population is provided by an employer and is occupied as a condition of employment primarily by persons who do not consider the place to be their permanent residence.

History -

Eff. 7/31/92, Register 123

Authority -

Alaska Const. art. X, sec. 12

AS 44.47.567

AS 44.47.980

19 AAC 030.0055

**STANDARDS FOR PAYMENTS OF STATE AID TO INCORPORATED COMMUNITIES.**

An applicant that is an entity qualified to receive an entitlement under AS 29.60.140 must meet the following standards to receive payment:

(1) the applicant must agree to irrevocably dedicate for a public purpose the payment that the applicant receives under AS 29.60.140;

(2) the applicant must be providing the residents of the unincorporated community with a public facility or service as of October 1 of the computation year;

(3) the applicant must have held a public meeting to give residents the opportunity to express their ideas and preferences for the use of money received under AS 29.60.140 and must have posted notice of the meeting in three public and prominent places in the community for at least 15 days before the meeting; and

(4) the applicant must agree to make a service or facility provided with the money received under AS 29.60.140 available to every person in the community regardless of race, religion, color, national origin, age, physical handicap, sex, marital status, changes in marital status, pregnancy, parenthood, or political affiliation.

History -

Eff. 10/18/87, Register 104; am 8/19/88, Register 107

Authority -

AS 29.60.130

AS 29.60.180

AS 44.47.050

AS 44.47.980

**HICKEY & ASSOCIATES**

Planning • Management • Lobbying

211 Fourth Street, Suite 108, Juneau, Alaska 99801  
Telephone 907-586-2263, Fax 907-586-1097**FAX TRANSMITTAL MEMO**

DATE: 2/27/96

TO: DEB DAUNSON

FROM: MARK S. HICKEY

SUBJECT: SB 287 LETTER

COMMENTS: Per our discussion.

TOTAL PAGES (INCLUDING THIS SHEET): 4PLEASE CALL OR FAX THE TELEPHONE NUMBERS ABOVE IF ANY  
PROBLEMS ARISE WITH THIS TRANSMISSION.

02/27/95 17:18 LAKE AND PENINSULA BOROUGH → 19075951037

NO. 051 P002



## **Lake and Peninsula Borough**

P.O. Box 495  
King Salmon, Alaska 99613

Telephone: (907) 246-3421  
Fax: (907) 246-6602



February 27, 1995

Senator John Torgerson  
Alaska State Legislature  
State Capitol Building  
MS 3100  
Juneau, AK. 99801-1182

RE: Support SB 287

Dear Senator Torgerson:

It has just come to the Borough's attention that you have introduced SB 287. SB 287 is a similar bill to HB 330. Both bills would attempt to eliminate the inequities which exist for unincorporated communities located within Boroughs who wish to participate in the State Capital Project Matching Grant Program. We are writing to let you know that the Lake and Peninsula Borough strongly supports this effort and that we will do whatever we can to assist you in getting this legislation passed.

As you know, the Lake and Peninsula Borough is very adversely affected by the way the State Capital Project Matching Grant Program is presently structured. Unincorporated communities in the unorganized borough are currently guaranteed at least \$25,000 per year in State matching funds for eligible capital projects. Conversely, unincorporated communities within organized Boroughs (like those in our borough) are not guaranteed a minimal level of funding. This prevents them from participating in the program for all practical purposes. The Borough, as the local eligible municipality, receives funding for these communities based upon the combined population of all unincorporated villages within the Borough; an amount far less than it would receive if its communities were treated equitably.

The Lake and Peninsula Borough has seventeen communities located within its boundaries. Eleven of these communities are presently unincorporated. The affected communities are Ivanof Bay, Perryville, Chignik Lagoon, Chignik Lake, Ugashik, Igiugig, Levelock, Pedro Bay, Iliamna, Kokhanok, and Port Alsworth. The residents in these communities, approximately one half of all Borough residents, have essentially been denied the opportunity to participate in this very important State program.

In FY 95, the Borough received a total of \$44,000 in program monies to be divided up among these seven communities. We expect to receive approximately the same amount in FY 96 and less in FY 97. This works out to about \$4,000 per community, per year. This is totally unacceptable. If each of these communities were guaranteed \$25,000 per year like unincorporated communities outside of boroughs are, we would have received at least \$275,000 last year. As you can see, that is quite a difference. This amount is a significant sum that could be used for meaningful capital projects.

The State Capital Project Matching Grant Program as it is currently written into law is inherently unfair to unincorporated communities that are located within existing Boroughs. This was not the intent of those who advocated for the creation of this program several years ago. We believe the State should rectify this problem as quickly as possible for a number of reasons including:

1. It is in the State's interest to promote economic and community development in rural areas. The construction of needed capital projects in Borough communities is now hindered because there is little or no incentive for local governments to participate in this program. For many communities, it is not worth the time and effort to prepare the application and other required paperwork for a mere \$4,000 per year. We have definitely seen a decline in the amount of interest in this program over the past few years. This situation serves to reduce, rather than increase, incentives for investing in our communities. In reality, it means that fewer capital projects will actually get completed in the Borough because this program was intended to replace or substitute for the old discretionary fund system. The problem is now compounded because our communities receive less discretionary funding and little or no funding from the State Capital Project Matching Grant Program.

2. The State is in the process of reducing its budget in response to new economic realities. It will therefore expect local governments to assume increased responsibility for providing local services and building necessary infrastructure. Therefore, it is in the State's interest to promote the existence and economic viability of Boroughs and other local governments. This program, as it is currently structured, serves to penalize unincorporated communities which are located within organized Boroughs. This is a disincentive for the formation of new Boroughs and could potentially threaten the continued existence of others.

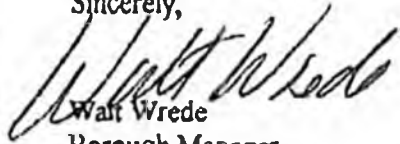
We are aware that many people believe this bill must have a zero net effect upon the operating budget if it is to have any chance of passing. Although we understand this thinking given the current budgetary constraints, we would encourage you to push for more money to fully fund this program. Adding 60 villages to the list of communities that are eligible to participate in the program without increasing the appropriation accordingly penalizes all of the communities in the State. We agree that the State budget must be trimmed. We do not however, think reducing our investment in capital projects and economic development is a wise and prudent way to go about it.

02/27/96 17:18 LAKE AND PENINSULA BOROUGH → 19075861097

NO. 061 P004

In summary, the Lake and Peninsula Borough is very pleased that you intend to work for passage of SB 287 this session. Please do not hesitate to contact us if there is anything we can do to assist you in this effort. Thanks for your time and consideration.

Sincerely,



Walt Wrede  
Borough Manager

**SB**

**293**

# FISCAL NOTE

STATE OF ALASKA  
1996 LEGISLATIVE SESSION

BILL NO. SB 293

Revision Date: \_\_\_\_\_ Department Affected: Administration  
 Title: An Act relating to municipal capital project matching grants BRU: Administrative Services  
 for a municipality organized under federal law as an Indian reserve; Component: Administrative Services  
 and providing for an effective date.  
 Sponsor: Zharoff  
 Requestor: \_\_\_\_\_ 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						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

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						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

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

**POSITIONS:**

FULL-TIME						
PART-TIME						
TEMPORARY						

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

See attached

Prepared by: Sharon Barton  
 Division: Administrative Services

Phone: 465-2277  
 Date: 3/1/96

Approved by Commissioner: Mark Boyer  
 Agency: Department of Administration

Date: 3/11/96

PREPARER TO PROVIDE ALL DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE  
 For further distribution information, call the Governor's Legislative Office

FISCAL NOTE

STATE OF ALASKA  
1996 LEGISLATIVE SESSION

BILL NO. SB 293

ANALYSIS: (continued)

There would be no need for additional funds for the administration of this program. Adding Metlakatla to the municipal side of the program does affect grant fund distribution and might be handled one of three ways:

1. If SB 293 passes with no additional grant funds appropriated to accommodate Metlakatla, Metlakatla would receive a grant of \$39,817 and all other municipalities would be adjusted accordingly.
2. If Metlakatla is added to the program on the municipal side with:
  - A. a transfer to the municipal side of the \$25.0 they would have received on the unincorporated side of the program;
  - B. No other increase to the overall appropriation; then Metlakatla would receive an allocation of \$39,910. The allocations to other municipalities would be reduced as noted:

Anchorage	(6,403)	Kodiak	(236)
Barrow	(158)	Kodiak Island Borough	(209)
Bethel	(162)	Kotzebue	(110)
Bristol Bay Borough	(49)	Lake & Peninsula Borough	(15)
Cordova	(96)	Matanuska-Susitna Borough	(1,015)
Craig	(73)	Nome	(148)
Denali Borough	(50)	North Pole	(61)
Dillingham	(23)	North Slope Borough	(96)
Fairbanks	(811)	Palmer	(154)
Fairbanks North Slope Borough	(1,244)	Petersburg	(124)
Haines	(52)	Sand Point	(40)
Haines Borough	(38)	Seward	(113)
Homer	(154)	Sitka	(285)
Hooper Bay	(40)	Soldotna	(148)
Houston	(38)	Unalaska	(152)
Juneau	(739)	Valdez	(166)
Kenai	(218)	Wasilla	(172)
Kenai Peninsula Borough	(701)	Wrangell	(102)
Ketchikan	(265)		
Ketchikan Gateway Borough	(190)		

3. If Metlakatla is added to the program on the municipal side with:
  - A. a transfer to the municipal side of the \$25.0 they would have received on the unincorporated side of the program;
  - B. An increase to the overall appropriation sufficient to "hold harmless" the other grantees so that no grantee's allocation is reduced to add Metlakatla to the program; then Metlakatla would receive a grant allocation of \$39,971. An increase to the overall appropriation of \$16,619 would need to be made.

# Alaska State Legislature

Committee Chair  
Community & Regional Affairs

Committee Vice-Chair  
Labor & Commerce

Committee Membership  
Legislative Council



District Address:  
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*

## MEMORANDUM

February 29, 1996

TO: Sharon Barton, Director  
Division of Administrative Services  
Department of Administration

FROM: Senator John Torgerson, Chair  
Senate Community & Regional Affairs

RE: Fiscal Note for Senate Bill 293: Capital Project Matching  
Grant for Indian Reservations

The fiscal note originally submitted by you for Senate Bill 293 reflected zero impact. I understand this impact relates only to the administration of the program by the department itself--that is, the Department of Administration would require no additional funds to implement this bill.

Without additional funding, there is a fiscal impact on participating communities whose allocations will be reduced in order for Metlakatla to receive its allocation. If this negative impact on communities is to be avoided, additional moneys need to be appropriated to the program.

Please prepare a revised fiscal note that--should the department maintain its position that the fiscal note pertains only to the impact on the department's administration of the program--indicates in the analysis section the following two possible effects:

- Assuming no additional funding other than the \$25,000 transferred from the Unincorporated Communities Matching Grant Program, which communities currently participating in the program will be affected by

Sharon Barton  
February 29, 1996  
Page 2

the inclusion of Metlakatla and by how much (for example it appears that Anchorage would receive \$6,403 less); and

- Assuming the communities currently participating in the program receive at least the same amount with the inclusion of Metlakatla as they would otherwise receive, how much additional funding is required to include Metlakatla and what would Metlakata's allocation be.

