

ALASKA LEGISLATURE COMMITTEE FILES 1997-1998 8672

9141 HOUSE HEALTH EDUCATION & SOCIAL SERVICES

TO: REPRESENTATIVE KIM ELTON

RE: HJR 29

FROM: JAN YOUNG, RN

I am writing this letter of support for HJR 29. I am a nurse who has worked with Prostate Cancer patients for many years and am convinced that patient and professional education, early detection and access to the most current treatment programs are vital to their health and survival.

The American Cancer Society has revised their priorities over the last few years to enable their volunteers to focus on key cancer education and prevention areas as well as target fundraising. The National ACS office has conducted and reviewed research on these priority areas to assure that the funding and education programs can actually make a difference in the outcome for these particular cancer patients. In November of 1996, the National ACS declared Prostate Cancer as it's newest priority. This is the most common cancer among American men, excluding skin cancer and is the second leading cause of cancer death in men, exceeded only by lung cancer. It is time for Americans to take a stand against this dreaded disease and dedicate time and financial support to research and treatment efforts.

Thank you for your help and support,



Jan Young RN
Hospice and Home Care of Juneau Clinical Supervisor
ACS Western Pacific Division Board of Directors



WESTERN PACIFIC DIVISION, ALASKA AREA OFFICE

April 7, 1997

Representative Kim Elton
Alaska House of Representatives
State Capitol
Juneau, Alaska 99801-1182

Dear Representative Elton,

It is estimated that in the United States 334,500 men will be newly diagnosed with prostate cancer. Mortality is estimated at 41,000 men. Alaska estimates approximately 290 newly diagnosed with an estimated mortality of 40 men to prostate cancer. There has been a significant increase in prostate cancer diagnosis over the past 35 years and continues to rise because of the increase in screening programs, but too many men are still unaware of the risk or are being diagnosed in late stages of the disease.

The American Cancer Society, as a founding member of the National Prostate Cancer Coalition, support all efforts to help in eradicating this prevalent disease. Through proper screening techniques it has been proven to decrease the mortality rate while increasing the rate of those being diagnosed at an earlier stage of the disease when cure rate and survival are significant.

The American Cancer Society supports your HJR 29 asking for President Clinton to support the signature petition which is asking for an increase in federal funding for prostate cancer research programs. With better funding the nationwide outreach, through education, awareness, and screening programs, will significantly impact the unnecessary loss due to prostate cancer.

Sincerely,

A handwritten signature in cursive script, appearing to read "Barbara J. Gill".

Barbara J Gill
Medical Affairs/Early Detection Director
Alaska Area

FOR CANCER INFORMATION OR TO MAKE A MEMORIAL DONATION, CALL 1-800-ACS-2345
1057 W. FIREWEED LANE, STE 204, ANCHORAGE, AK 99503-1760
907-277-8696 1-800-478-9355 FAX 907-263-2073 <http://www.cancer.org>



April 2, 1997

The Honorable Kim Elton
Alaska House of Representatives
State Capitol
Juneau, AK 99801-1182

Dear Representative Elton:

On behalf of the American Cancer Society, Western Pacific Division, I want to thank you for giving us the opportunity to voice our enthusiastic support of HJR 29.

The American Cancer Society advocates for increased research funding of all cancers, but prostate cancer is of particular concern due to the high incidence rate and high mortality rate for this disease.

Prostate cancer costs our country billions of dollars in lost productivity and medical treatment. Finding a prevention and/or cure for this disease will, in the future, save money as well as lives.

We applaud your effort to send a message to President Clinton and the United States Congress to commit to eradicating prostate cancer by increasing funding for research and making prostate cancer a national priority.

Sincerely,

Deborah Spence Schiro
Program Manager, Detection
Western Pacific Division
American Cancer Society

April 6, 1997

Representative Kim Elton
State Capitol
Juneau, AK 99801-1182

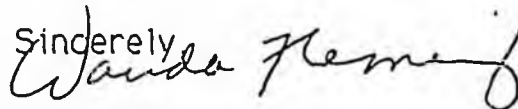
Dear Representative Elton:

I received your letter regarding your request for a letter of support regarding the recently introduced HJR 29 - Funding for Prostrate Cancer Research. I would be honored to write a brief statement of support.

As I am writing this today, I learned this morning of a close friend you has a tumor on his prostrate and will be going in for surgery to determine if it is cancer. I strongly believe that funding should be made available for prostrate cancer research programs. As with breast cancer - which strikes millions of women throughout the United States - I believe that there should be funding for both of these areas. It seems that we have worked on the cancer of the breast, but have put aside the fact that men throughout the United States are also stricken with their own type of cancer, that being prostrate. I urge the Alaska Legislation to support House Joint Resolution 29.

I have been a member of the Juneau Unit of the American Cancer Society for three years and am presently serving as the unit president. I am a seven year survivor of colon cancer and am very interested in fighting all various types of cancer.

If you have any questions, please feel free to contact me at my home 364-3617. I do wish the best to you with this resolution and getting the support it needs here in Alaska and nation wide.

Sincerely,

Wanda Fleming

cc: Mike Miller

Wanda J. Fleming
2192B-Lawson Creek Road
Douglas, Alaska 99824

HJR

58

FISCAL NOTE

STATE OF ALASKA
1998 LEGISLATIVE SESSION

BILL NO. HJR58

Revision Date: _____ Dept Affected: Natural Resources
 Title: Proposing amendments to the Constitution BRU: Resource Development
 of the State of Alaska relating to the education fund. Component: Oil & Gas Development
 Sponsor: Rep. Cowdery
 Requestor: (H)HES Component Serial No. #439

Expenditures/Revenues	(Thousands of Dollars)					
OPERATING EXPENDITURES	FY99	FY00	FY01	FY02	FY03	FY04
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING
CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
CHANGE IN REVENUES (fund code)	0.0	0.0	0.0	0.0	0.0	0.0

FUND SOURCE	(Thousands of Dollars)					
1002 Fed Grant Receipts						
1003 GF Match						
1004 GF						
1005 CF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL

Estimate of any current year (FY98) cost: \$ none

POSITIONS

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

ANALYSIS: (Attach a separate page if necessary)

* Fiscal impact is indeterminate. The amount of oil and gas reserves in ANWR is unknown and will remain unknown until exploration is allowed to proceed. Exploration is currently prohibited and will, presumably, remain so for the foreseeable future. Even after several rounds of exploration, reserve numbers will always remain interpretive. The Federal government has not set any parameters for leasing ANWR. The method of bidding has not been set so there is no way to predict what the outcome of a sale might be. Rents have not been established. They have not decided whether a bonus system will be used. If a pure net-profit based bidding system were adopted, for example, there would be no bonus money at all. Royalty values have not been established. The State-Federal share, often quoted as 90% for the State, is subject to change by the Congress. It is simply not possible to quantify the fiscal effects of ANWR leasing and development when every component of the calculation is unknown.

Prepared by: Ken Boyd, Director Phone: 269-8800
 Division: Oil & Gas Date: 27-Mar-98
 Approved by Commissioner: [Signature] Date: 3-27-98
 Agency: Natural Resources

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FISCAL NOTE

STATE OF ALASKA
1998 LEGISLATIVE SESSION

BILL NO. HJR58

Revision Date (Note if correction) _____	Dept. Affected <u>Office of the Governor</u>
Title <u>Const. Amend. Education Fund</u>	BRU <u>Elective Operations</u>
	Component <u>General and Primary</u>
Sponsor <u>Representative Cowdery</u>	
Requester <u>House HESS Committee</u>	Component Serial No <u>#22</u>

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXPENDITURES	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04
Personal Services						
Travel						
Contractual	3.0					
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	3.0	0.0	0.0	0.0	0.0	0.0

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

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

FUND SOURCE (Thousands of Dollars)

FUND SOURCE	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04
1002 Federal Receipts						
1003 GF Match						
1004 GF	3.0					
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	3.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY98) cost: _____

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This figures includes the cost of providing information about this issue in the Official Election Pamphlet, as required by AS 15.58, and the programming costs for counting votes cast on the measure. However, only four measures can be printed on a single ballot card. If this measure requires printing an additional ballot card, the costs will increase by \$56 0

Prepared by <u>Gail Fenumia</u> <i>Gail Fenumia</i>	Phone <u>465-3935</u>
Division <u>Division of Elections</u>	Date <u>3/27/98</u>
Approved by <u>Lt. Governor Fran Ulmer</u> <i>Fran Ulmer</i>	Date <u>3/27/98</u>
Agency <u>Office of the Lieutenant Governor</u>	

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Sponsor Statement for HJR 58

House Joint Resolution 58 would place a constitutional amendment on the ballot that would designate 40% of all revenues from ANWR lease sales and royalties to fund education. Currently, 25% of all such proceeds are constitutionally designated to the Permanent Fund and another 25% are assigned to the Permanent Fund in statute.

The intent of HJR 58 is twofold. First, it is in the best interests of Alaska that our natural resources be developed reasonably and responsibly. The current status of the Arctic National Wildlife Refuge is contrary to the well-being of Alaska's economy and consequently Alaska's ability to fund vital educational services. HJR 58 forges the link between ANWR's economic future and Alaska's educational future. It wedds the interests of the ANWR development with those of Alaska's educational program development. This link is an economic imperative; HJR 58 will bring this fact forward in the public conscious.

Finally, the current politicizing of educational funding and resulting instability are detrimental to the health of educational progress in Alaska. As administrations come and go, Alaska's educational support experiences considerable uncertainty. HJR 58 would provide a stable, predictable portion for education.

Just how much is 40%? Prior to actual exploration and development, the numbers available are mere projections. The Department of Revenue has constructed "An Illustration of Potential State ANWR Revenues." Under this model, Alaska's income from ANWR royalties would peak at \$84 million. Income from the actual land leases would occur on a year by year bid basis, dollar amounts are unpredictable.

While 40% of these revenues is not a significant proportion of Alaska's education budget, the establishment of an Education Fund is the critical first step toward long-term funding stability. Indeed, history will show that the creation of a constitutional education fund is of more lasting importance than the potential dollars involved. The future of ANWR and the future needs education in Alaska are unknown. Coming legislatures will be better equipped to determine the future needs of education in Alaska and may make statutory designations as they see fit — *once the fund is established.*

Please feel free to call or write with questions or concerns.

AN ILLUSTRATION OF POTENTIAL STATE ANWR REVENUES

An Illustration of Potential State ANWR Revenues (Millions \$)													
1.771203	Fiscal Year	Volume MMbbl/Yr	Prudhoe Wellhead	ANWR Wellhead	Total Royalties	Private Royalties	State Royalty 50/50	Proposed Share for Education	Economic Limit Factor	Severance Tax	Property Tax	State Corporate Inc. Tax	Total State Revenue 50/50
15	2005	27	15.92	14.17	44	2	21	8.3	0.5	21	45	4	90
26	2006	46	16.37	14.62	78	4	37	14.9	0.5	37	43	7	124
36	2007	64	16.85	15.10	112	6	53	21.4	0.5	52	41	11	158
51	2008	90	17.36	15.61	165	8	73	31.3	0.5	77	38	17	210
51	2009	90	17.92	16.17	171	9	81	32.5	0.5	79	33	18	212
51	2010	90	18.49	16.74	178	9	84	33.8	0.5	82	29	19	214
43	2011	76	19.05	17.30	155	8	74	29.5	0.5	72	24	16	186
37	2012	66	20.12	18.37	142	7	68	27.0	0.5	65	21	15	169
31	2013	55	20.72	18.97	123	6	59	23.4	0.5	57	17	13	146
27	2014	48	21.33	19.58	111	6	53	21.1	0.5	51	15	12	131
23	2015	41	21.91	20.16	98	5	46	18.5	0.5	45	12	11	114
19	2016	34	22.59	20.84	83	4	40	15.9	0.5	38	10	9	97
16	2017	28	23.25	21.50	73	4	34	13.8	0.5	33	9	8	85
14	2018	25	23.94	22.19	66	3	31	12.5	0.5	30	7	7	75
12	2019	21	24.51	22.76	58	3	27	11.0	0.5	26	6	7	66
10	2020	18	25.23	23.48	50	2	24	9.5	0.5	23	5	6	57
9	2021	16	25.99	24.24	46	2	22	8.8	0.5	21	4	5	52
7	2022	12	26.77	25.02	37	2	18	7.1	0.5	17	3	4	42
6	2023	11	27.57	25.82	33	2	16	6.3	0.5	15	3	4	37
5	2024	9	28.40	26.65	28	1	13	5.4	0.5	13	2	3	32
4	2025	7	29.25	27.50	23	1	11	4.5	0.5	11	2	3	26
4	2026	7	30.13	28.38	24	1	12	4.6	0.5	11	1	3	26
3	2027	5	31.03	29.28	19	1	9	3.6	0.5	8	1	2	21
3	2028	5	31.96	30.21	19	1	9	3.7	0.5	9		2	20
2	2029	4	32.92	31.17	13	1	6	2.5	0.5	6		2	14
2	2030	4	33.91	32.16	14	1	7	2.6	0.5	6		2	14
507	TOTAL	898			1965	98	933	368.2		904	371	209	2417
Assumptions:													
1. Production based on USGS risked mean economically recoverable oil 1995.													
2. \$1.75/bbl cost to transport ANWR to PS1													
3. 12.5% Royalty and \$1.00/bbl gathering and field costs													
4. 5% Reserves on Native Land													
5. Costs based on BLM data													
6. Excludes lease bonuses													
7. Oil Prices based on DOR Fall 1997 Forecast													

From the office of . . . Representative John J. Cowdery
State Capitol Bldg., Room 416
Juneau, AK 99801
907-465-3879 phone
907-465-2069 fax

MEMORANDUM

TO: ✓ Representative Con Bunde, HESS Committee Chair
FROM: Representative John Cowdery J.C.
DATE: April 16, 1998
RE: HJR 58
CC:

Notes:

During the first hearing of House Joint Resolution 58, I was asked if the Resolution may be amended to include earnings from the National Petroleum Reserve. I have contacted Legal services and been informed that there are a variety of encumbrances already placed on NPR earnings (please see attached memorandum). In light of these dedications, it is my belief that NPR earnings do not fit the scope or intent of HJR 58.