Thank you for your attention to this matter.

cc: Commissioner Mark Boyer  
Department of Administration

Jack Fagnoli, Senior Policy Analyst  
Office of Management & Budget

# FISCAL NOTE

STATE OF ALASKA  
1996 LEGISLATIVE SESSION

BILL NO. SB 293

Revision Date: \_\_\_\_\_ Dept. Affected: Administration  
 Title: " An Act relating to municipal capital project matching grants for a municipality organized..." BRU: Administrative Services  
 Sponsor: Sen. Zharoff Component: Administrative Services  
 Requestor: S (CRA) COMPONENT SERIAL NO. 46

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

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

**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other						
<b>Total</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

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

**POSITIONS:**

FULL-TIME					
PART-TIME					
TEMPORARY					

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

This bill will have no fiscal impact on the Department of Administration

Prepared by: Sharon Barton, Director  
 Division: Administrative Services

Phone: 465-5655  
 Date: 2/23/96

Approved by Commissioner: Mark Boyer  
 Agency: Department of Administration

Date: 2/23/96

PREPARER TO PROVIDE ALL DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE

For further distribution information call the Governor's Legislative Office

# FISCAL NOTE

Revision Date: February 20, 1996 Dept. Affected: Community & Regional Affairs  
 Title: An Act relating to municipal capital project BRU: none  
matching grants for a municipality organized. Component none  
 Sponsor: Sen. Zharoff  
 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
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>CAPITAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
----------------	------------	------------	------------	------------	------------	------------

REVENUE FUND SOURCE:						
----------------------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

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

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)**  
 This legislation clearly establishes the community of Metlakatla as a municipality for the purposes of the Municipal Capital Project Match Program, AS 37.06.010-090, removing an ambiguity under which the community has in the past received capital match program funds for both unincorporated and municipal elements of the program. This legislation would have no direct fiscal impact on the department. Funds currently maintained by DCRA for Metlakatla under the unincorporated capital match program would be transferred to the Municipal Capital Match Program Metlakatla account administered by the Department of Administration.

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

PREPARER TO PROVIDE ALL DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE  
 For further distribution information call the Governor's Legislative Office



## **Senator Fred F. Zharoff**

*Alaska State Legislature*

In Kodiak: P.O. Box 405, Kodiak, Alaska 99615 (907) 486-5259 (Fax also)

In Juneau: State Capitol, Room 121, Juneau, Alaska 99801-1182

Phone: (907) 465-3473 • Fax: (907) 463-3043

---

State Senate District C

Kodiak Island & Rural Southeast Alaska

---

### **SPONSOR STATEMENT**

#### **SB 293**

SB 293 would amend the Capital Matching Grants program to clarify that the Metlakatla Indian Community can participate in the program as a municipality rather than as an unincorporated community.

The Capital Matching Grants program became effective in FY 1994. The prior administration adopted regulations to implement the Capital Matching Grants program that allowed Metlakatla to receive Capital Matching Grants as both a municipality and unincorporated community. Last year, Legislative Legal Services determined that Metlakatla could not legally receive a Capital Matching Grant as a municipality and without an amendment to the Capital Matching Grants statutes, could only receive funds under the unincorporated portion of the program.

This bill corrects what I believe was an oversight in the original legislation that created the Capital Matching Grants program to specifically allow Metlakatla to receive their Capital Matching Grants under the municipal portion of the program rather than as an unincorporated community.

OMB  
4/28/95

## Capital Project Matching Grants Program

# METLAKATLA

### Background

- For the past two years, Metlakatla has received funding under the matching grant programs both as a municipality, and as an unincorporated community.
- Funding them as a municipality was a policy choice - - in 1993, the prior administration wrote the matching grant regulations explicitly to allow it; specifically, the definition of "municipality".<sup>1</sup> Funding them additionally as an unincorporated community resulted from the fact that they also met the matching grant program eligibility criteria for an unincorporated community.<sup>2</sup> In the press of events surrounding establishment of the program, no action was taken to further clarify or change the situation.

### Current Problem

- Director of Legislative Legal Services Tam Cook informed us on 4/27 that, under current law, Metlakatla can not legally receive matching grant funds as a municipality.
- The reason is that, while the matching grant program regulatory definition of "municipality" includes Metlakatla, it is invalid because it conflicts with another statute that defines municipalities, but which does not include Metlakatla.
- The Department of Law (Margie Vandor) concurs with Tam Cook that this other statute, AS 01.10.060(4), supersedes the matching grant regulatory definition.
- The policy choices thus are:
  - (1) amend the municipal matching grant statute to explicitly include Metlakatla within the definition of "municipality" to be used for that program; or,
  - (2) have Metlakatla continue to receive matching grant funding only as an unincorporated community.
- Metlakatla's funding as a municipality has been as follows:  
FY94 = 60,619; FY95=58,909; FY96=60,421  
(FUNDING AS AN UNINCORPORATED HAS BEEN \$25,000 PER YEAR.)

<sup>1</sup> 2 AAC 47.170(5) for DOA defines "municipality" as "any incorporated city or borough, or any entity that is eligible to receive municipal assistance under AS 29.60.365...". (Emphasis added.) Metlakatla receives municipal assistance as a municipality under AS 29.60.365; it also receives forest receipts as a municipality.

<sup>2</sup> 2 AAC 55.160(6) for DCRA defines "unincorporated community" as "any community that is eligible to receive state aid under AS 29.50.140...". Metlakatla receives state aid (state aid) as an unincorporated community under AS 29.50.140.

compare

MUNICIPAL CAPITAL MATCHING GRANT ALLOCATION COMPARISONS			
Municipality	FY 96 Allocation	Current FY 97 allocation	FY 97 with Metlakatla
Akhiok (KIB)	\$ 25,000	25,000	25,000
Akrak	\$ 25,000	25,000	25,000
Akutan (AEB)	\$ 25,000	25,000	25,000
Alakanuk	\$ 25,000	25,000	25,000
Aleknagik	\$ 25,000	25,000	25,000
Aleutians East Borough (AEB)	\$ 25,000	25,000	25,000
Allakaket	\$ 25,000	25,000	25,000
Ambrur (NAF)	\$ 25,000	25,000	25,000
Anaktuvuk Pass (NSB)	\$ 25,000	25,000	25,000
Anchorage, Municipality of	\$ 6,433,986	4,242,632	4,336,229
Anderson (DB)	\$ 28,077	25,000	25,000
Angoon	\$ 29,086	25,000	25,000
Aniak	\$ 25,000	25,000	25,000
Anvik	\$ 25,000	25,000	25,000
Atka	\$ 25,000	25,000	25,000
Atmautluak	\$ 25,000	25,000	25,000
Atkasuk (NSB)	\$ 25,000	25,000	25,000
Barrow (NSB)	\$ 148,586	105,571	105,413
Bethel	\$ 168,258	108,525	109,363
Bettles	\$ 25,000	25,000	25,000
Brevig Mission	\$ 25,000	25,000	25,000
Easton Bay Borough:	\$ 58,748	32,539	32,490
Buckland (NAB)	\$ 25,000	25,000	25,000
Chefornak	\$ 25,000	25,000	25,000
Chevak	\$ 25,876	25,000	25,000
Chignik (LPB)	\$ 25,000	25,000	25,000
Chuathbaluk	\$ 25,000	25,000	25,000
Clark's Point	\$ 25,000	25,000	25,000
Coffman cove	\$ 25,000	25,000	25,000
Cold Bay (AEB)	\$ 25,000	25,000	25,000
Cordova	\$ 96,803	64,031	63,935
Craig	\$ 56,363	48,522	48,449
Decreeing (NAB)	\$ 25,000	25,000	25,000
Delta Junction	\$ 30,730	25,000	25,000
Denali Borough (DB):	\$ 53,194	33,561	33,511
Dillingham	\$ 82,009	55,927	55,844
Diomedes	\$ 25,000	25,000	25,000
Eagle	\$ 25,000	25,000	25,000
Eek	\$ 25,000	25,000	25,000
Egegik	\$ -	25,000	25,000
Ekwook	\$ 25,000	25,000	25,000
Elim	\$ 25,000	25,000	25,000
Emmonak	\$ 32,455	25,000	25,000
Fairbanks (FNSB)	\$ 862,398	550,115	549,304
Fairbanks North Star Borough (FNS)	\$ 1,230,665	843,594	842,350
False Pass (AEB)	\$ 25,000	25,000	25,000

compare

MUNICIPAL CAPITAL MATCHING GRANT ALLOCATION COMPARISONS			
Municipality	FY 96 Allocation	Current FY 97 allocation	FY 97 with Metlakatla
Fort Yukon	\$ 29,246	25,000	25,000
Galena	\$ 28,444	25,000	25,000
Gambell	\$ 25,000	25,000	25,000
Galovin	\$ 25,000	25,000	25,000
Goodnews Bay	\$ 25,000	25,000	25,000
Grayling	\$ 25,000	25,000	25,000
Haines (HB)	\$ 56,698	34,758	34,706
Haines Borough (HB):	\$ 38,834	25,527	25,489
Holy Cross	\$ 25,000	25,000	25,000
Homer (KPB)	\$ 162,117	103,053	102,899
Hoonah	\$ 36,828	25,000	25,000
Hooper Bay	\$ 26,106	26,848	26,808
Houston (MSB)	\$ 35,224	25,770	25,732
Hughes	\$ 25,000	25,000	25,000
Huslia	\$ 25,000	25,000	25,000
Hydaburg	\$ 25,000	25,000	25,000
Juneau, City and Borough of (JCB)	\$ 753,485	501,261	500,522
Kachemak (KPB)	\$ 25,000	25,000	25,000
Kake	\$ 30,409	25,000	25,000
Kaktovik (NSB)	\$ 25,000	25,000	25,000
Katag	\$ 25,000	25,000	25,000
Kasaan	\$ 25,000	25,000	25,000
Kasigluk	\$ 25,000	25,000	25,000
Kenai (KPB)	\$ 215,255	146,357	146,139
Kenai Peninsula Borough (KPB):	\$ 674,038	475,065	474,364
Ketchikan (KGB)	\$ 279,487	178,757	178,492
Ketchikan Gateway Borough (KGB):	\$ 179,553	127,911	127,721
Kiana (NAB)	\$ 25,000	25,000	25,000
King Cove (AEB)	\$ 36,628	25,000	25,000
Kivalina (NAB)	\$ 25,000	25,000	25,000
Klawock	\$ 30,450	25,000	25,000
Kobuk (NAB)	\$ 25,000	25,000	25,000
Kodiak (KIB)	\$ 234,686	159,183	158,947
Kodiak Island Borough (KIB):	\$ 224,702	140,758	140,549
Kotlik	\$ 25,000	25,000	25,000
Kotzebue (NAB)	\$ 111,980	73,481	73,371
Koyuk	\$ 25,000	25,000	25,000
Koyukuk	\$ 25,000	25,000	25,000
Kupreanof	\$ 25,000	25,000	25,000
Kwethluk	\$ 25,716	25,000	25,000
Lake and Peninsula Borough (LPB):	\$ 37,873	25,015	25,000
Larsen Bay (KIB)	\$ 25,000	25,000	25,000
Lower Kalskag	\$ 25,000	25,000	25,000
Manokotak	\$ 25,000	25,000	25,000
Marshall (Fortuna Ledge)	\$ 25,000	25,000	25,000
Matanuska-Susitna Borough (MSB):	\$ 1,054,151	688,490	687,475

compare

MUNICIPAL CAPITAL MATCHING GRANT ALLOCATION COMPARISONS			
Municipality	FY 96 Allocation	Current FY 97 allocation	FY 97 with Metlakatla
McGrath	\$ 25,000	25,000	25,000
Mekoryuk	\$ 25,000	25,000	25,000
Metlakatla	\$ -	0	39,910
Mountain Village	\$ 31,252	25,000	25,000
Napakiaik	\$ 25,000	25,000	25,000
Napaskiak	\$ 25,000	25,000	25,000
Nenana	\$ 25,000	25,000	25,000
New Stuyahok	\$ 25,000	25,000	25,000
Newhalen (LPB)	\$ 25,000	25,000	25,000
Newtok	\$ 25,000	25,000	25,000
Nightmute	\$ 25,000	25,000	25,000
Nikolai	\$ 25,000	25,000	25,000
Nome	\$ 155,966	99,337	99,189
Nondalton (LPB)	\$ 25,000	25,000	25,000
Noorvik (NAB)	\$ 25,000	25,000	25,000
North Pole (FNSB)	\$ 81,656	41,116	41,055
North Slope Borough (NSB):	\$ 92,148	64,081	63,985
Northwest Arctic Borough (NAB):	\$ 25,000	25,000	25,000
Nuiqsut (NSB)	\$ 25,000	25,000	25,000
Nulato	\$ 25,000	25,000	25,000
Nunapitchuk (Akolmiut)	\$ 25,000	25,000	25,000
Old Harbor (KIB)	\$ 25,000	25,000	25,000
Ouzinkie (KIB)	\$ 25,000	25,000	25,000
Palmer (MSB)	\$ 139,117	103,252	103,098
Palican	\$ 25,000	25,000	25,000
Petersburg	\$ 127,450	83,529	83,405
Pilot Point (LPB)	\$ 25,000	25,000	25,000
Pilot Station	\$ 25,000	25,000	25,000
Platinum	\$ 25,000	25,000	25,000
Point Hope (NSB)	\$ 28,243	25,000	25,000
Port Alexander	\$ 25,000	25,000	25,000
Port Heiden (LPB)	\$ 25,000	25,000	25,000
Port Lions (KIB)	\$ 25,000	25,000	25,000
Quinagak	\$ 25,000	25,000	25,000
Ruby	\$ 25,000	25,000	25,000
Russian Mission	\$ 25,000	25,000	25,000
Sand Point (AEB)	\$ 40,818	26,660	26,620
Savoonga	\$ 25,000	25,000	25,000
Saxman (KGB)	\$ 25,000	25,000	25,000
Scammon Bay	\$ 25,000	25,000	25,000
Selawik (NAB)	\$ 25,575	25,000	25,000
Seldovia (KPB)	\$ 25,000	25,000	25,000
Seward (KPB)	\$ 101,840	75,650	75,537
Shageluk	\$ 25,000	25,000	25,000
Shaktolik	\$ 25,000	25,000	25,000
Sheldon Point	\$ 25,000	25,000	25,000

compare

MUNICIPAL CAPITAL MATCHING GRANT ALLOCATION COMPARISONS			
Municipality	FY 96 Allocation	Current FY 97 allocation	FY 97 with Metlakatla
Shishmaref	\$ 25,000	25,000	25,000
Shungnak (NAB)	\$ 25,000	25,000	25,000
Sitka, City and Borough of (SCB)	\$ 285,995	192,064	191,779
Skagway	\$ 30,129	25,000	25,000
Soldotna (KPB)	\$ 141,988	99,487	99,339
St George	\$ 25,000	25,000	25,000
St Mary's	\$ 25,000	25,000	25,000
St Michael	\$ 25,000	25,000	25,000
St Paul	\$ 25,515	25,000	25,000
Stebbins	\$ 25,000	25,000	25,000
Tanana	\$ 25,000	25,000	25,000
Teller	\$ 25,000	25,000	25,000
Tenakee Springs	\$ 25,000	25,000	25,000
Thome Bay	\$ 25,395	25,000	25,000
Togiak	\$ 31,212	25,000	25,000
Toksook Bay	\$ 25,000	25,000	25,000
Tuluksak	\$ 25,000	25,000	25,000
Tununak	\$ 25,000	25,000	25,000
Unalakleet	\$ 31,692	25,000	25,000
Unalaska	\$ 160,924	101,806	101,654
Upper Kalskag	\$ 25,000	25,000	25,000
Vakdez	\$ 175,686	111,430	111,264
Wainwright (NSB)	\$ 25,000	25,000	25,000
Wales	\$ 25,000	25,000	25,000
Wasilla (MSB)	\$ 163,310	115,569	115,397
White Mountain	\$ 25,000	25,000	25,000
Whittier	\$ 25,000	25,000	25,000
Wrangell	\$ 99,119	68,768	68,666
Yakutat, City & Borough Of	\$ 27,722	25,000	25,000
<b>TOTAL:</b>	<b>\$ 18,300,000</b>	<b>13,300,000</b>	<b>13,325,000</b>
* these figures DO NOT take into account lesser population figures for the Boroughs.			

METLAKATLA

	FY 97 Current	FY 97 As Comm. for Grant	FY 97 As Comm. for All
Revenue Sharing (currently as unincorporated)	7,148	7,148	0
Municipal Assistance (currently as municipality)	79,318	79,318	79,318
Cap. Proj. Matching Grant (currently as unincorporated)	<u>25,000</u>	<u>39,910</u>	<u>39,910</u>
Total	111,466	126,376	119,228

If Metlakatla moves to Municipal program the additional \$14,910 will be taken from municipalities as follows:

Anchorage	\$6,403	Ketchikan Borough	\$190
Barrow	\$158	Kodiak	\$236
Bethel	\$162	Kodiak Borough	\$209
Bristol Bay Borough	\$49	Kotzebue	\$110
Cordova	\$96	Lake & Peninsula Borough	\$15
Craig	\$73	Mat-Su Borough	\$1,015
Denali Borough	\$50	Nome	\$148
Dillingham	\$83	North Pole	\$61
Fairbanks	\$811	North Slope Borough	\$96
Fairbanks North Star	\$1,244	Palmer	\$154
Haines	\$52	Petersburg	\$124
Haines Borough	\$38	Sand Point	\$40
Homer	\$154	Seward	\$113
Hooper Bay	\$40	Sitka	\$285
Houston	\$38	Soldotna	\$148
Juneau	\$739	Unalaska	\$152
Kenai	\$218	Valdez	\$166
Kenai Borough	\$701	Wasilla	\$172
Ketchikan	\$265	Wrangell	\$102

# STATE OF ALASKA

## DEPT. OF COMMUNITY & REGIONAL AFFAIRS

### DIVISION OF ADMINISTRATIVE SERVICES

TONY KNOWLES, GOVERNOR

P.O. BOX 112100  
JUNEAU, ALASKA 99811-2100  
PHONE: (907) 465-4708  
FAX: (907) 465-2948

333 W 4TH AVENUE, SUITE 220  
ANCHORAGE, ALASKA 99501-2241  
PHONE: (907) 269-4500  
FAX: (907) 269-4520

January 18, 1996

The Honorable Jerry Mackie  
House of Representatives  
State Capitol, Room 404  
Juneau, AK 99801-1182

Dear Representative Mackie:

Re: Metlakatla - Unincorporated Matching Grant

The following is a brief description of the impact to this Department should Metlakatla be identified as an eligible entity in the Municipal section of the Capital Matching Grant Program rather than the Unincorporated section of that same program.

Since the inception of this program, Metlakatla has requested projects each fiscal year in the full amount of funds available with the exception of FY 94. The remaining balance that year in addition to a small amount of interest earned totals \$1,357.84 that would need to be transferred from Metlakatla's Community Account in this Department to the Department of Administration along with their FY 97 project request file. Metlakatla is aware of the available remaining funds and has incorporated them into their FY 97 project request.

All of Metlakatla's previously requested projects are currently under agreement and active with all funds encumbered. These projects should remain with this office until they are complete and closed-out. Below is a detailed listing of their projects to date.

<u>FY</u>	<u>PROJECT</u>	<u>AWARD</u>	<u>EXPENDED TO DATE</u>
94	Lift Station	\$23,775.00	\$ 6,222.00
95	Hatchery Site Preparation	25,000.00	20,640.00
96	Cold Storage Facility Repairs	18,000.00	18,000.00 (Closed)
	Replace Cannery Building Wall	7,000.00	1,750.00
97 Proposed	Smoked Salmon Dev. Proj	26,358.00	

If you have any further questions or concerns please feel free to contact the Grants Administrator for these projects, Tena Bavard, at 465-4731.

Sincerely,

*Remond Henderson*

Remond Henderson  
Director

# COUNCIL ANNETTE ISLANDS RESERVE

METLAKATLA INDIAN COMMUNITY

JACK L. BOOTH, SR. MAYOR  
JUDITH A. LAUTH, SECRETARY  
BARBARA J. FAWCETT, TREASURER  
January 15, 1996

ESTABLISHED 1887

POST OFFICE BOX 1  
METLAKATLA, ALASKA 99926  
PHONE (907) 886-4441  
FAX (907) 886-3338  
FAX (907) 886-7997

Representative Jerry Mackie  
House of Representatives  
State Capitol  
Juneau, Alaska 99801-1182

Re: HB361- 'An Act relating to municipal capital project matching grants for a municipality organized under federal law as an Indian reserve, and providing for an effective date.'

Dear Representative Mackie:

We appreciate the work you have put into this issue during the interim and your sponsoring HB 361 this legislative session.

We received Capital Project Matching Grants funding in FY94 in the amount of \$60,619.00 which went to the fire hall project. In FY95 we received \$58,909.00 which is being allocated to the police department project.

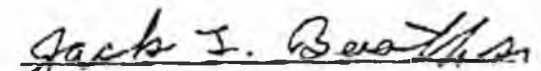
For FY96, we were allocated \$59,421, however, it was then determined that although the matching grant regulations explicitly allow Metlakatla to receive funding, the statute that defines municipalities does not include Metlakatla. We did not receive this appropriation due to this legal technicality.

We never questioned receiving for the Municipal Capital Matching Grant Program and the Unincorporated Capital Matching Grant Program since we weren't familiar with allocations to other communities and this had never been brought to our attention by the administration or the legislature previously.

We appreciate your active support for passage of this legislation which removes us from the Unincorporated Capital Matching Grant Program completely and specifically includes Metlakatla in the statute provisions for the Municipal Capital Matching Grant Program.

Sincerely,

METLAKATLA INDIAN COMMUNITY

  
Jack L. Booth, Sr., Mayor

cc: Metlakatla Indian Community Council Members  
Rep. Ivan Ivan CO-chair, House C & RA  
Rep. Alan Austerman, CO-Chair House C & RA Committee  
C & RA Committee Members: Rep. Pete Kott, Al Vezey, Rep.  
Bettye Davis, Rep. Kim Elton, Rep. Irene Nicholai, Rep. Mackie

LEROY WILDER, P.C.  
LAW OFFICE  
0228 S W MONTGOMERY STREET, #10  
PORTLAND, OREGON 97201  
TELEPHONE (503) 242-0705  
FACSIMILE (503) 242-0710

MEMORANDUM

TO: Sal Atkinson  
FROM: LeRoy Wilder *LW*  
RE: HB No. 381  
DATE: January 20, 1996

I talked yesterday with Tam Cook regarding the above named bill. As you know, HB 381 will make Metlakatla eligible for capital project matching grants as an incorporated municipality. Ms. Cook and I agreed that the language now in the bill does what we need it to do and that it would not be wise to modify it. If it is necessary to change the language to please the legislature, we will do so later, but for now, we agreed we should try to hold what we've got.

The problem is this. Some legislators are fearful that this provision, which is exclusively for Metlakatla's benefit, will somehow open up eligibility for capital project matching grants to other Native groups. They are concerned that the reference to 43 U.S.C. 1618(a) may not be restrictive enough. You will recall that section 1618(a) is the language in the Alaska Native Claims Settlement Act that terminates all reservations in Alaska with the single, specific exception of the Annette Islands Reserve. I reviewed the language and concluded that the reference is very restrictive and will not result in the eligibility of other Native groups. Moreover, section 1618(a) has been relied upon in the past to distinguish Metlakatla from all other Native groups and it has been unchallenged. Thus, I see no reason why we should not continue to rely on this reference as the limitation of the bill.