With this understanding, I would respectfully request that the bill be heard at the committee's earliest convenience and moved forward to its next committee of referral.

Thank you for you time and consideration,

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

COPY

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

MEMORANDUM

April 8, 1998

SUBJECT: Use of National Petroleum Reserve-Alaska special revenue fund (HJR 58)

TO: Representative John Cowdery
Attn: Marco Pignalberi

FROM: Tamara Brandt Cook
Director

BACKGROUND

Under federal law 50 percent of the receipts from sales, rentals, bonuses, and royalties on leases of oil and gas in the National Petroleum Reserve in Alaska are paid to the state. The federal law requires that priority to use of these funds be given to subdivisions of the state most directly or severely impacted by oil and gas development in the reserve. (42 U.S.C. 6508) Most of the reserve is located in the North Slope Borough.

Prior to 1984, half of the NPRA funds received by the state were deposited in the Permanent Fund under AS 37.13.010(a)(2), and one-half of one percent of some of the funds were deposited in the Public School Fund under AS 37.14.150. The rest of the money (about \$18,044,000) went into the general fund and was appropriated by the legislature for various uses. Chapter 94, SLA 1984 established the NPRA Special Revenue Fund under which the automatic deposits into the Permanent Fund and the Public School Fund continued. About \$3,700,000 of the remainder was appropriated for projects in the North Slope Borough. (Attorney General Opinion, 663-87-0003, August 8, 1986, page 2)

In 1985 Barrow, Wainwright, and the North Slope Borough sued the state over its handling of the NPRA funds. (*Barrow v. State*, Superior Court, First Judicial District, Case No. 1JU-85-2634 Civil) The court found that

- (1) the state is under a mandatory duty to allocate the funds under the terms of the federal law and must segregate and account for all NPRA funds received in the future;
- (2) the state may not automatically deposit 50 percent or any amount of NPRA revenue into the Permanent Fund until after it has given priority to use of the funds by impacted subdivisions;
- (3) because of the plaintiffs' delay in filing the suit, the state is not required to return that portion of NPRA funds already expended for the general use of the state;

Representative John Cowdery

April 8, 1998

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(4) the state is required to return funds improperly deposited directly into the Permanent Fund and elsewhere, with the exception of general expenditures already made, so that the NPRA Fund is reconstituted.

The reconstituted NPRA Fund should have consisted of money deposited in the Permanent Fund, the Public School Fund and the NPRA Special Revenue Fund for a total of \$30,599,000. (Attorney General Opinion, 663-87-0003, August 8, 1986, page 3) In a "Stipulation Regarding Payment of Grants" dated June 13, 1986 filed with the court, the parties agreed that \$2,155,000 appropriated from the NPRA Special Revenue Fund for a residential care, alcohol and drug treatment center in Barrow would be considered a grant to an impacted subdivision under the federal law. The parties appear to have expected the NPRA Fund to be reconstituted as follows: \$24,317,000 from Permanent Fund Deposits; \$182,000 from Public School Fund deposits; and \$2,400,000 (minus the \$2,155,000 appropriation) remaining in the NPRA Fund.

Effective July 1, 1986 the legislature actually appropriated \$24,499,400 to the Department of Community and Regional Affairs to reconstitute the NPRA Fund. (Sec. 22, ch. 129, SLA 1986) AS 37.05.530(a) describes the reconstituted fund as follows:

(a) The National Petroleum Reserve - Alaska special revenue fund is established. The fund consists of all money disbursed to the state by the federal government under 42 U.S.C. 6508 (P.L. 96-514) since December 12, 1980, less the amount deposited in the general fund and expended by the state by general fund appropriations before June 9, 1984.

The statute sets up a system under which the legislature is to appropriate money each year to the Department of Community and Regional Affairs for grants to impacted municipalities under the terms of the federal law. Any money left over at the end of each fiscal year is to lapse as follows.

(g) Amounts received by the state under 42 U.S.C. 6508 and not appropriated for grants to municipalities under (d) of this section lapse at the end of each fiscal year as follows:

- (1) 50 percent to the principal of the Alaska permanent fund;
- (2) .5 percent to the public school fund (AS 37.14.110); and
- (3) the remainder to the general fund for use by the state for

the following facilities and services:

- (A) planning;
- (B) construction, maintenance, and operation of essential public facilities; and
- (C) other necessary public services.

Representative John Cowdery
April 8, 1998
Page 3

PERMANENT FUND PORTION

As a preliminary matter, it appears that the NPRA money turned over by the federal government to the state is subject to Article IX, section 15 of the state constitution which provides in part:

Section 15. Alaska Permanent Fund. At least twenty-five per cent of all mineral lease rentals, royalties, royalty sale proceeds, federal mineral revenue sharing payments and bonuses received by the State shall be placed in a permanent fund, the principal of which shall be used only for those income-producing investments specifically designated by law as eligible for permanent fund investments.

So, the constitution requires that 25 percent of the total NPRA funds received by the state be placed in the Permanent Fund. Because this requirement is constitutional, any statute that would dictate a contrary result is superseded. Therefore, the Permanent Fund is entitled to 25 percent of the NPRA funds received, or, if less than that amount is remaining after payment of grants, to the entire remaining amount. Because the constitutional language regarding deposits into the Permanent Fund does not require that these deposits be made during the fiscal year the money is received, it seems reasonable to assume that shortfalls in the 25 percent funding level from NPRA funds should be made up in future years to the extent that money is available after grant payments.

After payment of grants and after payment of the minimum 25 percent of total NPRA revenue to the Permanent Fund required under the constitution, amounts remaining in the NPRA Fund should be distributed in accordance with AS 37.05.1530(g) taking into account amounts already deposited in the Permanent Fund. With respect to the portion that should go to Permanent Fund, that statute has priority over AS 37.13.010(a)(2) because it was enacted later in time and it is more specific in that it deals only with NPRA revenues and not all mineral revenues.

AS 37.05.530(g) requires that 50 percent of the NPRA money remaining each year after payment of grants go to the Permanent Fund, not that 50 percent of the NPRA money received by the state go to the Permanent Fund. Bear in mind that the legislature has the authority under the constitution to increase the Permanent Fund share of mineral revenues, but not to decrease that share. So, it would seem that the Permanent Fund is entitled to the greater of (1) its constitutional 25 percent share of total NPRA receipts; or (2) its statutory share of 50 percent of the NPRA money remaining after payment of grants

PUBLIC SCHOOL FUND PORTION

AS 37.05.530(g) requires that .5 percent of the NPRA money remaining each year after payment of grants go to the public school fund, which is a dedicated fund established by statute to satisfy trust obligations imposed by federal law. (1992 Op. Att'y Gen. No. 1)

Representative John Cowdery

April 8, 1998

Page 4

Under AS 37.14.150 contributions to the fund should equal "on-half of one percent of the total" NPRA receipts, not the .5 percent of the balance remaining after payment of grants. So, to the extent that the state has a true trust obligation, it may be that more money must go to the public school fund than is provided for in AS 37.05.530(g).

HJR 50

You ask whether any portion of the NPRA money may be dedicated to the new Education Fund that would be created under HJR 58. It is possible that some money could be dedicated, but it could only be money left after payment of municipal grants and payment of money to the public school fund required to satisfy trust obligations imposed under federal law. It would be a policy choice as to whether to take NPRA money that would otherwise go to the Permanent Fund either through statute or constitutional provision. The amount of NPRA money dedicated could not be treated like the dedication of 40 percent of revenues from the Arctic National Wildlife Refuge as is now done under HJR 58.

TBC:pl:glc

98-083.plm

S B

1 1

HOUSE COMMITTEE REPORT

(7)

Date Referred to Committee: May 7, 1997

FURTHER REFERRALS:

Finance

Date of Committee Action: 3/10/98

The HEALTH, EDUCATION AND SOCIAL SERVICES Committee considered: CSSB 11(FIN)(title am)

CS FOR SENATE BILL NO. 11(FIN)(title am) SCHOOL DEBT REIMBURSEMENT

“An Act establishing a reimbursement program for municipal bonds, notes, or other indebtedness incurred for school construction; relating to administrative costs of reimbursing municipal school construction debt; relating to municipal school construction project eligibility requirements for receiving state reimbursement; and providing for an effective date.”

recommends it be replaced with the following committee substitute HCS CSSB 11 (HES) the same title a new title

additional referral to _____ Committee
 attached amendment(s)

ADOPTS: _____ Letter of Intent

ATTACHES NEW FISCAL NOTE(s): (Dept) _____ APPROVES PREVIOUS: (Dept/Date) _____
 fiscal note(s) DOE fiscal note(s) _____

zero fiscal note(s) _____ zero fiscal note(s) _____

SIGNING WITH RECOMMENDATIONS	DP	DNP	NR	AM
<i>[Signature]</i>	✓			
<i>[Signature]</i>	✓			
<i>[Signature]</i>	✓			
<i>[Signature]</i>			✓	
<i>[Signature]</i>	✓			
<i>[Signature]</i>				✓

CHAIR'S SIGNATURE *[Signature]*

FISCAL NOTE

STATE OF ALASKA

BILL NO. CS SB 11(FIN)

1997 LEGISLATIVE SESSION

Revision Date: February 24, 1998

Department Affected: Education

Title: An act relating to state aid for school construction debt; and providing for an effective date.

BRU: K-12 Support

Sponsor: Sen. Halford

Component: School Debt Reimbursement

Requester: House HESS

COMPONENT SERIAL NO. 153

Expenditures/Revenues:

(Thousands of Dollars)

OPERATING	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS	0.0	*	*	*	*	*
MISCELLANEOUS						
TOTAL OPERATING	0.0	*	*	*	*	*

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

CHANGE IN REVENUES						
---------------------------	--	--	--	--	--	--

FUND SOURCE

(Thousands of Dollars)

FUND SOURCE	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04
1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1030 School Fund	0.0	*	*	*	*	*
Other						
TOTAL	0.0	*	*	*	*	*

* There will be future costs for projects that are eligible for 50% reimbursement.

POSITIONS: **The department cannot project the number or value of future requests.**

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year (FY99) impact: -0-

ANALYSIS: (Attach a separate page if necessary.)

Section 1 - amends AS 14.11.100 by adding section 8 which allows up to 50% reimbursement for school construction debt incurred after July 1, 1997. Projects must first be approved by the department as eligible and must be approved by the qualified voters. A request for an allocation of funds under AS 14.11.100 must be submitted to the department by the school district no later than October 15 for the following fiscal year. The proposed legislation does not limit the amount or number of projects the department can approve. The department can not project the fiscal impact until projects are submitted for approval under the new program. The first year this amendment could have fiscal impact is FY00.

Prepared by: Michael Morgan, Facilities Manager

Phone: 465-1858

Division: Education Support Services

Date: 2/24/98

Approved by Commissioner: Shirley Holloway, Ph. D., Commissioner

Date: _____

Agency: Department of Education

Date: _____

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LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES
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FAX (907) 465-2029
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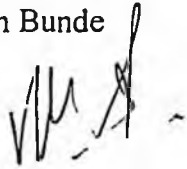
130 Seward Street, Suite 409
Juneau, Alaska 99801-2105

MEMORANDUM

March 3, 1998

SUBJECT: Bond Reimbursement Program - (HCS CSSB 11(HES))

TO: Representative Con Bunde
Attn: Lynn Smith

FROM: Michael F. Ford 
Legislative Counsel

The enclosed draft HCS for CSSB 11 makes a change to page 4, line 2. The change is to delete "1995" and insert "1997". This change is consistent with the other provisions in this section and would expand the existing reimbursement time lines to allow for reimbursement of certain municipal bonds eligible for reimbursement under AS 14.11.100(a)(6).

Please contact me if you have further questions.

MFF:glc
98-135.glc

Enclosure

0-LS0151P
Ford
3/3/98

**HOUSE CS FOR CS FOR SENATE BILL NO. 11(HES)
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTIETH LEGISLATURE - SECOND SESSION**

BY THE HOUSE HEALTH, EDUCATION AND SOCIAL SERVICES COMMITTEE

**Offered:
Referred:**

**Sponsor(s): SENATORS HALFORD, Phillips, Green
REPRESENTATIVE Kohring**

A BILL

FOR AN ACT ENTITLED

1 "An Act establishing a reimbursement program for municipal bonds, notes, or
2 other indebtedness incurred for school construction; relating to administrative costs
3 of reimbursing municipal school construction debt; relating to municipal school
4 construction project eligibility requirements for receiving state reimbursement; and
5 providing for an effective date."