You probably know that the bill cannot simply say Metlakatla because there are laws against "special" legislation. By referring to the statutory provision, we avoid saying Metlakatla specifically but make a reference that includes only Metlakatla. Sounds rather silly, I know, but that's how its done. I will keep you posted if I hear anything more on this issue.

Post-It® Fax Note	7671	Date	# of pages
To	Tam Cook	From	JENNIE
Co. Dept.		Co	SMITH
Phone #		Phone #	4925
Fax #		Fax #	

### Chapter 06. Capital Project Matching Grant Programs.

**Section**

- 10. Municipal capital project matching grant program
- 20. Unincorporated community capital project matching grant program

**Section**

- 30. Local share requirements
- 80. Adoption of regulations
- 90. Definition of "capital project."

**Cross references.** — For legislative purpose in enacting this chapter, see § 1, ch. 80, SLA 1993 in the Temporary and Special Acts; for implementation and ap-

plicability during fiscal year 1994, see § 4, ch. 80, SLA 1993 in the Temporary and Special Acts.

**Sec. 37.06.010. Municipal capital project matching grant program.** (a) The municipal capital project matching grant program is established in the department. Grants to municipalities under this program shall be administered as provided in this section.

(b) The municipal capital project matching grant fund is established in the department and consists of appropriations to the fund. Appropriations to the fund do not lapse except as provided in (f) of this section. The money in the fund is held by the department in custody under this subsection for each municipality. The department shall establish, for each municipality, an individual grant account within the fund. As provided in this subsection, each fiscal year the department shall allocate, to the individual grant accounts, appropriations to the fund. The department shall credit interest earned on money in an individual grant account to that account. Except as provided in (c) of this section, the amount allocated under this subsection to an individual grant account in a fiscal year is determined by multiplying the total amount appropriated to the fund during that fiscal year by a fraction,

(1) the numerator of which equals for a municipality with a population

(A) under 1,000, the amount equal to that population multiplied by 1.5;

(B) of at least 1,000 but less than 5,000, the amount equal to that population multiplied by 1.4;

(C) of at least 5,000 but not greater than 10,000, the amount equal to that population multiplied by 1.2;

(D) of over 10,000, the amount equal to that population; and

(2) the denominator of which equals the sum of the numerators calculated for all municipalities under (1)(A) — (D) of this subsection.

(c) A minimum of \$25,000 shall be allocated to each municipality's individual grant account each fiscal year under (b) of this section. The

departme  
rata basi  
sary to fu  
tions are  
municipi  
among t

(d) By  
to the go  
to be fin  
account  
amount  
governor  
sented to  
each mu  
the capi  
other th  
nor shall  
sons for

(e) Th  
individu  
municip  
prietion  
AS 37.0  
ual gran  
ation for  
with the  
of the c  
the pro  
operatio  
ation o  
money  
that is  
is made  
not sub  
state. M  
draw fo  
of a fac  
five per  
or equi  
municipi  
the mu  
admini  
tors, ar  
der AS  
money

department shall reduce allocations under (b) of this section on a pro rata basis, based upon the population of the municipalities, if necessary to fund the minimum amount for each municipality. If appropriations are not sufficient to fully fund the minimum amount for each municipality, the amount appropriated shall be allocated equally among the municipality, individual grant accounts.

(d) By October 1 of each fiscal year, each municipality shall submit to the governor a prioritized list of capital projects and estimated costs to be financed with money from the municipality's individual grant account established under (b) of this section. The list must include the amount and source of the local share required by AS 37.06.030. The governor shall include in the capital improvements program presented to the legislature under AS 37.07.060 the projects submitted by each municipality that the governor recommends for funding. If, in the capital improvements program, the governor includes projects in other than the priority order submitted by a municipality, the governor shall provide the legislature with a written statement of the reasons for that action.

(e) The legislature may make appropriations from a municipality's individual grant account established under (b) of this section to the municipality for capital projects under this section. Subject to appropriations under this subsection and to the local share requirements of AS 37.06.030, each municipality may draw amounts from its individual grant account for a capital project, in accordance with an appropriation for that project. In accepting a draw, the municipality covenants with the state that it will provide for the operation and maintenance of the capital project for which the draw is used for the practical life of the project, and acknowledges that the state is not responsible for operating or maintaining the capital project or for paying for its operation or maintenance. This requirement does not apply to use of money from a draw for repair or improvement of an existing facility that is operated or maintained by the state at the time that the draw is made if the repair or improvement for which the draw is used will not substantially increase the operating or maintenance costs to the state. No more than 10 percent of the total amount of money from a draw for land acquisition, or planning, design, construction, or repair of a facility may be used for administrative expenses. No more than five percent of the total amount of money from a draw for equipment or equipment repairs may be used for administrative expenses. If a municipality provides grant money from a draw to another recipient, the municipality may not use any of the money from the draw for administrative expenses. The municipality and its agents, contractors, and subcontractors shall comply with the hiring preferences under AS 36.10 in hiring employees to be paid wholly or in part with money from a draw.

(f) A municipality shall repay to the department money drawn from its individual grant account if substantial, ongoing work on the capital project is not started within five years after the effective date of the appropriation from which the draw is funded. Money repaid shall be deposited into the general fund. Money from an allocation to a municipality's individual grant account that has not been drawn out by the municipality within five years after the effective date of the appropriation from which the allocation is funded lapses into the general fund.

(g) For purposes of this section, in calculating the population of a borough the population of each city in the borough is excluded. The determination of population shall be based upon data used by the Department of Community and Regional Affairs under AS 29.60.020.

(h) The provisions of AS 37.05.321 apply to a grant and draws made under this section, and to earnings from the grant and draws.

(i) In this section, unless specified otherwise, "department" means the Department of Administration. (§ 3 ch 80 SLA 1993)

**Sec. 37.06.020. Unincorporated community capital project matching grant program.** (a) The unincorporated community capital project matching grant program is established in the department. Grants to unincorporated communities under the program shall be administered as provided in this section.

(b) The unincorporated community capital project matching grant fund is established in the department and consists of appropriations to the fund. Appropriations to the fund do not lapse except as provided in (h) of this section. The money in the fund is held by the department in custody under this subsection for each unincorporated community eligible for an allocation under this subsection. The department shall establish an individual grant account within the fund for each unincorporated community that was entitled to receive state aid under AS 29.60.140 during the preceding fiscal year. As provided in this subsection, each fiscal year the department shall allocate, to the individual grant accounts, appropriations to the fund. An unincorporated community is eligible for an allocation in a fiscal year if the community was eligible to receive state aid under AS 29.60.140 during the preceding fiscal year. The department shall credit interest earned on money in an individual grant account to that account. Except as provided in (c) of this section, the amount allocated under this subsection to an individual grant account in a fiscal year is determined by dividing the total amount appropriated to the fund during that fiscal year by the number of unincorporated communities eligible for an allocation during that fiscal year.

(c) A minimum of \$25,000 shall be allocated to each eligible unincorporated community's grant account each fiscal year under (b) of this section. If appropriations are not sufficient to fully fund the mini-

mum an  
appropri  
rated c  
(d) T  
commu  
cil tha  
uninco  
section  
depart:  
qualifi  
vidual  
incorp  
porate  
cated  
made  
and th  
(e)  
tity or  
of this  
projec  
munit  
tion.  
requir  
imprc  
37.07  
subse  
tal ir  
than  
shall  
for ti  
(f)  
ratec  
this  
unde  
to th  
by tl  
unin  
ual  
ator  
depa  
resp  
the  
ackr  
or ir  
by tl  
men

imum amount for each eligible unincorporated community, the amount appropriated shall be allocated equally among the eligible unincorporated communities.

(d) The department shall designate, in each eligible unincorporated community, an incorporated nonprofit entity or a Native village council that agrees to receive and spend grant money allocated to the unincorporated community's individual grant account under (b) of this section. If there is more than one qualified entity in a community, the department shall designate the entity that the department finds most qualified to make draws from that unincorporated community's individual grant account and spend the money. If there is no qualified incorporated nonprofit entity or Native village council in an unincorporated community that will agree to receive and spend money allocated to the community under (b) of this section, draws may not be made from the unincorporated community's individual grant account and the amount allocated to the account lapses into the general fund.

(e) By October 1 of each fiscal year, the incorporated nonprofit entity or Native village council designated by the department under (d) of this section shall submit to the governor a prioritized list of capital projects and estimated costs to be financed with money from the community's individual grant account established under (b) of this section. The list must include the amount and source of the local share required by AS 37.06.030. The governor shall include in the capital improvements program presented to the legislature under AS 37.07.060 the projects submitted by designated entities under this subsection that the governor recommends for funding. If, in the capital improvements program, the governor includes projects in other than the priority order submitted by a designated entity, the governor shall provide the legislature with a written statement of the reasons for that action.

(f) The legislature may make appropriations, from an unincorporated community's individual grant account established under (b) of this section, for the unincorporated community for capital projects under this section. Subject to appropriations under this subsection and to the local share requirements of AS 37.06.030, an entity designated by the department under (d) of this section may draw, on behalf of the unincorporated community, amounts from that community's individual grant account for a capital project in accordance with an appropriation for that project. In accepting a draw, an entity designated by the department under (d) of this section acknowledges that the state is not responsible for operating or maintaining a capital project for which the draw is used, or for paying for its operation or maintenance. The acknowledgment does not apply to use of money from a draw for repair or improvement of an existing facility that is operated or maintained by the state at the time that the draw is made if the repair or improvement for which the draw is used will not substantially increase the

operating or maintenance costs to the state. No more than 10 percent of the total amount of money from a draw for land acquisition, or planning, design, construction, or repair of a facility may be used for administrative expenses. No more than five percent of the total amount of money from a draw for equipment or equipment repairs may be used for administrative expenses. The designated entity and its agents, contractors, and subcontractors shall comply with the hiring preferences under AS 36.10 in hiring employees to be paid wholly or in part with money from a draw.

(g) An entity designated by the department under (d) of this section that is a Native village council may not draw money from an unincorporated community's individual grant account unless the council waives immunity from suit for claims arising out of activities of the council related to the draw. A waiver of immunity from suit under this subsection must be on a form provided by the Department of Law. Neither this subsection nor any action taken under it enlarges or diminishes the governmental authority or jurisdiction of a Native village council.

(h) An entity designated by the department under (d) of this section shall repay to the department money it has drawn from an unincorporated community's individual grant account if substantial, ongoing work on the project is not started within five years after the effective date of the appropriation from which the draw is funded. Money repaid shall be deposited into the general fund. Money from an allocation to an unincorporated community's individual grant account that has not been drawn out by a designated entity within five years after the effective date of the appropriation from which the allocation is funded lapses into the general fund.

(i) The limitations of AS 44.47.140 do not apply to a grant made under this section.

(j) The provisions of AS 37.05.321 apply to a grant and draws made under this section, and to earnings from the grant and draws.