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

7 * **Section 1.** AS 14.11.100(a) is amended to read:

8 (a) During each fiscal year, the state shall allocate to a municipality that is a
9 school district [,] the following sums:

10 (1) payments made by the municipality during the fiscal year two years
11 earlier for the retirement of principal and interest on outstanding bonds, notes, or other
12 indebtedness incurred before July 1, 1977, to pay costs of school construction;

13 (2) 90 percent of

1 (A) payments made by the municipality during the fiscal year
2 two years earlier for the retirement of principal and interest on outstanding
3 bonds, notes, or other indebtedness incurred after June 30, 1977, and before
4 July 1, 1978, to pay costs of school construction;

5 (B) cash payments made after June 30, 1976, and before July 1,
6 1978, by the municipality during the fiscal year two years earlier to pay costs
7 of school construction;

8 (3) 90 percent of

9 (A) payments made by the municipality during the fiscal year
10 two years earlier for the retirement of principal and interest on outstanding
11 bonds, notes, or other indebtedness incurred after June 30, 1978, and before
12 January 1, 1982, to pay costs of school construction projects approved under
13 AS 14.07.020(a)(11);

14 (B) cash payments made after June 30, 1978, and before July 1,
15 1982, by the municipality during the fiscal year two years earlier to pay costs
16 of school construction projects approved under AS 14.07.020(a)(11);

17 (4) subject to (h) and (i) of this section, up to 90 percent of

18 (A) payments made by the municipality during the current fiscal
19 year for the retirement of principal and interest on outstanding bonds, notes, or
20 other indebtedness incurred after December 31, 1981, and authorized by the
21 qualified voters of the municipality before July 1, 1983, to pay costs of school
22 construction, additions to schools, and major rehabilitation projects that exceed
23 \$25,000 and are approved under AS 14.07.020(a)(11); [AND]

24 (B) cash payments made after June 30, 1982, and before July 1,
25 1983, by the municipality during the fiscal year two years earlier to pay costs
26 of school construction, additions to schools, and major rehabilitation projects
27 that exceed \$25,000 and are approved under AS 14.07.020(a)(11); and

28 (C) payments made by the municipality during the current fiscal
29 year for the retirement of principal and interest on outstanding bonds, notes, or
30 other indebtedness to pay costs of school construction, additions to schools, and
31 major rehabilitation projects that exceed \$25,000 and are submitted to the

1 department for approval under AS 14.07.020(a)(11) before July 1, 1983, and
2 approved by the qualified voters of the municipality before October 15, 1983,
3 not to exceed a total project cost of (i) \$6,600,000 if the annual growth rate of
4 average daily membership of the municipality is more than 7 percent but less
5 than 12 percent, or (ii) \$20,000,000 if the annual growth rate of average daily
6 membership of the municipality is 12 percent or more; payments made by a
7 municipality under this subparagraph [PARAGRAPH] on total project costs
8 that exceed the amounts set out in (i) and (ii) of this subparagraph
9 [PARAGRAPH] are subject to (5)(A) of this subsection;

10 (5) subject to (h) - (i) [(h), (i), AND (j)] of this section, 80 percent of
11 (A) payments made by the municipality during the fiscal year
12 for the retirement of principal and interest on

13 [(i)] outstanding bonds, notes, or other indebtedness
14 authorized by the qualified voters of the municipality

15 (i) after June 30, 1983, but before March 31, 1990, to
16 pay costs of school construction, additions to schools, and major
17 rehabilitation projects that exceed \$25,000 and are approved under
18 AS 14.07.020(a)(11); or

19 (ii) [OUTSTANDING BONDS, NOTES, OR OTHER
20 INDEBTEDNESS AUTHORIZED BY THE QUALIFIED VOTERS OF
21 THE MUNICIPALITY] before July 1, 1989, and reauthorized before
22 November 1, 1989, to pay costs of school construction, additions to
23 schools, and major rehabilitation projects that exceed \$25,000 and are
24 approved under AS 14.07.020(a)(11); and

25 (B) cash payments made after June 30, 1983, by the
26 municipality during the fiscal year two years earlier to pay costs of school
27 construction, additions to schools, and major rehabilitation projects that exceed
28 \$25,000 and are approved by the department before July 1, 1990, under
29 AS 14.07.020(a)(11);

30 (6) subject to (h) - (i) [(h), (i), (j),] and (m) of this section, 70 percent
31 of payments made by the municipality during the fiscal year for the retirement of

1 principal and interest on outstanding bonds, notes, or other indebtedness authorized by
2 the qualified voters of the municipality on or after April 30, 1993, but before July 1,
3 1997, to pay costs of school construction, additions to schools, and major rehabilitation
4 projects that exceed \$200,000 and are approved under AS 14.07.020(a)(11);

5 (7) subject to (h) - (j) [(h), (i), (j),] and (m) of this section, 70 percent
6 of payments made by the municipality during the fiscal year for the retirement of
7 principal and interest on outstanding bonds, notes, or other indebtedness authorized by
8 the qualified voters of the municipality after March 31, 1990, but before April 30,
9 1993, to pay costs of school construction, additions to schools, and major rehabilitation
10 projects;

11 (8) subject to (h) - (j) of this section, 50 percent of payments made
12 by the municipality during the fiscal year for the retirement of principal and
13 interest on outstanding bonds, notes, or other indebtedness authorized by the
14 qualified voters of the municipality on or after July 1, 1997, to pay costs of school
15 construction, additions to schools, and major rehabilitation projects.

16 * Sec. 2. AS 14.11.100(b) is amended to read:

17 (b) The commissioner shall administer the program of reimbursement
18 authorized under this section and shall provide by regulation for the filing of
19 applications for reimbursement, the form of proof of costs for which application for
20 reimbursement is made, and other regulations necessary to administer the program.
21 An amount due a municipality for reimbursement under this section may not be
22 reduced by the cost to the department to administer the reimbursement program.

23 The commissioner shall exclude from the total school construction cost of the local
24 district all state and federal funds included in these costs except funds provided under
25 this section and AS 43.50.140. In approving applications for reimbursement, the
26 commissioner shall offset against the amount of reimbursement authorized the amount
27 of any funds distributed to the borough or city in the second preceding fiscal year from
28 the school fund provided for in AS 43.50.140.

29 * Sec. 3. AS 14.11.100(h) is amended to read:

30 (h) An allocation under (a)(4), (5), (6), (7), or (8) [(5)] of this section for
31 school construction begun after July 1, 1982, shall be reduced by the amount of money

1 used for the construction of residential space, hockey rinks, planetariums, saunas, and
2 other facilities for single purpose sporting or recreational uses that are not suitable for
3 other activities and by the money used for construction that exceeds the amount needed
4 for construction of a facility of efficient design as determined by the department. An
5 allocation under (a)(4), (5), (6), (7), or (8) [(5)] of this section may not be reduced by
6 the amount of money used for construction of a small swimming pool, tank, or water
7 storage facility used for water sports. However, an allocation shall be reduced by the
8 difference between the amount of money used to construct a swimming pool that
9 exceeds the standards adopted by the department and the amount of money that would
10 have been used to construct a small swimming pool, tank, or water storage facility, as
11 determined by the commissioner.

12 * Sec. 4. AS 14.11.100(i) is amended to read:

13 (i) For the purposes of (a)(4), (5), (6), (7), and (8) [(5)] of this section,

14 (1) an indebtedness for bonds is incurred after the bonds are sold;

15 (2) reimbursement for a cash payment may only be made after the
16 payment is made to a vendor; and

17 (3) payments may not be made for costs that are incurred under a
18 contract after the contract has been released.

19 * Sec. 5. AS 14.11.100(j) is amended to read:

20 (j) Except as provided in (l) of this section, the state may not allocate money
21 to a municipality for a school construction project under (a)(5), (6), [OR] (7), or (8)
22 of this section unless the municipality complies with the requirements of (1) - (4) of
23 this subsection, the project is approved by the commissioner before the local vote on
24 the bond issue for the project or for bonds authorized after March 31, 1990, but on or
25 before April 30, 1993, the bonds are approved by the commissioner before
26 reimbursement by the state, and the local vote occurs before July 1, 1987, or after
27 June 30, 1988. In approving a project under this subsection, the commissioner shall
28 require

29 (1) the municipality to include on the ballot for the bond issue, for
30 bonds authorized on or before March 31, 1990, or after April 30, 1993, the estimated
31 total cost of each project including estimated total interest, estimated annual operation

1 and maintenance costs, the estimated amounts that will be paid by the state and by the
2 municipality, and the approximate amount that would be due in annual taxes on
3 \$100,000 in assessed value to retire the debt;

4 (2) that the bonds may not be refunded unless the annual debt service
5 on the refunding issue is not greater than the annual debt service on the original issue;

6 (3) that the bonds must be repaid in approximately equal annual
7 principal payments or approximately [APPROXIMATE] equal debt service payments
8 over a period of at least 10 years;

9 (4) the municipality to demonstrate need for the project by establishing
10 that the school district has

11 (A) projected long-term student enrollment that indicates the
12 district has inadequate facilities to meet present or projected enrollment; [OR]

13 (B) facilities that require repair or replacement in order to meet
14 health and safety laws or regulations or building codes;

15 (C) demonstrated that the project will result in a reduction
16 in annual operating costs that economically justifies the cost of the project;

17 or

18 (D) facilities that require modification or rehabilitation for
19 the purpose of improving the instructional program.

20 * Sec. 6. This Act takes effect immediately under AS 01.10.070(c).

no
#1
2

Brice

*6 Insert new section AS 14.11.100

(n) "The total amount of school construction projects approved for reimbursement by the department under (a)~~(b)~~ of this section:

(1) May not exceed \$231,000,000; and

(2) until July 1, 2003

(A) \$131,000,000 shall be allocated to projects in a municipality with a population of 200,000 or more people

(B) \$40,000,000 shall be allocated to projects in a municipality with a population of at least 70,000, but less than 200,000

(C) \$60,000,000 shall be allocated to projects in a municipality with less than 70,000 people

Renumber rest of the sections



Official Business

Alaska State Legislature

Senate

**RICK
HALFORD**

State Capitol
Juneau, Alaska
99801-1182
Phone (907) 465-4958

P.O. Box 670190
Chugiak, Alaska 99567
Phone (907) 694-4958

600 E. Railroad Avenue
Wasilla, Alaska 99654
Phone (907) 376-4958

Senate Bill 11 Sponsor Statement

School Construction Debt Reimbursement

The State of Alaska has historically participated in the funding of school construction. For school districts in the unorganized areas of the State that provide no local tax contribution, the funding mechanism has been, and remains, direct capital appropriation for the total construction costs. For the organized areas, the predominate funding mechanism has been through school bond debt reimbursement to the local government.

Since Chapter 249 SLA 1970 was enacted, we have had statutes on the books that provide for state participation in the cost of constructing schools through school bond debt reimbursement. Beginning as a fifty percent reimbursement in 1970, the level was raised to ninety percent during the oil boom. The State's portion was subsequently reduced to eighty percent in 1983 and seventy percent in 1993.

In addition to reducing the level of reimbursement to seventy percent, Chapter 78 SLA 1993 also imposed a cap of 250 million dollars of statewide school construction authorization. Since that action, the school construction debt reimbursement program has been closed to new projects.

While the State continues to fund the full cost of constructing a school in an unorganized area, school districts in the organized areas have almost no opportunity for school construction assistance from the State.

Senate Bill 11 will help correct that inequity by providing organized areas and their taxpayers a fifty percent reimbursement for the debt they incur in constructing and renovating schools. This reimbursement will be limited to qualifying projects that have a demonstrated need and received local voter approval.

Passage of SB 11 will be a big step toward equity in State funding of school construction. It's time we return to a mechanism which will allow municipal school districts and their taxpayers to meet the needs of growing student populations.



Official Business

Alaska State Legislature

Senate

**RICK
HALFORD**

State Capitol
Juneau, Alaska
99801-1182
Phone (907) 465-4958
Fax (907) 465-4928

P.O. Box 670190
Chugiak, Alaska 99567
Phone (907) 694-4958
Fax (907) 694-0549

600 E. Railroad Avenue
Wasilla, Alaska 99654
Phone (907) 376-4958

Senate Bill 11 School Construction Debt Reimbursement

Committee Process History

SB 11 as introduced by Senator Halford (pre-filed 1/3/97)

As originally introduced, Senate Halford's legislation would re-open the school debt reimbursement program to new projects, and set the reimbursement level at 50%.

Senate Health, Education and Social Services Committee Substitute 3/24/98

1) Section 1 (a) (6), (7), (8) and (9) were amended to include a retroactive provision to allow 70 percent for bonds approved on or after July 1, 1995. 2) Future qualifying projects would be reimbursed at a rate of 75%. 3) Expanded eligibility for funds to include a) projects which will result in a reduction in annual operating costs that economically justifies the cost of the project, and b) facilities that require modification or rehabilitation for improving the instructional program. 4) Clarified that the department shall not reduce the reimbursement for administrative fees.

Senate Finance Committee Substitute 5/2/97

1st hearing. The Senate HESS CS was presented to the Senate Finance Committee. Over the course of a series of meetings the committee made several substantive changes to SB 11.

2nd hearing. The prospective funding level reduced to 50%. The retroactive provision was retained, but the scope was narrowed to projects receiving DOE approval prior to bonds being sold.

3rd hearing. Technical amendment approved.

4th hearing. The retroactive provision was removed and the bill title was

amended to provide for 50% reimbursement.

Final Passage in the Senate 5/6/97

Prior to final passage, a title amendment was adopted on the Senate floor which removed the 50% language.



Official Business

Alaska State Legislature

Senate

**RICK
HALFORD**

State Capitol
Juneau, Alaska
99801-1182
Phone (907) 465-4958

P.O. Box 670190
Chugiak, Alaska 99567
Phone (907) 694-4958

600 E. Railroad Avenue
Wasilla, Alaska 99654
Phone (907) 376-4958

SCHOOL CONSTRUCTION FUNDING IN ALASKA A HISTORICAL PERSPECTIVE

Since early in its history, the territory, and later the state of Alaska, has provided a fairly steady and reliable funding source for the *operating* costs of schools. Although financial aid has been provided for school construction and major maintenance, it has never had the long-term stability of an allocation method similar to that used to provide aid for school operations.

For the first several decades of the territory, school construction funds were allocated on an "ad hoc" basis. These appropriations were occasional, usually fairly small, and often in the form of a matching grant to a federally funded construction project. By and large, school districts were responsible for their own school construction. Bonding, the traditional mechanism for construction funding, was not readily available to the districts for many years. Until 1936, Congressional approval was required to incur debt. Even after the restriction was lifted, very few towns had the financial strength to bond for school construction. During the New Deal, some WPA funding was used for school construction. After WW II, federal PL 874 and PL 815 programs (federal impact payments) were also a source of school construction funds.