(k) In this section, unless specified otherwise, "department" means the Department of Community and Regional Affairs. (§ 3 ch 80 SLA 1993)

**Sec. 37.06.030. Local share requirements.** (a) For each draw made by a municipality under AS 37.06.010, the municipality shall contribute a local share to the cost of the capital project for which the draw is made. The amount of the local share equals the local share percentage as calculated under (1) of this subsection, divided by the state share percentage as calculated under (2) of this subsection, multiplied by the amount of the draw. For purposes of this subsection,

(1) the local share percentage is

(A) 30 percent for a municipality with a population of 5,000 or more;

(B  
grea  
(i)  
(ii  
rece:  
mill  
plus  
(C  
of  
(i)  
(ii  
rece  
mill  
plus  
(2  
per  
(3  
fied  
or c  
incl  
par  
par  
ceiv  
tax  
pur  
aid  
(G)  
tra  
par  
wit  
app  
the  
(  
the  
sh:  
the  
pe  
sta  
tip  
  
pe  
(B  
th  
pa

(B) for a municipality with a population of 1,000 — 4,999, the greater of

(i) 15 percent; or

(ii) the percentage obtained by dividing the amount that would be received by the municipality from a property tax levy of 1/1000th of a mill per \$1,000 of grant funds received by the sum of that first amount plus the amount of the grant or draw, but not more than 30 percent;

(C) for a municipality with a population of under 1,000, the greater of

(i) five percent; or

(ii) the percentage obtained by dividing the amount that would be received by the municipality from a property tax levy of 1/1000th of a mill per \$1,000 of grant funds received by the sum of that first amount plus the amount of the grant or draw, but not more than 30 percent;

(2) the state share percentage equals one minus the local share percentage;

(3) the local share to be contributed by a municipality may be satisfied with (A) federal, municipal, or local money; (B) labor, materials, or equipment used directly in the construction of the project, or land, including land transferred by the state to the municipality; the department shall determine the value of a contribution under this subparagraph; (C) money from another nonstate source; (D) money received by the municipality under AS 29.60.010 — 29.60.375; (E) state taxes refunded or reimbursed to the municipality whose use for the purposes of this subsection is not prohibited; (F) allocations of state aid for the costs of school construction debt under AS 14.11.100; and (G) money obtained from the sale or lease of land or other assets transferred by the state to the municipality; except as provided in this paragraph, the local share may not be satisfied with money from, or with the portion of an asset that was obtained with money from, an appropriation, allocation, entitlement, grant, or other payment from the state.

(b) For each draw made by an entity or council under AS 37.06.020, the incorporated entity or Native village council that makes the draw shall contribute a local share of the cost of the capital project for which the draw is made. The amount of the local share equals the local share percentage as calculated under (1) of this subsection, divided by the state share percentage as calculated under (2) of this subsection, multiplied by the amount of the draw. For purposes of this subsection,

(1) the local share percentage is five percent;

(2) the state share percentage equals one minus the local share percentage;

(3) the local share may be satisfied from (A) federal or local money; (B) labor, materials, or equipment used directly in the construction of the project, or land, including land transferred by the state; the department shall determine the value of a contribution under this sub-

paragraph; (C) money from another nonstate source; (D) money received by the unincorporated community under AS 29.60.010 — 29.60.375; or (E) money obtained from the sale or lease of land or other assets transferred by the state; except as provided in this paragraph, the local share may not be satisfied with money from, or with the portion of an asset that was obtained with money from, an appropriation, allocation, entitlement, grant, or other payment from the state.

(  
v. /  
19t

(c) For purposes of (a) of this section, in calculating the population of a borough the population of each city in the borough is excluded. The determination of population shall be based upon data used by the Department of Community and Regional Affairs under AS 29.60.020. (§ 3 ch 80 SLA 1993)

te:  
ci:  
la  
w

**Sec. 37.06.080. Adoption of regulations.** The Department of Administration for grants under AS 37.06.010 and the Department of Community and Regional Affairs for grants under AS 37.06.020

si  
g'

(1) may adopt regulations that impose additional requirements or procedures to implement, interpret, make specific, or otherwise carry out the applicable provisions of this chapter for grants administered by the department;

g'  
a:

(2) shall adopt regulations providing for periodic audits of the use of money for grants administered by the department under this chapter, including audit of the department's determination of the value of, and adequacy of the verification of the actual use of, locally funded or contributed labor on projects funded by a grant under this chapter. (§ 3 ch 80 SLA 1993)

g'  
ci  
ta

p

**Sec. 37.06.090. Definition of "capital project."** In this chapter, "capital project" means a project with a cost exceeding \$10,000 to acquire or improve an asset with an anticipated life exceeding one year and includes land acquisition, construction, repair or structural improvement of a facility, engineering and design for a facility, and acquisition or repair of equipment. (§ 3 ch 80 SLA 1993)

i:  
F  
c  
l  
l

### Chapter 07. Executive Budget Act.

**Section**

- 10. Statement of policy
- 20. Responsibilities of the governor
- 30. Responsibilities of the legislature
- 40. Office of management and budget
- 50. Agency program and financial plans
- 60. Governor's recommendation
- 62. Capital budget
- 70. Legislative review

**Section**

- 80. Program execution
- 90. Performance reporting
- 100. Proposed supplemental or special appropriations
- 110. Interpretation of chapter
- 120. Definitions
- 130. Short title

**SB**

**294**

# SENATE COMMITTEE REPORT

## First Committee of Referral

DATE: 2/12/96

FURTHER: HESS

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

DATE TURNED INTO OFFICE: 3

The Community & Regional Affairs Committee considered SB 294  
Relating to regional educational attendance areas.

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
<del>John Kelly</del>	✗				
<i>Tom Kelly</i>	✓	<i>Tom Kelly</i>	✓		
<i>Robert E. (Red) Kelly</i>	✓	<i>ROD E (RED) KELLY</i>	✗		
<i>John Hoff</i>					
<i>John Hoff</i>					
<i>John Hoff</i>					
<i>John Hoff</i>					
<b>CHAIR:</b> <i>John Hoff</i>		<b>CHAIR:</b>	✓		

**NEW FISCAL NOTE(S):**

Department	Date	Zero	Fiscal
<i>Comm &amp; Reg Affairs</i>	<i>2/12/96</i>	✓	
<i>Education</i>	<i>3/12/96</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 regional educational attendance areas BRU: none  
 Component: none  
 Sponsor: Sen. Lincoln  
 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
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>CAPITAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
----------------	------------	------------	------------	------------	------------	------------

REVENUE FUND SOURCE: 

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

FUNDING: (Thousands of Dollars)

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

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)**  
 This legislation would provide an option for communities, by local election, to change to a different regional education attendance area. The department envisions that existing staff and resources could absorb any departmental assistance directed towards local government educational efforts or support for special local elections in conjunction with the provisions 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 Dorn* Date: 2/20/96  
 Agency: Community & Regional Affairs

PREPARER TO PROVIDE ALL DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE  
 For further distribution information call the Governor's Legislative Office

# FISCAL NOTE

STATE OF ALASKA

BILL NO. SB294

1996 LEGISLATIVE SESSION

Revision Date: \_\_\_\_\_

Department Affected: Education

Title: "An Act relating to regional educational attendance areas."

BRU: K-12 Support

Sponsor: Senator Lincoln

Component: Foundation Program

Requester: Senator Lincoln

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						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	-0-	-0-	-0-	-0-	-0-	-0-

<b>CAPITAL EXPENDITURES</b>	-0-	-0-	-0-	-0-	-0-	-0-
-----------------------------	-----	-----	-----	-----	-----	-----

<b>CHANGE IN REVENUES</b>	-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						
<b>TOTAL</b>	-0-	-0-	-0-	-0-	-0-	-0-

**POSITIONS:**

FULL-TIME						
PART-TIME						
TEMPORARY						

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

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

The department cannot determine the increased cost or a savings to the state, for Foundation Funding purposes, if a community located in an educational service area becomes part of a different educational service area. The possible cost/savings would occur when a community became a part of a different educational service area that also had a different area cost differential than the original educational service area. A higher differential would result in an increased cost to the state, and a lower area cost differential would result in a savings to the state.

Prepared by: Eddy Jeans

Phone: 465-8685

Division: School Finance

Date: March 7, 1996

Approved by Commissioner: 

Shirley Holloway, Ph. D.

Agency: Education

Date: \_\_\_\_\_

**PREPARER TO PROVIDE ALL DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE**

For further distribution information call the Governor's Legislative Office





**Sec. 14.08.031. Regional educational attendance areas.**

(a) The Department of Community and Regional Affairs in consultation with the Department of Education and local communities shall divide the unorganized borough into educational service areas using the boundaries or sub-boundaries of the regional corporations established under the Alaska Native Claims Settlement Act, unless by referendum a community votes to merge with another community contiguous to it but within the boundaries or sub-boundaries of another regional corporation.

(b) An educational service area established in the unorganized borough under (a) of this section constitutes a regional educational attendance area. As far as practicable, each regional educational attendance area shall contain an integrated socio-economic, linguistically and culturally homogeneous area. In the formation of the regional educational attendance areas, consideration shall be given to the transportation and communication network to facilitate the administration of education and communication between communities that comprise the area. Whenever possible, municipalities, other governmental or regional corporate entities, drainage basins, and other identifiable geographic features shall be used in describing the boundaries of the regional school attendance areas.

(c) Military reservation schools shall be included in a regional educational attendance area. However, operation of military reservation schools by a city or borough school district may be required by the department under AS 14.12.020(a) and AS 14.14.110. Where the operation of the military reservation schools in a regional educational

For CERA Hearing today, 3/20/96  
on SB294

march 19, 1996

To: Sen. John Torgerson  
Chairman, CERA Committee  
FAX # 465-4719

From: Lyone M Jensen Phone 697-2259 (H)  
P.O. Box 87 697-2248 (W)  
Gustavus, AK 99826

Re: SB 294

Thank you so much for bringing this bill SB 294 to  
a hearing in your Senate CERA committee.

I support the concept of allowing school sites to  
have the opportunity to choose to align themselves  
with a different district, one which they feel  
would be more economically, culturally,  
socially and/or logistically compatible.  
I thank Senator Georgiannos himself for  
introducing this bill.

The merits of this bill have been discussed  
recently by the Gustavus staff, community members  
and parents, and many questions have been raised

- ① what happens to the ownership of the school  
buildings and lands, lease and contractual  
agreements -- do they transfer to the new district?
- ② How much choice does a school site have in  
which district they choose to align with?
- ③ Is there a possibility for school sites to align  
with single site schools not in an REAA?

page 2

3/19/96

Re: SB294

From: Lynne M. Jensen

Again, thank you for bringing this bill to hearing. I hope you will be able to answer our questions. We appreciate the spirit of this bill in giving schools some choice and opportunities for site control and autonomy in selecting a district board more or less compatible than an arbitrary boundary line. We look forward to participating in the hearing by teleconference.

Sincerely,

Lynne M. Jensen

Box 247  
Gustavus, AK 99826  
March 18, 1996

To: Senator Torgeson  
RE: SB 294

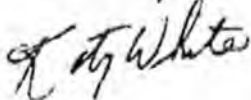
I have recently heard of a bill which would allow schools within REAA's to join with school districts of their choice rather than be in mandated districts. This bill is of interest to Gustavus residents; however, it would need to be amended in order to address our needs.

Presently, we are affiliated with Chatham School District which operates out of Angoon. We are not economically, culturally, socially, philosophically, or linguistically compatible with this district. We strongly desire some other options.

We would like to see this bill amended so that schools could be a part of any district including those outside of the REAA restriction in order to be of significance to us.

Thank you for your kind attention.

Sincerely,



Katy White

To: Senator Lincoln  
From: Fred John Jr  
Date: March 20, 1996

Chistochina and Mentasta are two village that have close cultural ties. (The majority of the people in the two village would like to be in the same school district) I believe it would be good that Chistochina be in the Alaska Gateway School District. It would benefit Chistochina and the Gateway School District. I support Senate Bill 294

To: Senator Lincoln  
From: Wilson Justin  
Date: March 20, 1996

I very much favor any legislation allowing transfer of schools among districts. Bill 294 seems to provide a solution to a long standing problem among small communities and schools. We are at the mercy of a "tyranny of the majority" and secondly from personal experience I can tell you that flowers will grow on the top of MT. Sanford, sixteen thousand feet tall before the Copper River School Board accords Chistochina parents. The appropriate respect and country expectant of any public bodies to a community or village.