In 1949, the territorial government instituted a formal program of aid for school construction. Revenue from the Alaska Tobacco Tax was earmarked for the "exclusive purpose of rehabilitation, construction and repair of Alaska's school facilities." These funds were provided as an annual disbursement of funds whether or not the district currently needed them, allowing districts to accumulate money for capital projects. This dedicated tobacco tax provided a steady and reliable funding source to the districts, enabling them to issue bonds and service the debt without raising property or sales taxes and resulting in quite a bit of school construction.

Since territorial days, there has been a funding disparity between rural schools, for which the territory, and later the state, assumed full financial responsibility and the partially subsidized municipal school districts.

Until the early 1980's, state G.O. bonding was another source for state financing of school construction. Of the several hundred million dollars in school bonds, the vast majority of projects went for rural school construction.

In 1970, Alaska adopted a *refund* approach to school funding. The legislature agreed to reimburse a portion of debt service payments made by the districts for school bonds, as well as cash payments made for capital projects. The percentage of reimbursement provided was changed repeatedly over the years, usually to liberalize, but occasionally to restrict, benefits to districts, depending upon the vagaries of oil revenue fluctuations. Between 1970 and 1990, over \$700 million was invested by municipalities for school facilities.

In 1990, the legislature closed the school debt reimbursement program to new bonds issued by the municipalities. Another key part of the 1990 legislation was the modification of the Department of Education grant program, which was supposed to emphasize long-term facility planning by school districts and rigorous scrutiny and ranking by the Department.

Over the years, cash grants from the legislature often provided a cheaper, and even more desirable funding source than debt reimbursement. During the "hey days" of oil revenues, municipal grants and designated appropriations to DOE provided hundreds of millions of dollars for school construction. In 1980, the legislature authorized grants to municipalities by means of designated grants through the Department of Administration (AS 14.11.010). This mechanism was used by legislators to channel discretionary money to communities in their districts.

In 1982, the legislature authorized a school grant program under the auspices of DOE (AS 37.05.315). The department was to receive requests for capital construction from REAAs and municipal districts, rank the requests and submit them for funding. The legislature was under no obligation to fund projects according to the department's prioritization, and wasn't limited to projects on the list. Between FY 81 and FY 92, municipal grants for schools under AS 37.05.315 totaled approximately \$244 million.

In 1993, legislation was passed which reduced the level of reimbursement to seventy percent and imposed a cap of \$250 million for statewide school construction authorization. Since that action, the school construction debt reimbursement program has been closed to new projects. While the state continues to fund the full cost of school construction in unorganized areas, there is virtually no opportunity for assistance for organized areas of the state.

Over the years, the state has made considerable contributions for school construction, without which local school needs could not have been met. Funding has been provided on an erratic and unequal basis. There has, however, been a basic disparity in funding provided between schools located in municipalities and those in unorganized, or rural, areas, with the current school construction funding mechanism virtually eliminating participation by school districts in organized areas of the state.

ALASKA STATE LEGISLATURE



Senate Co-Chair
Senator Dave Donley

House Co-Chair
Representative Eric Croft

Anchorage Caucus

1997 Anchorage Caucus - November Motions

Motion #1: by Senator Donley

The Anchorage Caucus supports adding one senator and one representative from Anchorage to the Anchorage Metropolitan Area Transportation Study (AMATS) policy committee and reducing the state administration members.

Senate Members

Johnny Ellis

Senate: YES 6.25 NO ABSTAIN NO RESPONSE

Rick Halford

House: YES 11.75 NO ABSTAIN 2.00 NO RESPONSE

Tim Kelly

Loren Loman

Motion #2: by Representative Croft

Sean Parnell

Druc Pearce

The Anchorage Caucus establishes as a priority and goal for the second session of the Twentieth Alaska State Legislature re-write of the state's current education funding formula and the school construction debt re-imburement program, both of which ensure that the Anchorage School District receives an equitable portion of the state education funding.

Randy Phillips

Jerry Ward

House Members

Ramona Barnes

Senate: YES 5.25 NO ABSTAIN 1.00 NO RESPONSE

Ethan Berkowitz

House: YES 12.75 NO ABSTAIN NO RESPONSE 1.00

Con Bunde

John Cowdery

Motion #3: by Senator Donley

Fred Dyson

Joe Green

Working with the Municipality of Anchorage to obtain a replacement jail for the existing 6th Avenue facility, with meaningful community participation, shall be a priority and goal of the Anchorage Caucus.

Mark Hanley

Allen Kemplen

Vic Kohring

Pete Kot

Senate: YES 6.25 NO ABSTAIN NO RESPONSE

Terry Martin

House: YES 11.75 NO ABSTAIN NO RESPONSE 2.00

Eldon Mulder

Brian Porter

Norman Rokeberg

Motion #4: by Senator Halford

Joe Ryan

The Anchorage Caucus endorses including some amount of district capital in the FY' 99 capital budget for roads and other projects and that specific standards and criteria for such funding be adopted.

Jerry Sanders

Senate: YES 5.25 NO 1.00 ABSTAIN NO RESPONSE

House: YES 9.75 NO 1.00 ABSTAIN 3.00 NO RESPONSE

Produced in House



RESOLUTION 97-12

A RESOLUTION OF THE COUNCIL OF THE CITY OF HOUSTON, ALASKA IN FAVOR OF THE AMENDED SCHOOL BILL #11 ON THE 70/30

WHEREAS, the City of Houston is in favor of the "amended" Senate Bill No. 11 on the School Construction Debt Reimbursement for the 70/30 split, and

WHEREAS, the City of Houston realizes the needs of growing student populations in our state as well as in our area, and

WHEREAS, the City of Houston is in dire need of a new High School to help with the over crowding of the Jr./Sr. High School, and the Big Lake Elementary School.

NOW THEREFORE, BE IT RESOLVED that the City of Houston Council appreciates the Senate Bill #11 Amendment for the 70/30 split verses the 50/50 split.

ADOPTED THIS 27, DAY OF February, 1997.

Kim Kasper

Kim Kasper, Mayor

ATTEST:

Suzann McElwee

Suzann McElwee, City Clerk



TELEPHONE (907) 694-4702

FAX (907) 694-1205

Chugiak-Eagle River Chamber of Commerce

P.O. BOX 770359
EAGLE RIVER, ALASKA 99577

11401 OLD GLENN HIGHWAY, SUITE 110A
EAGLE RIVER, ALASKA 99577

"Home of Many Rivers"

Chugiak-Eagle River Chamber of Commerce
Board of Directors
RESOLUTION 97-002

WHEREAS the Chugiak-Eagle River Chamber of Commerce is a business and community based nonprofit organization which encourages projects that allow for quality community growth and development in Chugiak-Eagle River and, where appropriate, in the state of Alaska; and

WHEREAS the Chugiak-Eagle River Chamber of Commerce recognizes the need for quality education of youth and adequate infrastructure to accommodate this goal; and

WHEREAS the Municipality of Anchorage is experiencing increasing student population demands resulting in the need to construct additional facilities; and

WHEREAS the State of Alaska has a Constitutional obligation to provide for education for its residents; and

WHEREAS the State of Alaska currently has no program in place to help support local infrastructure needs; and

WHEREAS this policy places a disproportionate burden on local communities which are in organized, tax paying areas of the State; and

WHEREAS Senate Bill 11, which would provide for a fifty percent State reimbursement for municipal school bond debt has been introduced by Senators Halford, Phillips and Green for consideration by the 20th Alaska State Legislature.

NOW THEREFORE BE IT RESOLVED that the Chugiak-Eagle River Chamber of Commerce supports the passage of Senate Bill 11 to ease the burden on the local communities for construction of schools for public education.

Signed this 14 day of MARCH 1997.

Respectfully submitted by,

John Rodda, President
Chugiak-Eagle River
Chamber of Commerce
Board of Directors



Lawrence A. Wiget, Ed.D.
Director, Government Relations/Legislative Liaison
Anchorage School District
4600 Debarr Road
Anchorage, Alaska 99519-6614
(W) 907 269-2255 (FAX) 907 269-2340

Anchorage School District SB 11: Testimony School Construction Debt Reimbursement April 7, 1997

Good morning, Mr. Chairmen, members of the committee. My name is Larry Wiget and I am the director of government relations for the Anchorage School District. On behalf of the district, I wish to thank the committee and the sponsors of this bill for the opportunity to testify in support of this legislation.

The Anchorage School District supports reinstating school construction debt reimbursement. As indicated in the sponsor's statement, the Anchorage School District and other districts in organized boroughs have almost no opportunity for school construction assistance from the State. Therefore, any new construction has to be fully funded through local government by local taxpayers.

SB 11, if passed as currently written, will re-open bond reimbursements for municipal school construction projects, providing state funding of 75% percent of the annual debt incurred.

Furthermore, based on a public survey, public testimony, and board discussion, the Anchorage School Board proposed and the Anchorage Assembly approved, capital construction bonds in the amount of \$23,843,500. to take to the voters this spring.

Currently, however, there is no state reimbursement for these bonds if they pass. Moving the July 1, 1997 effective date back to 1995 with a 70% state reimbursement as proposed in this legislation would cover these bonds.

Members of the committee, a state-to-local match provides an incentive to voters to approve bonds. It enables districts to stretch their dollars to cover much needed school construction; and, it demands public accountability by the local voters. And, I can ensure you, in the economic climate of the 90's, even with a match, school

districts will have their work cut out to obtain voter support. Thus accountability is further enhanced as we must demonstrate to our constituents that what we request is needed.

Therefore, we urge you to reinstate the school construction debt reimbursement program at the levels suggested.



TALKEETNA ELEMENTARY SCHOOL

Mr. Daniel Blanton, Principal

Dear Senator Halford:

I'm writing you to again encourage and thank you for the efforts to support capital improvements in Alaska schools. I also want to voice support for the amendment to fund those districts that have passed their 70/30 bond issues already.

We in Talkeetna have seen unusual growth and have a facility that is badly worn out. These conditions are unacceptable for Alaskan students. Please continue to work for this much needed reform in the way that Alaska funds school construction.

Thank you.

Sincerely,

Daniel Blanton, Principal
Talkeetna School

P.O. BOX 888 ♥ TALKEETNA, ALASKA 99878
PHONE 907 733-2252 ♥ FAX 907 733-1368

Snowshoe Elementary

690 Cope Industrial Way, Palmer, Alaska 99645
907/376-3201
Fax 907/376-9636

Karl Schleich, Principal



Thursday, March 27, 1997

Senator Rick Halford
600 E. RR Ave
Wasilla, Alaska 99654

Dear Senator Halford,

It was great to read the recent news out of Juneau regarding changes made to SB11 which you sponsored! As you know, I am extremely supportive and excited at the possibility of our much needed schools being built soon. Thank you for the time and energy you have invested in this bill. It reflects your awareness of the issues we face in regard to school construction as well as a commitment to meet our needs through state government. I plan to contact all members of the Senate Finance committee in the coming days in an effort to encourage their support. Thank you again for your responsive work. If I can be of any assistance to you and your staff regarding this issue, don't hesitate to contact me.

Sincerely,

A handwritten signature in black ink that reads "Karl Schleich". The signature is stylized and cursive.

Karl Schleich, Principal



Anchorage School District

4600 DeBarr Road
P. O. Box 196614
Anchorage, Alaska 99519-6614
(907) 333-9561

SCHOOL BOARD

Debbie Ossiander
President

Kathi Gillespie
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Kelly Haney
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Harriet A. Drummond

Peggy Robinson-Wilson
Past President

Dave Werdal

SUPERINTENDENT

Bob Christal

April 3, 1997

Dear Senator Halford:

The Anchorage School District supports:

- rewriting the Foundation Formula in a more equitable manner this legislative session;
- establishing an Educational Facilities Financing Authority and Education Facilities Fund to meet school construction and maintenance needs; and,
- reactivating the debt reimbursement program.

As we have often stated, the School Foundation Program formula needs to reflect a more equitable distribution of funding based on enrollment and programs. Currently before you, are several bills for rewriting the Foundation formula. The potential for a more equitable formula resides within these bills and the discussion on how to improve on them. What is now needed is the leadership and the political will to move forward with the best of the ideas being put forth. We support you in this daunting, yet achievable task, and urge you to move forward with a revision this session.

We need also a responsible, on-going means for meeting school maintenance and construction needs. We have examined SSSB 37 and SB 111, and their companion bills in the House, HB 215 and HB 216. We believe that creating an Education Facilities Financing Authority and an Education Facilities Fund appears to be an excellent means of accomplishing this task.

At the same time, we support reactivating the debt reimbursement program through SB 11, which would provide a 70% state to 30% local match for the bonds coming before the Anchorage voters on April 15, and establish a 75% state to 25% local match for future bonds. Currently, there is no state match available if these bonds pass and any new construction has to be fully funded through local government by local taxpayers.

We appreciate the fact that there will be further discussion within the Legislature on how as a state we will meet our public school funding, construction and maintenance needs. However, the fact remains, we have increased operating costs caused by inflation, increased enrollment, and instructional programs designed to meet the educational needs of our changing student population; and, we have unmet maintenance and construction needs for which both short and long-term solutions are needed.

As a District, we have worked hard to contain costs. Last week, a negotiated agreement was reached with the Anchorage Education Association on a three-year teachers contract. In it, the salary schedule is frozen for the three-year life of the agreement, and teachers will be working two-and-a-half hours more a week. We believe the open negotiations process resulting from the passage last year of HB 465, the constructive suggestions from the municipal School Budget Advisory Commission, and the School Board's commitment to cost containment all contributed to an early and successful negotiated agreement. This agreement takes a major step toward controlling personnel costs.

We are doing our part to meet the educational needs of our diverse student population. We only ask that as a legislative body, you meet the constitutional requirement to provide for the public education of our students through a more equitable Foundation formula, and through a sustainable state to local match debt reimbursement program.

Sincerely,

A handwritten signature in cursive script that reads "Bob Christal".

Bob Christal
Superintendent



MATANUSKA-SUSITNA BOROUGH

Borough Manager

350 E. Dahlia Avenue, Palmer, Alaska 99645-6488
Phone (907) 745-9689 • FAX (907) 745-0886

April 28, 1997

Senator Drue Pearce, Co-Chair
Senate Finance Committee
Alaska State Legislature
State Capitol
Juneau, Alaska 99801-1182

Dear Senator Pearce:

The purpose of this letter is to urge your support for the amended Senate Bill 11 which provides for a 70% reimbursement of school construction debt for those projects approved by the Department of Education and the voters prior to January 1, 1997.

The Matanuska-Susitna Borough is experiencing the most rapid population increase of any area in the State of Alaska. With the general increase in population of course comes a concurrent increase in student population. These circumstances have existed for several years now, and the consequences are strongly felt in the school construction program. The Borough's student population is increasing at the rate equivalent that would require the construction of one elementary school per year in order to meet the demand for classroom space. Obviously, the Borough and State have been unable to afford a construction program of this magnitude and each year sees us fall further behind the need.

Instead, we have resorted to the construction of over 60 portable, temporary classrooms which house over 1,500 students on any instructional day.

On October 3, 1995 the Borough voters approved a ballot proposition totaling \$51,950,000 for the renovation, expansion, and construction of two elementary schools and construction of a new middle school. The terms of the ballot proposition were based on 70% reimbursement of debt service costs which was the state law at the time. Unfortunately, there is no longer state funding for the school construction program. Senate Bill 11 has been introduced which would provide state funding for school construction.

The Matanuska-Susitna Borough Assembly and the Borough School Board met in joint session on April 17, 1997 and unanimously endorsed support for the current version of Senate Bill 11 which would provide for 70% reimbursement on those projects which were approved by the Department of Education and the voters prior to January 1, 1997.

April 28, 1997
Senate Finance Committee
Page 2

On behalf of the Matanuska-Susitna Borough Assembly and the Borough School Board, and at their unanimous request, I am respectfully urging your support for Senate Bill 11, amended version, that would provide for 70% reimbursement for those projects approved by the voters prior to January 1, 1997.

Thank you very much for the opportunity to comment on this issue.

Sincerely,



Donald L. Moore
Borough Manager

DLM:nt

Amended: 2/4/97

Adopted: 2/4/97

MATANUSKA-SUSITNA BOROUGH
RESOLUTION SERIAL NO. 97-003 (AM)

A RESOLUTION OF THE MATANUSKA-SUSITNA BOROUGH ASSEMBLY REQUESTING
AN AMENDMENT TO SENATE BILL 11.

WHEREAS, the Matanuska-Susitna Borough's population is one of
the fastest growing in the state; and

WHEREAS, the Matanuska-Susitna Borough School District's
enrollment continues to grow each year; and

WHEREAS, the Matanuska-Susitna Borough School District has
many schools that are near or exceed capacity limits; and

WHEREAS, the Matanuska-Susitna Borough School District has
approximately 1,000 students housed in portables; and

WHEREAS, the Matanuska-Susitna Borough School District is in
dire need of a new and remodeled and expanded Talkeetna Elementary
School, a new core area elementary school, and a new middle school;
and

WHEREAS, On October 3, 1995 the Matanuska-Susitna Borough
voters approved a ballot proposition totaling \$51,950,000 for a new
and remodeled and expanded Talkeetna Elementary School, a new core
area elementary school, and a new middle school if the state
reimbursed the borough at least 70 percent of debt service costs;
and

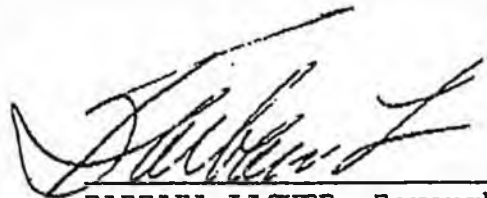
WHEREAS, Senators Halford, Phillips, and Green have introduced Senate Bill 11 which would provide a 50 percent reimbursement program for educational debt.

NOW THEREFORE, BE IT RESOLVED that the Matanuska-Susitna Borough Assembly appreciates the efforts of the legislative delegation to address the school construction needs of the borough.

BE IT FURTHER RESOLVED that the Matanuska-Susitna Borough Assembly wishes to avoid the cost of a new bond election and supports a state contribution of 70 percent for school construction.

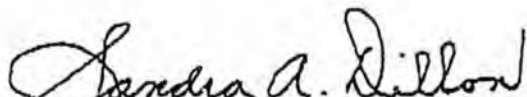
BE IT FURTHER RESOLVED that the Matanuska-Susitna Borough Assembly requests that Senate Bill 11 be amended to include that educational facilities approved by the Department of Education and the voters before January 1, 1997 be reimbursed at 70 percent.

ADOPTED by the Matanuska-Susitna Borough Assembly this 4th day of February, 1997.



BARBARA LACHER, Borough Mayor

ATTEST:


SANDRA A. DILLON, Borough Clerk

(SEAL)



CITY OF WASILLA

290 E. HERNING AVE.
WASILLA, ALASKA 99654-7091
PHONE: (907) 373-9050
FAX: (907) 373-9085

REQUESTED BY: ADMINISTRATION
PREPARED BY: CLERKS OFFICE

RESOLUTION NO. WR97-05

A RESOLUTION OF THE CITY OF WASILLA, ALASKA SUPPORTING SENATE BILL 11, FIFTY PERCENT STATE REIMBURSEMENT FOR MUNICIPAL SCHOOL BOND DEBT.

WHEREAS, the citizens of the City of Wasilla recognize providing a quality education for Alaskan children is a fundamental responsibility; and

WHEREAS, the City of Wasilla and the surrounding Matanuska-Susitna Borough are experiencing a high and sustained growth in population; and

WHEREAS, our growth in population has resulted in a corresponding growth in student population; and

WHEREAS, the Matanuska-Susitna School District has identified a critical need for increased school facilities in our area; and

WHEREAS, the local voters have expressed their approval for the construction of three new schools in the Matanuska Susitna School District by approving by a substantial margin the 1996 school construction bond package in the October 1996 municipal election; and

WHEREAS, the State of Alaska has a Constitutional obligation to provide for education; and

WHEREAS, the State of Alaska has disallowed any new school construction projects from qualification for State funding through local bonded debt reimbursement; and

WHEREAS, the aforementioned disallowance has resulted in a lack of State participation in school construction funding for the organized area under the current system; and

WHEREAS, this places a disproportionate burden on school districts in organized, tax paying areas of the State; and

WHEREAS, Senate Bill 11, which would provide for a fifty percent state reimbursement for municipal school bond debt, has been introduced by Senators Halford and Green for consideration by the 20th Alaska State Legislature.

**TALKEETNA ELEMENTARY SCHOOL PTA
P.O. BOX
TALKEETNA, ALASKA 99676**

ISSUES

- ◆ We are in critical need of renovation and construction of schools. Our universities have endured too many years of deferred maintenance.
- ◆ We have been asking for help from the legislature for 4 sessions now. We cannot wait until 1998 for legislative approval.
- ◆ The population in the Mat-Su Valley has increased 32% since 1990. Our schools are tremendously overcrowded and falling apart.

**STATE WIDE PROJECTS APPROVED BY DOE. BUT AWAITING FUNDING;
NEW CONSTRUCTION---\$534 MILLION: MAJOR MAINTENANCE---\$148 MILLION
TOTAL REQUESTED \$682 MILLION
(THIS DOES NOT INCLUDE THE EXTENSIVE NEEDS OF THE UNIVERSITIES)**

- ◆ Since the windfall appropriation of 1993 only \$7million has been appropriated to Capital Improvements for Schools.
- ◆ We need to solve this crisis in this 1997 legislative session to catch up on the backlog of projects and take care of the needs of our children — our true future.

SOLUTIONS

**SB 11 Sponsored by Senator Halford and Senator Green
SCHOOL CONSTRUCTION DEBT REIMBURSEMENT**

Senate Bill 11 will provide an opportunity for school districts in organized areas to ask the tax payers to contribute 50% to the reimbursement for the debt they incur in the construction and renovation of schools. This reimbursement will be limited to qualifying projects that receive local voter approval.

The Mat-Su School District is requesting support for an amendment to this bill honoring the 70%-30% bond approved by voters in 1995 be honored.

SB 37 and companion appropriation, SB 111 Sponsored by Senator Mackie

HB 215 and companion appropriation, HB 216 Sponsored by Representative Kott

ALASKA EDUCATIONAL FACILITIES AUTHORITY, EDUCATIONAL FACILITIES FUND

Using \$1.2 billion of the state's Constitutional Budget Reserve Fund, a facilities fund would be established. The investment income from this fund would pay off bonds sold to finance school repairs and construction. The legislation also would authorize selling \$500 million in bonds to pay for public works projects at schools and universities this year.

Bonds and reimbursement agreements could continue to be authorized within the financial capabilities of the education facilities fund, eliminating future yearly appropriations. With sufficient initial capitalization, this fund could sustain revenue bonds for continuing school construction well into the future.

**THANK YOU, PUNKY MOORE PTA PRESIDENT 733-3045
MAUREEN SWED RENOVATION/ADDITION COMMITTEE 733-1500**

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

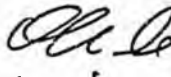
130 Seward Street, Suite 409
Juneau, Alaska 99801-2105

MEMORANDUM

February 26, 1998

SUBJECT: Sectional Summary of CSSB 11(FIN) title am

TO: Senator Rick Halford
Attn: Brett Huber

FROM: Michael F. Ford 
Legislative Counsel

You have requested a sectional summary of the above-described bill.

As a preliminary matter, note that a sectional summary of a bill should not be considered an authoritative interpretation of the bill and the bill itself is the best statement of its contents. If you would like an interpretation of the bill as it may apply to a particular set of circumstances, please advise.

Section 1. Establishes a program to reimburse 50 percent of payments made by a municipality for retirement of certain bonds, notes, or other indebtedness for school construction authorized after July 1, 1997.

Section 2. Prohibits reduction of municipal reimbursement resulting from administrative costs incurred by the Department of Education.

Section 3. Technical amendment.

Section 4. Technical amendment.

Section 5. Requires municipalities to demonstrate certain cost savings or improvements to instructional programs in order to qualify for bond reimbursement.

Section 6. Effective date.