To: Senator Lincoln  
From: ~~Walter~~ *Agnes Conny*  
Date: March 20.1996

I am in support of being able to move schools into other districts. More often we are stuck in school district where change's is not happening and we see a district with more local control. As a minority here we are most often left out.

**SB**

**322**

# FISCAL NOTE

STATE OF ALASKA  
1996 LEGISLATIVE SESSION

BILL NO: SB 322

Revision Date: 4/16/96  
Title: An Act relating to distribution of national forest income to boroughs; ...  
Sponsor: Senate Judiciary Committee  
Requestor: Senate C&RA

Dept. Affected: Community & Regional Affairs  
BRU: \_\_\_\_\_  
Component: \_\_\_\_\_  
COMPONENT SERIAL NO. \_\_\_\_\_

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

OPERATING	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
PERSONAL SERVICES	0.0	0.0	0.0	0.0	0.0	0.0
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>CAPITAL EXPENDITURES</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
-----------------------------	------------	------------	------------	------------	------------	------------

CHANGE IN REVENUES ( ) Revenue Code						
----------------------------------------	--	--	--	--	--	--

**FUNDING: (Thousands of Dollars)**

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

Estimate of current year (FY 96) impact: \$ none

**POSITIONS:**

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

ANALYSIS: (Attach a separate page if necessary.)

This bill will have no fiscal impact on the department.

Prepared By: Remond Henderson *Remond Henderson* Phone: 465-4708  
Division: Director, Administrative Services Date: 4/16/96  
Approved by Commissioner: Mike Irwin *Mike Irwin* Date: 4/16/96  
Agency: Mike Irwin, Dept. of Community & Reg. Affairs

**PREPARER TO PROVIDE ALL DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE**

For further distribution information call the Governor's Legislative Office

# Alaska State Legislature

*Chairman.*  
Judiciary Committee

*Vice Chairman.*  
Transportation Committee

*Member.*  
Resources Committee  
Western Legislative Forestry Task Force



State Capitol  
Juneau, Alaska 99801-1182  
(907) 465-3873  
Fax: (907) 465-3922

352 Front Street  
Ketchikan, Alaska 99901  
(907) 225-8088  
Fax: (907) 225-0713

**Senator Robin L. Taylor**

## Senate Sponsor Statement

### Senate Bill 322

Senate Bill 322 would change the way payments are distributed from the National Forest Receipts Program. Since the payment of forest receipts is essentially a mitigation program, this revised distribution formula would direct payment to those boroughs which are actually impacted.

Five boroughs and 19 communities and school districts in the unorganized borough currently receive payments under this program. More than \$8.7 million was distributed in FY'95. That figure represents 25 percent of the revenue generated by activity on the Tongass National Forest, most of it from timber harvest.

Some of the communities currently receiving impact money actively oppose the timber industry. They have discouraged logging activity near their communities and are therefore not impacted by the very activity which generates the revenue they have received.

SB 322 would re-distribute that revenue to those communities which are actually impacted.

District A

Hyder • Ketchikan • Kupreanof • Metcalf • Petersburg • Savoie • Sitka • Wrangell

# LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES  
LEGISLATIVE AFFAIRS AGENCY  
STATE OF ALASKA

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

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

## MEMORANDUM

April 12, 1996

**SUBJECT:** National forest income (SB 322)

**TO:** Senator John Torgerson  
Senate Community and Regional Affairs

**FROM:** Tamara Brandt Cook  
Director *TBC*

SB 322 would require as a condition to receipt of national forest income by a borough that timber must have been harvested within the last five years from the portion of the forest located within the borough. It also contains a provision to share the amount a disqualified borough would have received with the other qualified boroughs. You have asked whether the bill conflicts with federal law.

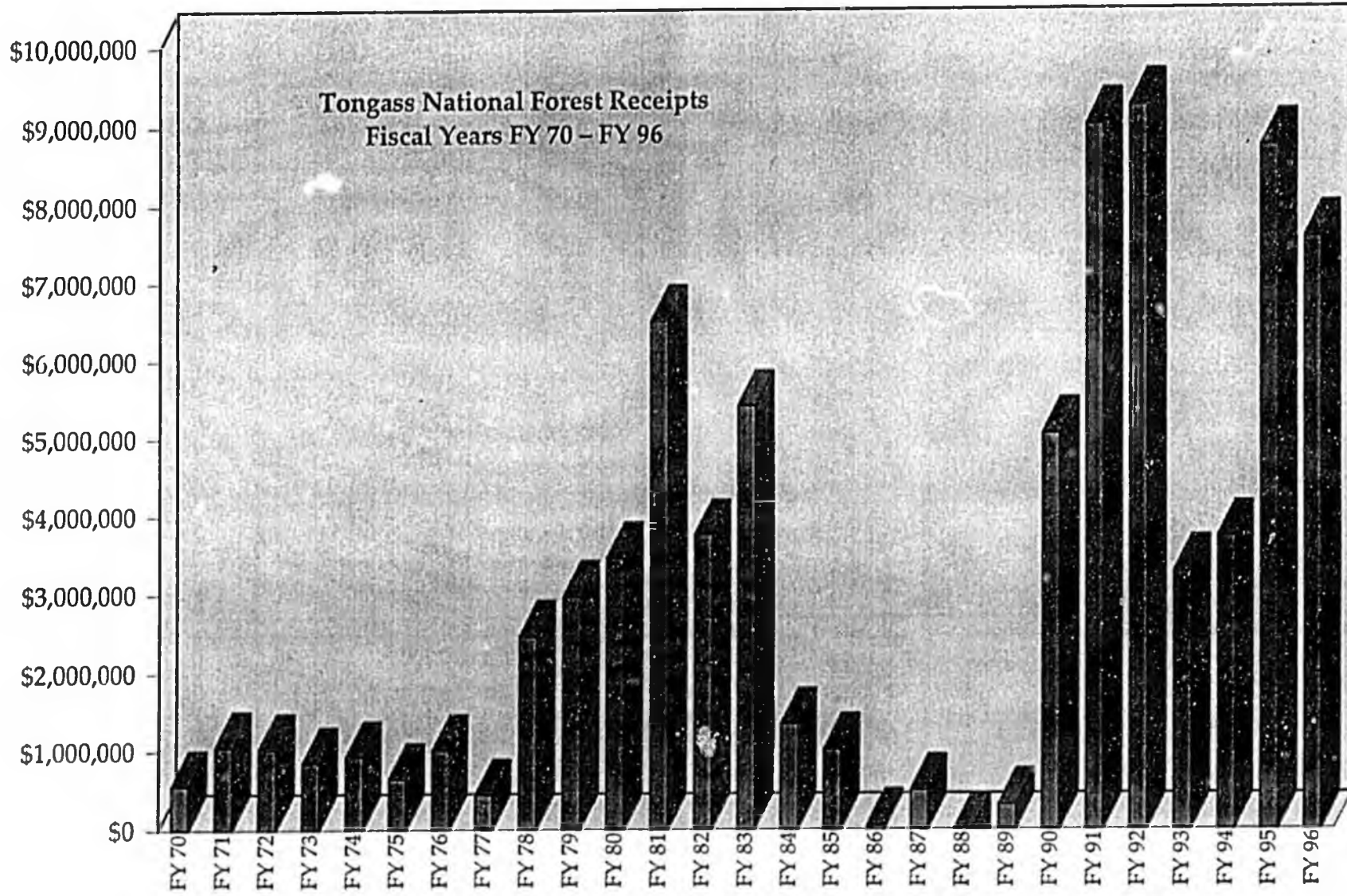
The income distribution under SB 322 appears not to comply with the federal program under which the national forest income is distributed. 16 U.S.C. 500 provides:

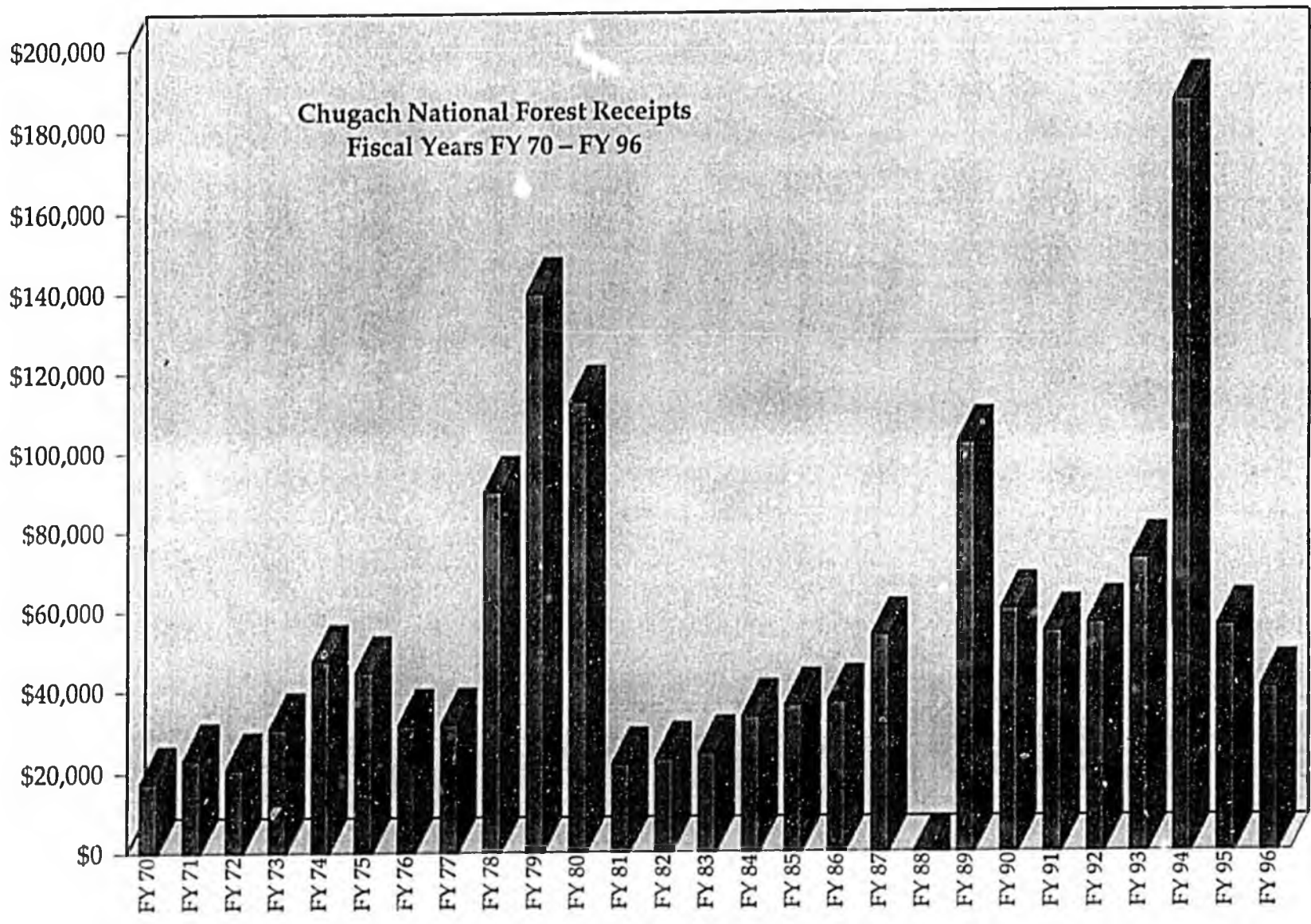
On and after May 23, 1908, twenty-five per cent of all moneys received during any fiscal year from each national forest shall be paid, at the end of such year, by the Secretary of the Treasury to the State or Territory in which such national forest is situated, to be expended as the State or Territorial legislature may prescribe for the benefit of the public schools and public roads of the county or counties in which such national forest is situated: Provided, That when any national forest is in more than one State or Territory or county the distributive share to each from the proceeds of such forest shall be proportional to its area therein....