MFF:jdr
98-115.jdr

DISTRICT	FY90 ADM	FY91 ADM	FY92 ADM	FY93 ADM	FY94 ADM	FY95 ADM	FY96 ADM	FY97 ADM	FY98 ADM	Change FY91-98	Percent Change	Average FY91-98
ADAK	696.45	712.00	714.45	681.35	495.20	-	-	-	-	(712.00)	-100.0%	659.89
ALASKA GATEWAY	482.95	501.55	495.45	512.05	525.55	536.15	552.10	572.65	514.35	12.80	2.6%	526.23
ALEUTIAN REGION	28.00	33.00	28.00	23.00	16.00	18.00	21.00	34.00	36.45	3.45	10.5%	26.18
ALEUTIANS EAST	341.05	371.00	370.00	391.00	369.00	365.00	355.00	372.00	341.35	(29.65)	-8.0%	366.79
ANCHORAGE	39,236.27	40,533.36	43,058.90	44,279.73	45,645.36	45,895.60	46,158.76	46,470.40	47,315.76	6,782.40	16.7%	44,919.73
ANNETTE ISLANDS	404.70	381.00	423.90	397.00	407.00	420.00	444.00	391.00	396.57	15.57	4.1%	407.56
BERING STRAIT	1,326.75	1,356.30	1,433.95	1,476.65	1,539.15	1,600.70	1,679.10	1,706.00	1,759.70	403.40	29.7%	1,568.94
BRISTOL BAY	245.35	253.00	272.65	265.35	271.60	271.00	301.00	313.45	305.00	52.00	20.6%	281.63
CHATHAM	352.45	382.30	375.30	348.95	326.55	325.85	337.30	334.30	293.00	(89.30)	-23.4%	340.57
CHUGACH	106.00	113.90	128.25	132.25	122.75	133.00	144.00	157.00	167.00	53.10	46.6%	137.27
COPPER RIVER	583.47	581.95	592.45	607.90	598.25	623.25	658.65	772.60	819.94	237.99	40.9%	656.87
CORDOVA	428.00	437.90	478.75	502.50	511.15	528.15	519.15	534.30	514.90	77.00	17.6%	503.35
CRAIG	255.00	303.40	314.25	356.45	367.00	396.00	424.00	422.00	428.00	124.60	41.1%	376.39
DELTA/GREELY	857.20	841.00	849.70	959.50	989.70	974.00	884.65	843.65	874.01	33.81	4.0%	902.13
DENALI	347.50	333.20	329.60	369.55	379.65	384.55	384.00	390.90	349.75	16.55	5.0%	365.15
DILLINGHAM	449.45	480.50	504.10	488.05	494.45	496.20	524.00	541.25	583.15	102.65	21.4%	513.96
FAIRBANKS	13,538.40	14,245.80	14,883.20	15,250.50	15,408.00	15,406.50	15,816.00	16,131.65	16,347.80	2,102.00	14.8%	15,436.18
GALENA	135.50	121.40	142.30	128.75	133.10	144.00	150.00	165.00	1,338.00	1,216.60	1002.1%	290.28
HAINES	397.00	433.15	447.90	432.30	409.05	413.15	434.90	444.90	438.40	5.25	1.2%	431.72
HOONAH	257.65	234.00	234.95	256.00	267.00	259.40	278.00	271.00	260.15	26.15	11.2%	257.56
HYDABURG	101.95	108.40	119.00	115.80	109.20	107.50	113.60	117.00	123.00	14.60	13.5%	114.19
IDITAROD	421.00	353.08	388.25	418.20	398.95	417.85	422.55	415.86	421.25	68.17	19.3%	404.50
JUNEAU	4,890.00	5,124.30	5,247.30	5,412.70	5,394.45	5,399.75	5,515.35	5,586.45	5,662.69	538.39	10.5%	5,417.87
KAKE	166.00	178.70	185.05	179.00	175.25	185.00	190.00	199.90	194.40	15.70	8.8%	185.91
KASHUNAMIUT	154.00	181.70	191.15	191.65	207.60	229.90	244.00	240.95	269.85	88.15	48.5%	220.35
KENAI	8,486.36	9,168.90	9,449.30	9,589.00	9,846.05	10,144.00	10,280.70	10,541.96	10,376.84	1,207.94	13.2%	9,899.59
KETCHIKAN	2,617.50	2,693.25	2,663.50	2,690.10	2,735.38	2,728.93	2,850.40	2,856.25	2,731.10	37.85	1.4%	2,743.61
KLAWOCK	208.85	201.90	211.85	205.75	210.00	206.95	220.15	210.30	220.85	18.95	9.4%	210.97
KODIAK	2,321.14	2,403.88	2,525.08	2,597.81	2,747.82	2,711.45	2,871.76	2,862.01	2,851.30	447.42	18.6%	2,696.39
KUSPUK	413.40	426.80	451.30	427.75	451.20	449.85	468.35	473.70	473.03	46.23	10.8%	452.75
LAKE AND PENN.	407.35	413.20	446.70	462.85	497.40	507.63	497.65	523.55	522.95	109.75	26.6%	483.99
LOWER KUSKOKWIM	2,685.73	2,710.75	2,780.33	2,885.80	2,963.73	3,051.05	3,275.15	3,371.53	3,442.25	731.50	27.0%	3,060.07
LOWER YUKON	1,301.57	1,343.90	1,364.45	1,520.65	1,585.25	1,620.65	1,695.20	1,735.95	1,850.20	506.30	37.7%	1,589.53
MATSU	8,824.00	9,459.78	10,141.33	10,677.00	11,336.70	11,894.00	12,037.28	12,352.13	12,777.39	3,317.61	35.1%	11,334.45
NENANA	185.50	195.80	191.50	199.20	184.95	162.91	161.00	173.45	220.00	24.20	12.4%	186.10
NOME	754.00	777.95	776.00	727.95	711.75	701.75	732.95	776.55	778.50	0.55	0.1%	747.93
NORTH SLOPE	1,301.80	1,359.40	1,462.45	1,508.09	1,623.05	1,702.10	1,805.90	1,936.80	1,982.95	623.55	45.9%	1,672.59
NORTHWEST ARCTIC	1,645.75	1,582.10	1,629.45	1,736.80	1,604.25	1,872.80	1,892.05	2,000.10	2,065.55	483.45	30.6%	1,822.89
PELICAN	49.00	48.20	45.90	47.00	45.00	44.85	38.25	31.75	33.00	(15.20)	-31.5%	41.74
PETERSBURG	685.10	681.20	702.35	706.40	711.10	758.75	753.55	763.05	768.60	87.40	12.8%	730.63
PRIBILOF	149.55	143.10	152.90	158.50	168.00	182.00	213.15	197.20	187.00	43.90	30.7%	175.23
SITKA	1,670.18	1,723.59	1,786.77	1,858.38	1,873.38	1,838.68	1,804.87	1,769.60	1,745.28	21.69	1.3%	1,800.07
SKAGWAY	145.15	144.75	145.00	153.00	143.00	127.20	131.30	136.66	126.70	(18.05)	-12.5%	138.45
SOUTHEAST	555.10	521.60	415.80	418.00	413.75	381.95	349.85	325.55	303.55	(218.05)	-41.8%	391.26
SOUTHWEST	435.60	442.80	472.50	478.85	554.25	568.30	629.80	700.80	743.10	300.30	67.8%	573.80
ST MARY'S	111.40	115.60	105.50	97.73	94.60	108.50	129.10	130.00	131.80	16.20	14.0%	114.10
TANANA	88.00	109.00	100.00	98.00	101.00	102.25	94.00	102.00	113.00	4.00	3.7%	102.41
UNALASKA	204.20	258.05	304.45	330.20	358.60	356.10	352.80	374.60	380.10	122.05	47.3%	339.36
VALDEZ	762.60	781.50	853.75	906.60	896.90	902.75	895.75	877.30	887.75	106.25	13.6%	875.25
WRANGELL	508.70	508.90	534.00	519.20	541.20	566.85	555.00	528.00	521.15	12.25	2.4%	534.29
YAKUTAT	132.35	150.00	139.00	137.00	150.00	167.00	175.00	160.00	169.00	19.00	12.7%	155.88
YUKON FLATS	339.00	374.75	377.87	387.85	398.90	405.15	422.62	444.00	448.25	73.50	19.6%	407.42
YUKON/KOYUKUK	529.25	512.40	549.50	584.65	598.80	590.10	625.10	555.60	545.85	33.45	6.5%	570.25
YUPIIT	315.00	318.70	360.00	367.00	366.00	367.00	387.00	401.00	397.00	78.30	24.6%	370.46
STATE CCS	1,437.09	1,984.74	2,079.48	2,280.47	1,475.14	1,477.15	1,580.85	1,626.47	1,568.92	(415.82)	-21.0%	1,759.15
ML. EDGE/CUMBE	189.70	212.50	212.95	267.70	281.60	282.30	275.12	293.00	307.57	95.07	44.7%	266.59
TOTALS	105,662.01	110,364.89	115,640.76	119,201.16	121,429.71	122,511.45	124,752.76	126,464.77	129,425.80	19,060.92	17.3%	121,223.91

Foundation Program
FY90 through FY98
ADM's & State Aid

DISTRICT	FY90 ADM	FY91 ADM	FY92 ADM	FY93 ADM	FY94 ADM	FY95 ADM	FY96 ADM	FY97 ADM	FY98 ADM	Change FY90-97	Percent Change	Average FY90-97
ADAK	696.45	712.00	714.45	681.35	495.20	-	-	-	-	(696.45)	-100.0%	659.89
ALASKA GATEWAY	482.95	501.55	495.45	512.05	525.55	536.15	552.10	572.65	514.35	89.70	18.6%	522.31
ALEUTIAN REGION	28.00	33.00	28.00	23.00	16.00	18.00	21.00	34.00	36.45	6.00	21.4%	25.13
ALEUTIANS EAST	341.05	371.00	370.00	391.00	369.00	365.00	355.00	372.00	341.35	30.95	9.1%	366.76
ANCHORAGE	39,236.27	40,533.36	43,058.90	44,279.73	45,645.38	45,895.60	46,158.76	46,470.40	47,315.76	7,234.13	18.4%	43,909.80
ANNETTE ISLANDS	404.70	381.00	423.90	397.00	407.00	420.00	444.00	391.00	396.57	(13.70)	-3.4%	408.58
BERING SYRRAIT	1,326.75	1,356.30	1,433.95	1,476.65	1,539.15	1,600.70	1,679.10	1,706.00	1,759.70	379.25	28.6%	1,514.83
BRISTOL BAY	245.35	253.00	272.65	265.35	271.60	271.00	301.00	313.45	305.00	68.10	27.8%	274.18
CHATHAM	352.45	382.30	376.30	348.95	326.55	325.85	337.30	334.30	293.00	(18.15)	-5.1%	348.00
CHUGACH	106.00	113.90	128.25	132.25	122.75	133.00	144.00	157.00	167.00	51.00	48.1%	129.64
COPPER RIVER	583.47	581.95	592.45	607.90	598.25	623.25	658.65	772.60	819.94	189.13	32.4%	627.32
CORDOVA	428.00	437.90	478.75	502.50	511.15	528.15	519.15	534.30	514.90	106.30	24.8%	492.49
CRAIG	255.00	303.40	314.25	356.45	367.00	396.00	424.00	422.00	428.00	167.00	65.5%	354.76
DELTA/GREELY	857.20	841.00	849.70	853.50	989.70	974.00	884.65	843.65	874.81	(13.55)	-1.6%	893.93
DENALI	347.50	333.20	329.60	369.55	379.65	384.55	384.00	390.90	349.75	43.40	12.5%	364.87
DILLINGHAM	449.45	460.50	450.10	488.05	494.45	496.20	524.00	541.25	583.15	91.80	20.4%	497.25
FAIRBANKS	13,538.40	14,245.80	14,883.20	15,250.50	15,408.00	15,406.50	15,816.00	16,131.65	16,347.80	2,593.25	19.2%	15,085.01
GALENA	135.50	121.40	142.30	128.45	133.10	144.60	150.00	165.00	1,338.00	29.50	21.8%	139.97
HAINES	397.00	433.15	447.90	432.30	409.05	413.15	434.90	444.90	438.40	47.90	12.1%	426.54
HOONAH	257.65	234.00	234.95	256.00	267.00	259.40	278.00	271.00	260.15	13.35	5.2%	257.25
HYDABURG	101.95	108.40	119.00	115.80	109.20	107.50	113.60	117.00	123.00	15.05	14.8%	111.56
IDITAROD	421.00	353.08	388.25	418.20	398.95	417.85	422.55	415.86	421.25	(5.14)	-1.2%	404.47
JUNEAU	4,890.00	5,124.30	5,247.30	5,412.70	5,394.45	5,399.75	5,515.35	5,586.45	5,662.69	696.45	14.2%	5,321.29
KAKE	166.00	178.70	185.05	179.00	175.25	185.00	190.00	199.90	194.40	33.90	20.4%	182.36
KASHUNAMIUT	154.00	181.70	191.15	191.65	207.60	229.90	244.00	246.95	269.85	92.95	60.4%	205.87
KENAI	8,486.36	9,168.90	9,449.30	9,589.00	9,846.05	10,144.00	10,280.70	10,341.96	10,376.84	1,855.60	21.9%	9,663.28
KETCHIKAN	2,617.50	2,693.25	2,663.50	2,690.10	2,735.38	2,728.93	2,850.40	2,856.25	2,731.10	238.75	9.1%	2,729.41
KLAWOCK	208.85	201.90	211.85	205.75	210.00	206.95	220.15	210.30	220.85	1.45	0.7%	209.47
KODIAK	2,321.14	2,403.88	2,525.08	2,597.81	2,747.82	2,711.45	2,871.76	2,862.01	2,851.30	540.87	23.3%	2,630.12
KUSPUK	413.40	426.80	451.30	427.75	451.20	449.85	468.35	473.70	473.03	60.30	14.6%	445.29
LAKE AND PENN.	407.35	413.20	446.70	462.85	497.40	507.63	497.65	523.55	522.95	116.20	28.5%	469.54
LOWER KUSKOKWIM	2,685.73	2,710.75	2,780.33	2,885.80	2,963.73	3,051.05	3,275.15	3,371.53	3,442.25	685.80	25.5%	2,965.51
LOWER YUKON	1,301.57	1,343.90	1,364.45	1,520.65	1,585.25	1,620.65	1,695.20	1,735.95	1,850.20	434.38	33.4%	1,520.95
MATSU	8,824.00	9,459.78	10,141.33	10,677.00	11,336.70	11,894.00	12,037.28	12,352.13	12,777.39	3,528.13	40.0%	10,840.28
NENANA	185.50	195.80	191.50	199.20	184.95	162.91	161.00	173.45	220.00	(12.05)	-6.5%	181.79
NOME	754.00	777.95	776.00	727.95	711.75	701.75	732.95	776.55	778.50	22.55	3.0%	744.86
NORTH SLOPE	1,301.80	1,359.40	1,462.45	1,508.89	1,623.05	1,702.10	1,805.90	1,936.80	1,982.95	635.00	48.8%	1,587.45
NORTHWEST ARCTIC	1,645.75	1,582.10	1,629.45	1,736.80	1,804.25	1,872.80	1,892.05	2,000.10	2,065.55	354.35	21.5%	1,770.41
PELICAN	49.00	48.20	45.90	47.00	45.00	44.85	38.25	31.75	33.00	(17.25)	-35.2%	43.74
PETERSBURG	685.10	681.20	702.35	706.40	711.10	758.75	753.55	763.05	768.60	77.95	11.4%	720.19
PRIBILOF	149.55	143.10	152.90	158.50	168.00	182.00	213.15	197.20	187.00	47.65	31.9%	170.55
SITKA	1,670.18	1,723.59	1,786.77	1,858.38	1,873.38	1,838.68	1,804.87	1,769.60	1,745.28	99.42	6.0%	1,790.68
SKAGWAY	145.15	144.75	145.00	153.00	143.00	127.20	131.30	136.66	126.70	(8.49)	-5.8%	140.76
SOUTHEAST	555.10	521.60	415.80	418.00	413.75	381.95	349.85	325.55	303.55	(229.55)	-41.4%	422.70
SOUTHWEST	435.60	442.80	472.50	478.85	554.25	568.30	629.80	700.80	743.10	265.20	60.9%	535.36
ST MARY'S	111.40	115.60	105.50	97.73	94.60	108.50	129.10	130.00	131.80	18.60	16.7%	111.55
TANANA	88.00	109.00	100.00	98.00	101.00	102.25	94.00	102.00	113.00	14.00	15.9%	99.28
UNALASKA	204.20	258.05	304.45	330.20	358.60	356.10	352.80	374.60	380.10	170.40	83.4%	317.38
VALDEZ	762.60	781.50	853.75	906.60	896.90	902.75	895.75	877.00	887.75	114.40	15.0%	859.61
WRANGELL	508.70	508.90	534.00	519.20	541.20	566.85	555.00	528.00	521.15	19.30	3.8%	532.73
YAKUTAT	132.35	150.00	139.00	137.00	150.00	167.00	175.00	160.00	169.00	27.65	20.9%	151.29
YUKON FLATS	339.00	374.75	377.87	387.85	398.90	405.15	422.62	444.00	448.25	105.00	31.0%	393.77
YUKON/KOYUKUK	529.25	512.40	549.50	584.65	598.00	590.10	625.10	555.60	545.85	26.35	5.0%	568.18
YUPIIT	315.00	318.70	360.00	367.00	366.00	367.00	367.00	401.00	397.00	86.00	27.3%	360.21
STATE CCS	1,437.09	1,984.74	2,079.48	2,280.47	1,475.14	1,477.15	1,580.85	1,626.47	1,568.92	189.38	13.2%	1,742.67
MI. EDGE CUMBE	189.70	212.50	212.95	267.70	281.60	282.30	275.12	293.00	307.57	103.30	54.5%	251.86
TOTALS	105,662.01	110,364.88	115,640.76	119,201.16	121,429.71	122,511.45	124,752.76	126,464.77	129,425.80	20,802.76	19.7%	118,253.44

TOTAL SCHOOL CONSTRUCTION FUNDING, BONDS PLUS STATE GRANTS REIMBURSEMENT, AND ADM BY SCHOOL DISTRICT
FISCAL YEARS 1990 THROUGH 1997

FY90-FY97 TOTAL FUNDING
COMPARED TO AVERAGE AND CHANGE IN ADM

DISTRICT NAME	School Construction		(SCF) + (BR)		(SCF) + (BR)	
	Funding (SCF)	Bond Reimb. (BR)	CHG in ADM	CHG ADM (\$000)	AVG ADM	AVG ADM (\$000)
ADAK			-696.5		659.9	
ALASKA GATEWAY	14,160.5		89.7	157.87	522.3	27.11
ALEUTIAN REGION	1,310.0		6.0	218.33	25.1	52.14
ALEUTIANS EAST		1,010.5	31.0	32.65	366.8	2.76
ANCHORAGE	192,243.9	30,023.8	7,234.1	30.72	43,909.8	5.06
ANNEKE ISLANDS	991.4		-13.7	Negative	408.6	2.43
BERING STRAIT	20,024.8		379.3	52.80	1,514.8	13.22
BRISTOL BAY			68.1		274.2	-
CHATHAM	50.0		-18.2	Negative	348.0	0.14
CHUGACH	276.3		51.0	5.42	129.6	2.13
COPPER RIVER	1,875.5		189.1	9.92	627.3	2.99
CORDOVA	1,073.0		106.3	10.09	492.5	2.18
CRAIG	879.3		167.0	5.27	354.8	2.48
DELTA/GREELY	1,949.8		-13.6	Negative	899.9	2.17
DENALI	3,866.0		43.4	89.08	364.9	10.60
DILLINGHAM	815.6		91.8	8.88	497.3	1.64
FAIRBANKS	36,654.7	78,820.0	2,593.3	44.53	15,085.0	7.65
GALENA			29.5		140.0	-
HAINES		4,032.0	47.9	84.18	426.5	9.45
HOONAH	3,153.0	2,254.6	13.4	405.06	257.3	21.02
HYDABURG	1,213.0		15.1	80.60	111.6	10.87
IDITAROD	2,138.9		-5.1	Negative	404.5	5.29
JUNEAU	11,625.0	22,961.6	696.5	49.66	5,321.3	6.50
KAKE	1,738.5		33.9	51.28	182.4	9.53
KASHUNAMIUT	1,066.1		93.0	11.47	205.9	5.18
KENAI	4,442.8	11,737.2	1,855.6	8.72	9,663.3	1.67
KETCHIKAN	26,001.6		238.8	108.91	2,729.4	9.53
KLAWOCK			1.5		209.5	-
KODIAK	525.0	9,606.7	540.9	18.73	2,630.1	3.85
KUSPUK	972.4		60.3	16.13	445.3	2.18
LAKE AND PENN.	2,244.0	6,900.0	116.2	78.69	469.5	19.47
LOWER KUSKOKWIM	30,073.9		685.8	43.85	2,965.5	10.14
LOWER YUKON	8,914.9		434.4	20.52	1,521.0	5.86
MATSU	13,995.0	14,200.0	3,528.1	7.99	10,840.3	2.60
NENANA	36.0		-12.1	Negative	181.8	0.20

FY90-FY97 TOTAL FUNDING
 COMPARED TO AVERAGE AND CHANGE IN ADM

DISTRICT NAME	School Construction Funding		(SCF) + (BR)		(SCF) + (BR)	
	(SCF)	Bond Reimb. (BR)	CHG in ADM	CHG ADM (\$000)	AVG ADM	AVG ADM (\$000)
NOME	5,475.0		22.6	242.79	744.9	7.35
NORTH SLOPE	331.6	49,350.3	635.0	78.24	1,587.4	31.30
NORTHWEST ARCTIC	15,117.8		354.4	42.66	1,770.4	8.54
PELICAN			-17.3		43.7	-
PETERSBURG	506.5		77.9	6.50	720.2	0.70
PRIBILOF	1,709.2		47.7	35.87	170.6	10.02
SITKA			99.4		1,790.7	-
SKAGWAY			-8.5		140.8	-
SOUTHEAST	5,043.3		-229.6	Negative	422.7	11.93
SOUTHWEST	2,209.5		265.2	8.33	535.4	4.13
ST MARY'S			18.6		111.6	-
TANANA	911.4		14.0	65.10	99.3	9.18
UNALASKA	3,552.9		170.4	20.85	317.4	11.19
VALDEZ		1,037.0	114.4	9.06	859.6	1.21
WRANGELL	42.0		19.3	2.18	532.7	0.08
YAKUTAT	523.1	1,106.9	27.7	58.95	151.3	10.77
YUKON FLATS	1,620.0		105.0	15.43	393.8	4.11
YUKON/KOYUKUK	1,968.7		26.4	74.71	568.2	3.46
YUPIIT	701.3		86.0	8.15	360.2	1.95
Totals:	424,023.20	233,040.60	20,510.1	32.04	116,506.4	5.64

**FUNDING SUMMARY FY91-FY98
CITIES AND BOROUGHS**

Original Data Source: Department of Education

Year District	Bonds	Grants	Total of Funds Appropriated	Chg in ADM	Ratio: Total to Chg in ADM	Avg ADM	Ratio: Total to Avg ADM
Aleutians East-Total	1,336,500	910,000	2,246,500	-29.7	Negative	366.8	6,125
Anchorage-Total	133,177,600	44,500,100	177,677,700	6,782.4	26,197	44,919.7	3,955
1990 Bristol Bay Borough Schools	262,500		262,500	52.0	5,048	281.6	932
1990 Cordova		1,073,000	1,073,000	77.0	13,935	503.4	2,132
1993 Craig City Schools		883,500	883,500	124.6	7,091	376.4	2,347
Denali Borough-Total	0	3,866,000	3,866,000	16.6	233,595	365.2	10,587
Dillingham City Schools-Total	500,000	815,600	1,315,600	102.7	12,816	514.0	2,560
Fairbanks-Total	67,000,000	32,429,108	99,429,108	2,102.0	47,302	15,436.2	6,441
1990 Haines	880,524		880,524	5.3	167,719	431.7	2,040
Hoonah City Schools-Total	2,254,550	1,738,200	3,992,750	26.2	152,686	257.6	15,502
1991 Hydaburg City Schools		1,213,000	1,213,000	14.6	83,082	114.2	10,623
Juneau City/Borough-Total	522,900	13,186,478	13,709,378	538.4	25,464	5,417.9	2,530
1993 Kake City Schools		1,738,500	1,738,500	15.7	110,732	185.9	9,351
Kenai Peninsula-Total	12,473,000	4,442,800	16,915,800	1,207.9	14,004	9,899.6	1,709
Ketchikan-Total	0	26,001,600	26,001,600	37.9	686,964	2,743.6	9,477
Kodiak Island-Total	10,011,260	525,000	10,536,260	447.4	23,549	2,696.4	3,908
1993 Lake & Peninsula	5,101,398	1,494,000	6,595,398	109.8	60,095	484.0	13,627
Mat-Su Borough-Total	14,200,000	13,995,000	28,195,000	3,317.6	8,499	11,334.5	2,488
1995 Multiple Districts		8,650,000	8,650,000				
Anchorage On Base:Ursa Minor							
Fairbanks:Eielson							
1992 Nenana City Schools		36,000	36,000	24.2	1,488	186.1	193
Nome City Schools-Total	0	5,225,000	5,225,000	0.6	9,500,000	747.9	6,986
North Slope Borough-Total	49,350,300	831,600	50,181,900	623.6	80,478	1,672.6	30,003
Northwest Arctic -Total	0	14,528,600	14,528,600	483.5	30,052	1,822.9	7,970
Petersburg City Schools-Total	40,000	105,000	145,000	87.4	1,659	730.6	198
Tanana City Schools-Total	0	911,400	911,400	4.0	227,850	102.4	8,900
1993 Unalaska City School		3,552,900	3,552,900	122.1	29,110	339.4	10,469
Wrangell City Schools-Total	736,530	42,000	778,530	12.3	63,553	534.3	1,457
Yakutat City Schools-Total	1,106,863	523,100	1,629,963	19.0	85,788	155.9	10,457
TOTAL	298,953,925	183,217,486	482,171,411	16,325	29,536	102,621	4,699

**FUNDING SUMMARY FY91-FY98
CITIES AND BOROUGHES**

Original Data Source: Department of Education

Year District	Bonds	Grants	Total of Funds Appropriated	Chg in ADM	Ratio: Total to Chg in ADM	Avg ADM	Ratio: Total to Avg ADM
1990 Aleutians East	1,336,500		1,336,500				
1993 Aleutians East		910,000	910,000				
Aleutians East-Total	1,336,500	910,000	2,246,500	-29.7	Negative	366.8	6,125
1990 Anchorage	177,600		177,600				
1993 Anchorage		44,500,100	44,500,100				
1994 Anchorage	133,000,000		133,000,000				
Anchorage-Total	133,177,600	44,500,100	177,677,700	6,782.4	26,197	44,919.7	3,955
1990 Bristol Bay Borough Schools	262,500		262,500	52.0	5,048	281.6	932
1990 Cordova		1,073,000	1,073,000	77.0	13,935	503.4	2,132
1993 Craig City Schools		883,500	883,500	124.6	7,091	376.4	2,347
1992 Denali Borough		150,500	150,500				
1993 Denali Borough		3,715,500	3,715,500				
Denali Borough		3,866,000	3,866,000	16.6	233,595	365.2	10,587
1990 Dillingham City Schools	500,000		500,000				
1991 Dillingham City Schools		623,100	623,100				
1993 Dillingham City Schools		192,500	192,500				
Dillingham City Schools-Total	500,000	815,600	1,315,600	102.7	12,216	514.0	2,560
1990 Fairbanks		8,900,000	8,900,000				
1991 Fairbanks		431,100	431,100				
1993 Fairbanks	3,748,600	20,600,000	24,348,600				
1996 Fairbanks	63,251,400	223,600	63,475,000				

**FUNDING SUMMARY FY91-FY98
CITIES AND BOROUGHES**

Original Data Source: Department of Education

Year District	Bonds	Grants	Total of Funds Appropriated	Chg In ADM	Ratio: Total to Chg in ADM	Avg ADM	Ratio: Total to Avg ADM
1997 Fairbanks		2,274,408	2,274,408				
Fairbanks-Total	67,000,000	32,429,108	99,429,108	2,102.0	47,302	15,436.2	6,441
1990 Haines	880,524		880,524	5.3	167,719	431.7	2,040
1992 Hoonah City Schools		1,738,200	1,738,200				
1995 Hoonah City Schools	1,991,550		1,991,550				
1996 Hoonah City Schools	263,000		263,000				
Hoonah City Schools-Total	2,254,550	1,738,200	3,992,750	26.2	152,686	257.6	15,502
1991 Hydaburg City Schools		1,213,000	1,213,000	14.6	83,082	114.2	10,623
1990 Juneau City/Borough Schools	522,900		522,900				
1993 Juneau City/Borough Schools		10,978,100	10,978,100				
1996 Juneau City/Borough Schools		646,922	646,922				
1997 Juneau City/Borough Schools		1,561,456	1,561,456				
Juneau City/Borough-Total	522,900	13,186,478	13,709,378	538.4	25,464	5,417.9	2,530
1993 Kake City Schools		1,738,500	1,738,500	15.7	110,732	185.9	9,351
1990 Kenai Peninsula	470,000		470,000				
1991 Kenai Peninsula	268,000		268,000				
1993 Kenai Peninsula		4,442,800	4,442,800				
1994 Kenai Peninsula	11,735,000		11,735,000				
Kenai Peninsula-Total	12,473,000	4,442,800	16,915,800	1,207.9	14,004	9,899.6	1,709
1991 Ketchikan		10,876,300	10,876,300				
1992 Ketchikan		5,623,700	5,623,700				