As I read this provision, it appears that if the national forest lies in more than one county, the share to each county must be proportional to the area of the forest within each county.

TBC:pl  
96-116.plm

**Tongass National Forest Receipts**  
Fiscal Years FY 70 - FY 96





**Table 1**  
**FY 96 NATIONAL FOREST RECEIPTS PROGRAM**  
**BOROUGH PAYMENTS**

**TONGASS NATIONAL FOREST**

Borough	Acres	Total Payment
Haines Borough	918,072	\$416,716.37
City & Borough of Juneau	1,714,994	\$778,442.29
Ketchikan Gateway Borough	743,255	\$337,366.27
City & Borough of Sitka	1,806,623	\$820,033.05
City & Borough of Yakutat	1,226,997	\$556,938.60
Unorganized Borough	10,245,906	\$4,650,655.67
<b>TOTAL ACRES</b>	<b>16,655,847</b>	
<b>TOTAL PAYMENT</b>		<b>\$7,560,152.25</b>

**CHUGACH NATIONAL FOREST**

Borough	Acres	Total Payment
Municipality of Anchorage	275,036	\$2,076.77
Kenai Peninsula Borough	1,097,666	\$8,288.37
Kodiak Island Borough	19,461	\$146.95
Matanuska-Susitna Borough	43,386	\$327.60
Unorganized Borough	3,913,349	\$29,549.32
<b>TOTAL ACRES</b>	<b>5,348,898</b>	
<b>TOTAL PAYMENT</b>		<b>\$40,389.01</b>

<b>TOTAL STATE OF ALASKA PAYMENT</b>		<b>\$7,600,541.26</b>
--------------------------------------	--	-----------------------

**Table 2**  
**FY 96 NATIONAL FOREST RECEIPTS PROGRAM**  
**TONGASS NATIONAL FOREST - UNORGANIZED BOROUGH PAYMENTS**

Municipality	Road Miles	Road Mile \$	ADM	School \$	Total Payment
<b>Home Rule</b>					
Petersburg	12.30	\$37,583.15	753.55	\$687,678.55	\$725,261.70
Wrangell	9.81	\$29,974.86	555.00	\$506,484.76	\$536,459.62
<b>First Class</b>					
Craig	7.75	\$23,680.44	424.00	\$386,936.11	\$410,616.55
Hoonah	8.00	\$24,444.33	273.70	\$249,774.56	\$274,218.89
Hydaburg	6.20	\$18,944.35	104.00	\$94,908.86	\$113,853.21
Kake	13.36	\$40,822.03	191.00	\$174,303.77	\$215,125.80
Klawock	6.79	\$20,747.12	220.15	\$200,905.62	\$221,652.74
Pelican	1.10	\$3,361.10	38.25	\$34,906.38	\$38,267.48
Skagway	12.05	\$36,819.27	131.30	\$119,822.43	\$156,641.70
<b>Second Class</b>					
Angoon	7.70	\$23,527.67	N/A	N/A	\$23,527.67
Coffman Cove	12.70	\$38,805.37	N/A	N/A	\$38,805.37
Kasaan	8.36	\$25,544.32	N/A	N/A	\$25,544.32
Tenakee Springs	2.50	\$7,638.85	N/A	N/A	\$7,638.85
Thorne Bay	25.41	\$77,641.30	N/A	N/A	\$77,641.30
<b>Federal Law</b>					
Metlakatla	35.50	\$108,471.71	N/A	N/A	\$108,471.71
<b>REAA'S</b>					
Annette Island	N/A	N/A	444.00	\$405,187.81	\$405,187.81
Chatham	N/A	N/A	337.30	\$307,814.98	\$307,814.98
Southeast Island	N/A	N/A	349.85	\$319,267.92	\$319,267.92
<b>TOTAL LOCAL</b>	<b>169.53</b>	<b>\$518,005.87</b>	<b>3,822.10</b>	<b>\$3,487,991.74</b>	<b>\$4,005,997.62</b>
<b>STATE</b>	<b>210.98</b>	<b>\$644,658.05</b>	<b>N/A</b>	<b>N/A</b>	<b>\$644,658.05</b>
<b>GRAND TOTAL</b>	<b>380.51</b>	<b>\$1,162,663.92</b>	<b>3,822.10</b>	<b>\$3,487,991.75</b>	<b>\$4,650,655.67</b>

Table 3  
 FY 96 NATIONAL FOREST RECEIPTS PROGRAM  
 CHUGACH NATIONAL FOREST - UNORGANIZED BOROUGH PAYMENTS

Municipality	Road Miles	Road Mile \$	ADM	School \$	Total Payment
<b>Home Rule</b>					
Cordova	12.90	\$602.08	519.15	\$7,380.45	\$7,982.53
Valdez	23.78	\$1,109.87	895.75	\$12,734.37	\$13,844.24
<b>Second Class</b>					
Whittier	5.10	\$238.03	N/A	N/A	\$238.03
<b>REAA'S</b>					
Chugach	N/A	N/A	144.00	\$2,047.17	\$2,047.17
<b>TOTAL LOCAL</b>	<b>41.78</b>	<b>\$1,949.98</b>	<b>1,558.90</b>	<b>\$22,161.98</b>	<b>\$24,111.96</b>
<b>STATE</b>	<b>116.50</b>	<b>\$5,437.35</b>	<b>N/A</b>	<b>N/A</b>	<b>\$5,437.35</b>
<b>GRAND TOTAL</b>	<b>158.28</b>	<b>\$7,387.33</b>	<b>1,558.90</b>	<b>\$22,161.99</b>	<b>\$29,549.31</b>

# National Forest Receipts Program

## Tongass National Forest

### Borough Payments - FY 92 to FY 95

	FY 1992	FY 1993	FY 1994	FY 1995
Haines Borough	\$ 507,050	\$ 179,689	\$ 203,982	\$ 479,955
City & Borough of Juneau	913,842	323,836	367,612	899,413
Ketchikan Gateway Borough	412,334	146,123	165,878	389,463
City & Borough of Sitka	1,002,372	555,222	403,243	948,804
City & Borough of Yakutat	-	240,153	272,620	641,456
Unorganized Boroughs	6,406,581	2,028,305	2,301,566	5,367,059
Petersburg	936,210	306,688	349,340	851,333
Wrangell	698,891	223,290	264,642	634,078
Craig	424,101	156,784	182,301	449,015
Hoonah	350,221	130,066	136,437	304,444
Hydaburg	201,325	66,072	60,302	138,347
Kake	283,661	90,967	101,316	244,138
Klawock	279,278	88,331	107,990	244,325
Pelican	61,905	20,602	22,581	51,639
Skagway	227,733	79,233	85,113	177,969
Yakutat	179,087	-	-	-
Angoon	30,997	11,103	12,002	27,174
Coffman Cove	45,021	17,103	18,488	43,408
Kasaan	18,327	6,556	12,880	29,503
Tenakee Springs	9,960	3,563	3,852	8,823
Thorne Bay	118,331	42,330	45,758	83,640
Metlakatla	137,056	49,029	52,999	131,636
Annette Island	531,236	165,373	189,016	447,219
Chatham	471,583	142,839	151,731	346,968
Southeast Island	521,085	171,104	192,193	406,703
State	880,706	257,272	312,696	748,699
<b>Grand Total</b>	<b>\$9,242,180</b>	<b>\$3,273,328</b>	<b>\$3,714,900</b>	<b>\$8,726,150</b>

Retyped from Facsimile received from the Alaska Region of the U.S. Forest Service

**Alaska Region--Tongass National Forest**

Borough	1991 Payment State FY 92	1992 Payment State FY 93	1993 Payment State FY 94	1994 Payment State FY 95	1995 Payment State FY 96
Haines at large	507,050.45	179,689.10	203,981.54	479,954.84	401,408.86
Juneau at large	913,842.03	323,835.62	367,611.67	899,412.92	752,221.44
Ketchikan Gateway at large	412,333.90	146,123.34	165,877.98	389,463.26	325,726.49
Sitka at large	1,002,372.28	355,221.79	403,243.21	948,804.14	793,529.64
Yakutat at large		240,153.26	272,619.95	641,456.39	536,480.22
Unorganized at large	6,406,580.95	2,028,304.94	2,301,565.61	5,367,058.83	4,488,724.36
<b>National Forest Total</b>	<b>9,242,179.61</b>	<b>3,273,328.05</b>	<b>3,714,899.96</b>	<b>8,726,150.38</b>	<b>7,298,091.01</b>

**Alaska Region--Chugach National Forest**

Anchorage at large	2,835.78	3,582.04	9,518.58	2,865.67	1,886.86
Kenai Peninsula at large	11,784.99	15,091.58	39,130.01	11,532.01	7,593.11
Kodiak Island at large	240.23	308.54	680.20	202.76	133.51
Matanuska Susitna at large	448.55	576.10	1,501.32	452.01	297.63
Unorganized at large	41,404.11	53,064.13	136,182.64	40,809.33	26,870.41
<b>National Forest Total</b>	<b>56,713.66</b>	<b>72,622.39</b>	<b>187,012.75</b>	<b>55,861.78</b>	<b>36,781.52</b>

**Total Alaska Region**

Tongass National Forest	9,242,179.61	3,273,328.05	3,714,899.96	8,726,150.38	7,298,091.01
Chugach National Forest	56,713.66	72,622.39	187,012.75	55,861.78	36,781.52
<b>Grand Total</b>	<b>9,298,893.27</b>	<b>3,345,950.44</b>	<b>3,901,912.71</b>	<b>8,782,012.16</b>	<b>7,334,872.53</b>

So that you know and understand the fund itself. It is money returned to the state on revenue to the federal government that is earned from the use of national forests. If there is a lot of federal land surrounding communities, those communities have a diminished tax base. The 25% fund is to assure that communities have funds for roads and schools, expenditures that might ordinarily be brought to the community in the form of taxes. State of Alaska receives a check from the federal government. State determines how much borough receives.

# STATE OF ALASKA

## DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

April 24, 1996

TONY KNOWLES, GOVERNOR

PLEASE REPLY TO:

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

KEY BANK BUILDING  
100 CUSHMAN ST., SUITE 400  
FAIRBANKS, ALASKA 99701-4679  
PHONE (907) 451-2811  
FAX (907) 451-2846

P.O. BOX 110300-DIMOND COURT HOUSE  
JUNEAU, ALASKA 99811-0300  
PHONE (907) 465-3500  
FAX (907) 465-6735

The Honorable Jim Duncan  
Alaska Senate  
State Capitol, Room 119  
Juneau, Alaska 99811

Re: SB 322 -- relating to distribution of national  
forest receipts income to boroughs

Dear Senator Duncan:

You have requested our review of SB 322, a bill that proposes to restrict payment of national forest income to only those organized boroughs in which national forest land is located if timber has been harvested from the forest located in that borough within five calendar years immediately preceding the year the commissioner receives the forest income from the federal government. The bill also requires redistribution of a borough's share that does not qualify for payment under the above criteria, to the other boroughs that do qualify.

We believe SB 322, as written, is in conflict with federal law, 16 U.S.C. 500, which controls the method of distribution of national forest receipt money provided to the state. 16 U.S.C. 500 provides that money paid from each national forest at the end of the year to the state in which such national forest is situated, may be expended as that state legislature "... may prescribe for the benefit of the public schools and public roads of the counties [boroughs] in which such national forest is situated: *Provided*, that when any national forest is in more than one state or county [borough] the distributive share to each from the proceeds of such forest shall be proportional to its area therein." We believe that the federal law is clear as to the requirement that payments to boroughs be based proportionally on the amount of "area" of the forest located in a borough; not on the basis of area "harvested" located in a borough or within a certain retroactive time limit (i.e., five calendar years immediately preceding the year the commissioner receives the national forest income from the federal government).