FUNDING SUMMARY FY91-FY98
CITIES AND BOROUGHS

Original Data Source: Department of Education

Year District	Bonds	Grants	Total of Funds Appropriated	Chg In ADM	Ratio: Total to Chg In ADM	Avg ADM	Ratio: Total to Avg ADM
1993 Ketchikan		9,501,600	9,501,600				
Ketchikan-Total	0	26,001,600	26,001,600	37.9	686,964	2,743.6	9,477
1990 Kodiak Island	404,600		404,600				
1992 Kodiak Island		525,000	525,000				
1993 Kodiak Island	9,606,660		9,606,660				
Kodiak Island-Total	10,011,260	525,000	10,536,260	447.4	23,549	2,696.4	3,908
1993 Lake & Peninsula	5,101,398	1,494,000	6,595,398	109.8	60,095	484.0	13,627
1993 Mat-Su Borough Schools		13,995,000	13,995,000				
1994 Mat-Su Borough Schools	14,200,000		14,200,000				
Mat-Su Borough-Total	14,200,000	13,995,000	28,195,000	3,317.6	8,499	11,334.5	2,488
1995 Multiple Districts Anchorage On Base:Ursa Minor Fairbanks:Eielson		8,650,000	8,650,000				
1992 Nenana City Schools		36,000	36,000	24.2	1,488	186.1	193
1990 Nome City Schools		1,800,000	1,800,000				
1991 Nome City Schools		2,540,000	2,540,000				
1992 Nome City Schools		885,000	885,000				
Nome City Schools-Total	0	5,225,000	5,225,000	0.6	9,500,000	747.9	6,986
1992 North Slope Borough	43,857,300		43,857,300				
1993 North Slope Borough	5,493,000	331,600	5,824,600				
1997 North Slope Borough		500,000	500,000				

**FUNDING SUMMARY FY91-FY98
CITIES AND BOROUGHGS**

Original Data Source: Department of Education

Year District	Bonds	Grants	Total of Funds Appropriated	Chg in ADM	Ratio: Total to Chg in ADM	Avg ADM	Ratio: Total to Avg ADM
North Slope Borough-Total	49,350,300	831,600	50,181,900	623.6	80,478	1,672.6	30,003
1991 Northwest Arctic Schools		200,000	200,000				
1993 Northwest Arctic Schools		13,525,400	13,525,400				
1996 Northwest Arctic Schools		803,200	803,200				
Northwest Arctic -Total	0	14,528,600	14,528,600	483.5	30,052	1,822.9	7,970
1990 Petersburg City Schools	40,000		40,000				
1993 Petersburg City Schools		105,000	105,000				
1995 Petersburg City Schools		0	0				
Petersburg City Schools-Total	40,000	105,000	145,000	87.4	1,659	730.6	198
1990 Tanana City Schools		825,000	825,000				
1993 Tanana City Schools		86,400	86,400				
Tanana City Schools-Total	0	911,400	911,400	4.0	227,850	102.4	8,900
1993 Unalaska City School		3,552,900	3,552,900	122.1	29,110	339.4	10,469
1990 Wrangell City Schools	736,530		736,530				
1993 Wrangell City Schools		42,000	42,000				
Wrangell City Schools-Total	736,530	42,000	778,530	12.3	63,553	534.3	1,457
1993 Yakutat City Schools		523,100	523,100				
1996 Yakutat City Schools	1,106,863		1,106,863				
Yakutat City Schools-Total	1,106,863	523,100	1,629,963	19.0	85,788	155.9	10,457

**FUNDING SUMMARY FY91-FY98
CITIES AND BOROUGHES**

Original Data Source: Department of Education

Year District	Bonds	Grants	Total of Funds Appropriated	Chg In ADM	Ratio: Total to Chg In ADM	Avg ADM	Ratio: Total to Avg ADM
TOTAL	298,953,925	183,217,486	482,171,411	16,325	29,536	102,621	4,699

Matanuska-Susitna Borough

Student Enrollment

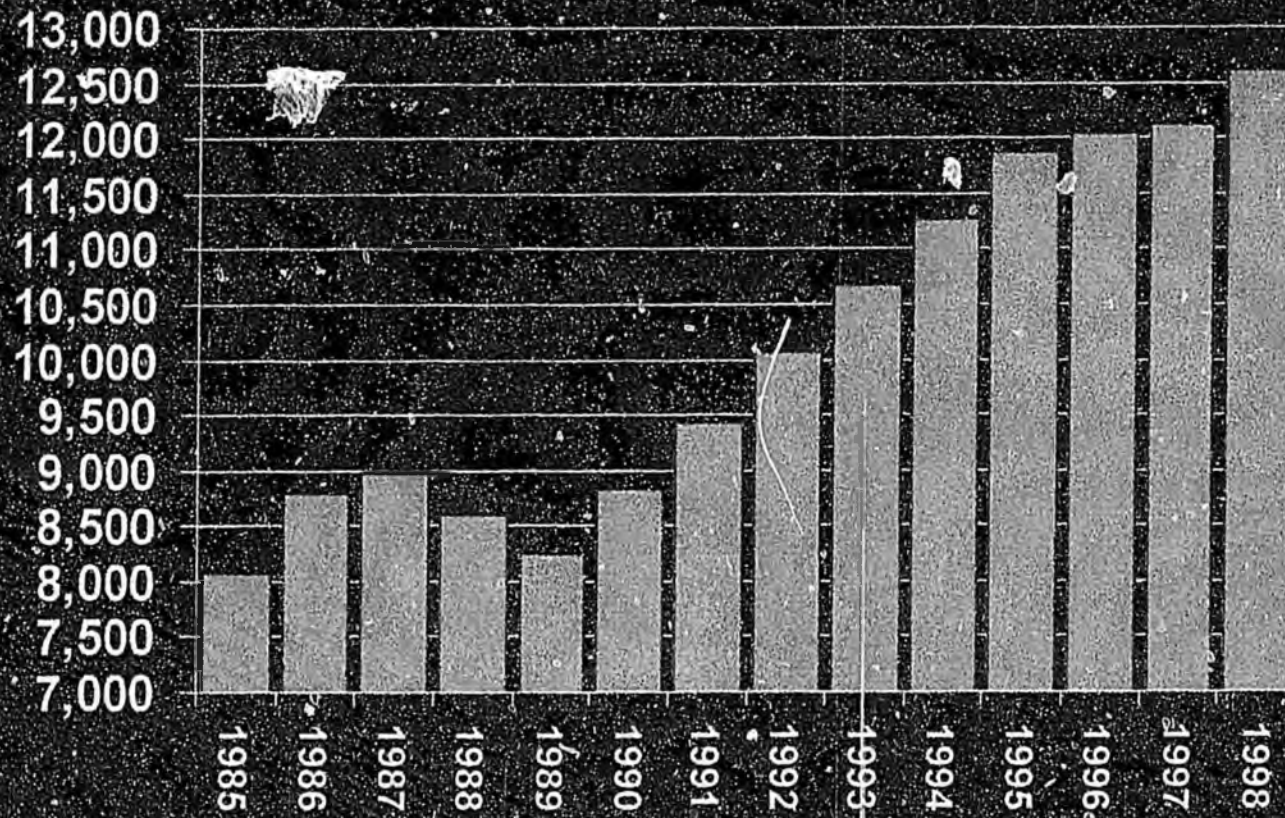
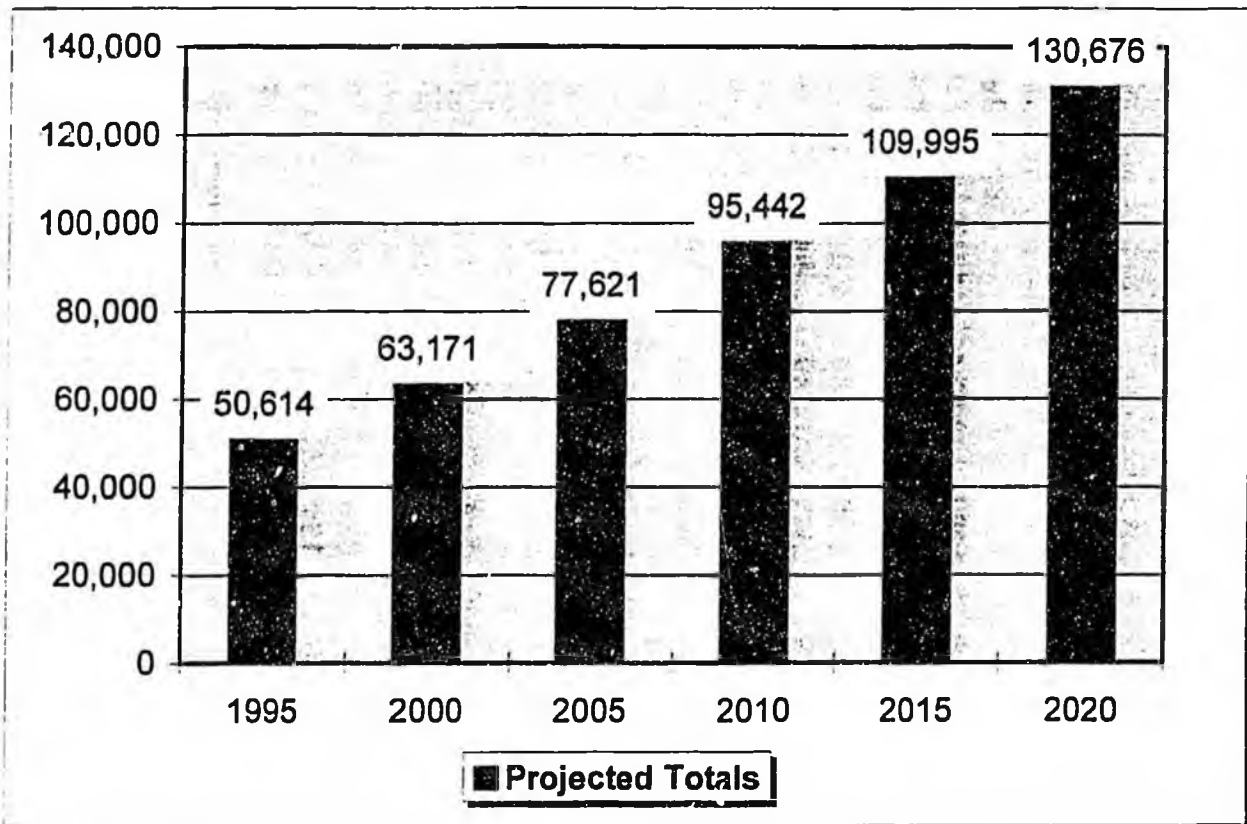


Table 2
Population Projections High ISER
September 1996

Year	Projected Totals
1995.....	50,614
2000.....	63,171
2005.....	77,621
2010.....	95,442
2015.....	109,995
2020.....	130,676

Source: University of Alaska Institute of Social & Economic Research

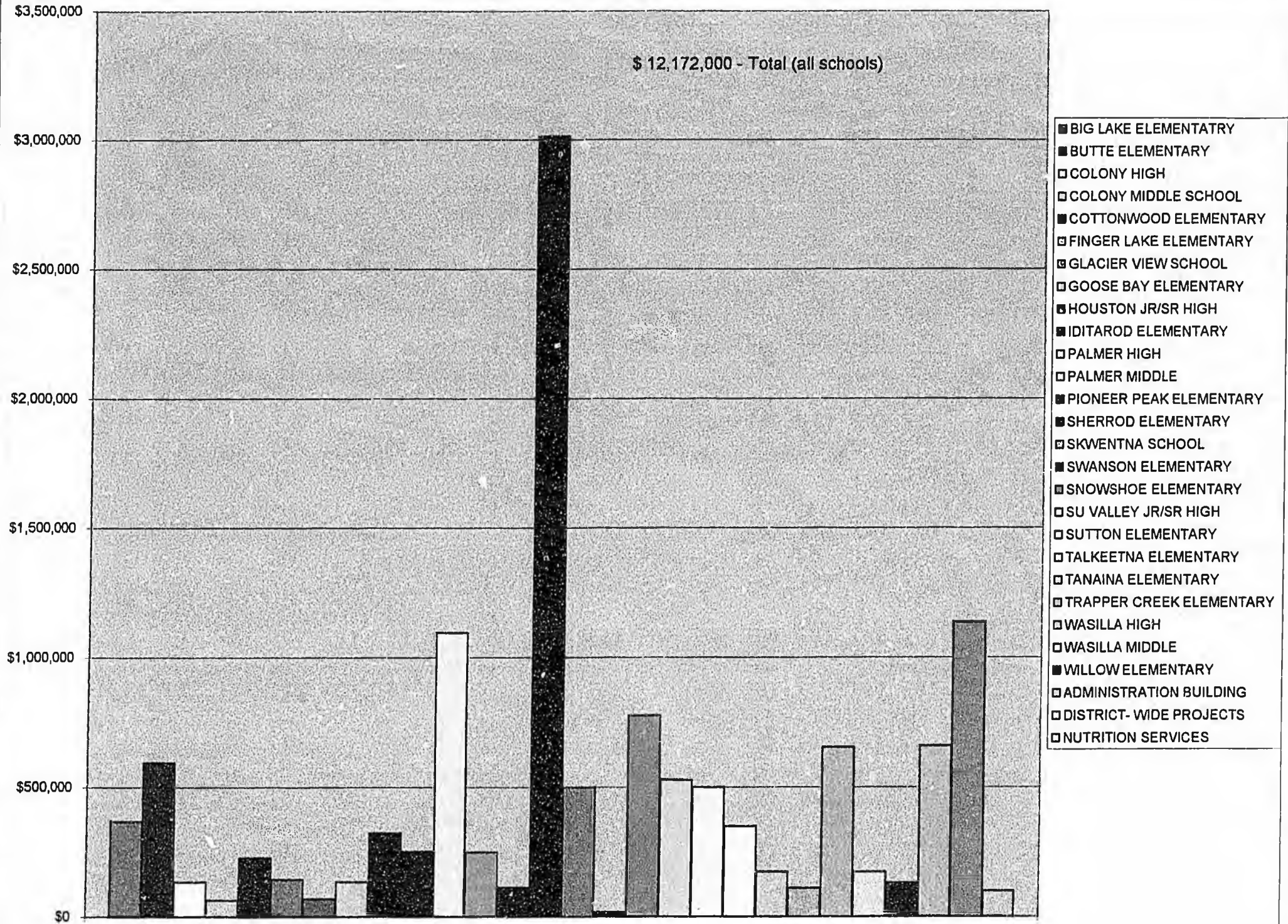
Figure 1
Population Projections High ISER
September 1996