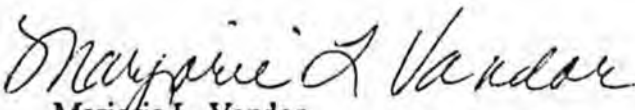
Senator Jim Duncan  
SB 322

April 24, 1996  
Page 2

In sum, we believe this bill is in direct conflict with controlling federal law, 16 U.S.C. 500, and its passage may have detrimental effects on the state's continued participation in the national forest receipts program.

Sincerely,

BRUCE M. BOTELHO  
ATTORNEY GENERAL

  
By: Marjorie L. Vandor  
Assistant Attorney General

MLV:jn

cc: Senator Robin Taylor ✓  
Chrystal Smith, Legal Administrator  
Dept. of Law  
Commissioner Irwin

Territorial Law (47-5-1) ACLA 1949

25 percent of money from the Forest Reserve fund is appropriated to the Public School Current Fund to be expended under the supervision and direction of the board of education in accordance with the laws governing the appropriation and expenditure of funds for public schools.

75 percent of money received is appropriated and shall be used in accordance with established practice for the construction, maintenance and repair of roads in the territory.

Chapter 37, SLA 91 with notes of preceding statutes)

- (a) Commissioner of Community and Regional Affairs receives national forest income.

Each organized borough in which national forest land is located receives a share of the income which is proportional to the area of the national forest located within the borough. *(this is essentially the same language as the statute originally enacted in 1965)*

Section (e) requires that the funds received must be spent on public schools and public roads.

*The 1965 legislation required the appropriation to be used as follows*

- *100 percent for public schools until 7/1/70 or until the borough assumes responsibility for roads, whichever ever occurs first; then*
- *25 percent for public schools and 75 percent for roads*
- *If a borough hadn't assumed responsibility for roads by 7/1/70; 75 percent of the amount due that borough was withheld and expended by the state for the benefit of roads within the borough*
- *When a borough assumed responsibility for roads, the state began paying the 75 percent directly to the borough*

*In 1969 this was revised to say funds received were to be spent on roads and schools; the 1991 rewrite maintained the intent*

- (b) Account is created in the GF consisting of national forest receipts for the unorganized borough. The percentage of national forest income deposited in the account is the same as the percentage of national forest located in the unorganized borough.

75 percent of the account is allocated for public schools  
25 percent of the account is allocated for public roads

*The original 1965 statute allocated 25 percent for schools and 75 percent for roads. The switch in percentages occurred in the 1991 rewrite;*

the 1991 statute added the following sections

- (c) In the unorganized borough, each home rule city, first class city, or REAA that has a school within a national forest or within 20 miles of a national forest receives a share of the allocation for public schools.

The share is the proportion of the ADM of the city school district or REAA compared to the total ADM in city school districts and REAAs that have a school within a national forest or within 20 miles of a national forest receives 41.15.180(e) Distributions shall be expended for public schools

- (d) Each home rule, first class or second class city in the unorganized borough (including Metlakatla) that exercises road powers that is located within a national forest or within 20 miles of a national forest receive a share of the allocation for public roads.

The share is the number of road miles within municipal boundaries over which road powers are exercised plus the number of state road miles maintained by the municipality compared to the total number of road miles maintained by state or local governments in the unorganized borough and within the national forest or within 20 miles of the national forest. 41.15.180(e) Distributions shall be expended for public roads

- (f) DCRA consults with DOE for the purposes of determining ADM, and with DOT/PF to determine the number of road miles

- (g) Each municipality or REAA that receives a payment must annually report and account to DCRA its use of payments. DCRA can't distribute income to an entity in the unorganized borough that has previously failed to report and account as required.
- (h) If a portion of a municipality or REAA in the unorganized borough is located within the national forest or within 20 miles of a national forest, the entire municipality or REAA is considered to be within the national forest
- (i) Payment is made under an appropriation for the purpose
- (j) The unobligated and unexpended portion of the unorganized borough national forest receipts fund lapses into the GF on June 30. It shall be used to offset expenses of the GF for school and road maintenance in the affected areas of the unorganized borough for which direct distribution of funds has not been made.

of the Agricultural Experiment Station and Extension Service of the University of Alaska, and the Territorial Commissioner of Agriculture. [L 1947, ch 62, § 4, p 176.]

**§ 47-4-5. Powers of the board.** The Soil Conservation Board shall be the governing body of the district and shall have the following powers:

1. [*Surveys and investigations.*] To conduct land capability surveys and investigations of potential agricultural areas and of soil conservation and erosion control, including necessary preventative and control measures, in the Territory; to publish the results of such surveys and investigations and to disseminate information concerning the results of such surveys and investigations to prospective settlers and the general public.

2. [*Guidance and assistance of settlers.*] To make technical guidance and other assistance available to settlers of new land so as to assure the development of such land in a manner that will permit it to be used in accordance with its capabilities and treated in accordance with its needs.

3. [*Soil conservation and erosion control.*] To carry out measures for soil conservation and erosion control within the district, including but not limited to engineering operations, methods of cultivation, the growing of vegetation, and changes in use of land, with the consent and cooperation of the land occupier or agency having jurisdiction thereof.

4. [*Cooperation with occupants or agencies.*] To cooperate with, furnish assistance to, and enter into agreements with, any occupier of land or agency, governmental or otherwise, within the district, subject to such conditions as the district governing body may deem necessary to advance the purposes of this Act.

5. [*Structures.*] To construct, improve and maintain such soil erosion control and conservation structures as may be necessary and practical for carrying out the purposes of this Act.

6. [*Development and publication of plans.*] To develop comprehensive plans for the conservation of soil and control of soil erosion within the district, cropping programs, tillage practices and changes in land use, and to publish such plans and information and bring them to the attention of occupiers of lands within the district.

7. [*Acceptance of contributions.*] To accept contributions in money, services, materials, equipment, or otherwise, from the United States or any of its agencies, from any agency of the Territory, and from any other source, for use in carrying out the purposes of this Act.

8. [*Approval of occupant.*] No survey, investigation or plan for any particular land shall be undertaken by the district, nor shall

any measures for soil conservation and erosion control thereon be carried out, without the prior approval of the occupier of such land.

9. [*Sub-districts.*] To create sub-districts of the Soil Conservation District of Alaska, upon the petition of 25 or more land occupiers setting forth the proposed boundaries of the sub-district, and after an adequately advertised favorable public hearing has been held at a convenient location or locations within the boundaries of the proposed sub-district; to fix the boundaries of any sub-districts so created; to supervise the election of, prescribe the duties of, and install a governing body of 5 land occupiers to be known as District Supervisors for each sub-district created; and to delegate to the District Supervisors such of the district's powers, as set out in this section, as the Board deems necessary to accomplish the purposes of this Act within the sub-district boundaries.

[*Definitions.*] For the purposes of this Act, the term "land occupier" or "occupier of land" means any person, firm or corporation who shall hold title to, or shall be in possession of, three or more acres of land in the Territory, whether as owner, lessee, renter, tenant, or otherwise. [L 1947, ch 62, § 5, p 177.]

## CHAPTER 5

## FOREST RESERVE FUND 1449

**§ 47-5-1. Appropriation: Expenditure.** That twenty-five per cent of all moneys coming into the Treasury of the Territory of Alaska from the Forest Reserve Fund is hereby appropriated and shall be set over by the Treasurer of the Territory into the Public School Current Fund, and shall be expended under the supervision and direction of the Board of Education of the Territory of Alaska in accordance with the laws of said Territory governing the appropriation and expenditure of funds for public schools of said Territory; and the remaining seventy-five per cent of said Forest Reserve Fund is hereby appropriated and shall be used in accordance with established practice for the construction, maintenance and repair of roads in the Territory of Alaska. [L 1925, ch 54, § 1, p 97; CLA 1933, § 1423.]

## CHAPTER 105

## AN ACT

and life insurance for public employees and their dependents; effective date.

(H.B. 149)

Legislature of the

or wage the cost of the additional coverage.

1990 is repealed and

urement of Group  
partment of Admin-  
a policy or policies  
covering state em-  
es of other partici-  
units subject to the

(5) The state shall contribute not more than \$7.50 per month for each state employee covered. The state shall make no contribution for the employee's spouse or dependent children. Another participating governmental unit may pay the cost of insurance for its employee and his dependents or may share the cost with the employee.

insurance policy shall  
of the following bene-  
ccidental death and  
urance, weekly in-  
hospital expense in-  
pense insurance, or  
insurance.

(6) The Department of Administration shall obtain the insurance policy from any insurer authorized to transact business in the state under AS 21.10.035 - 21.10.050, 21.30.020, and 21.10.055(1) or (2)(A).

ble employee of the  
participating govern-  
covered by the group  
nt under regulations  
ssioner of adminis-

(7) The Department of Administration shall make available bid specifications for desired insurance benefits to all insurance carriers licensed in the state and qualified to provide the desired benefits. The specifications shall be made available on or before July 1, 1965, and at least once every succeeding five years. The lowest responsible bid submitted by an insurance carrier with adequate servicing facilities shall govern selection of a carrier under this section.

ental unit may part-  
p policy if

ning body adopts a  
ng participation, and  
l premiums;

(8) If the aggregate of dividends payable under the group insurance policy exceeds the governmental unit's share of the premium, the excess shall be applied by the governmental unit for the sole benefit of the employees.

ed copy of the resolu-  
Department of Ad-

missioner of admin-  
the participation in

Sec. 2. AS 39.30.100 is repealed and re-enacted to read:

Sec. 39.30.100. Definitions. In sec. 90 of this chapter

(1) "eligible employee" means

(A) an employee who has served in full-time employment with the same governmental unit for 30 days or more, except a part-time, emergency or temporary employee, and

oyee covered by a  
obtain coverage for  
nd those of the em-  
l children who are  
pon the employee for  
n coverage for his  
d children, a covered  
l deliver to the com-  
istration a written  
hold from his salary

(B) an elected or appointed official of a governmental unit, effective upon taking the oath of office;

(2) "governmental unit" means the state, a borough, municipal corporation, or other political subdivision of the state;

(3) "insurance," "insurance carrier" and "insurance policy" include health care services, health care service contractors and contracts.

Sec. 3. This Act takes effect July 1, 1965.

Approved May 1, 1965

## CHAPTER 106

## AN ACT

Relating to national forest income; and providing for an effective date.

(H.B. 159)

Be It Enacted by the Legislature of the State of Alaska:

Section 1. AS 41.15.180 is repealed and re-enacted to read:

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

(b) The national forest income paid to an organized borough under this section shall be used for public schools and roads as follows:

(1) one hundred per cent for public

schools until July 1, 1970 or such time as the borough assumes responsibility for roads, whatever occurs first; then

(2) twenty-five per cent for public schools and 75 per cent for roads;

(3) if a borough has not assumed responsibility for roads by July 1, 1970, 75 per cent of the amount due that borough in a fiscal year shall be withheld and expended by the state for the benefit of roads within the borough; if a borough assumes responsibility for roads after July 1, 1970, the state will begin paying the 75 per cent directly to the borough.

(c) The commissioner shall deposit income from national forest lands outside of organized boroughs in the general fund of the state, 25 per cent to be used for public schools and 75 per cent for roads.

Sec. 2. This Act takes effect on the day after its passage and approval or on the day it becomes law without such approval.

Approved May 1, 1965

## CHAPTER 107

## AN ACT

Relating to the financing of improvements in special assessment districts within first and second class cities and boroughs.

(H.B. 246)

Be It Enacted by the Legislature of the State of Alaska:

Section 1. AS 29.10.300 is amended to read: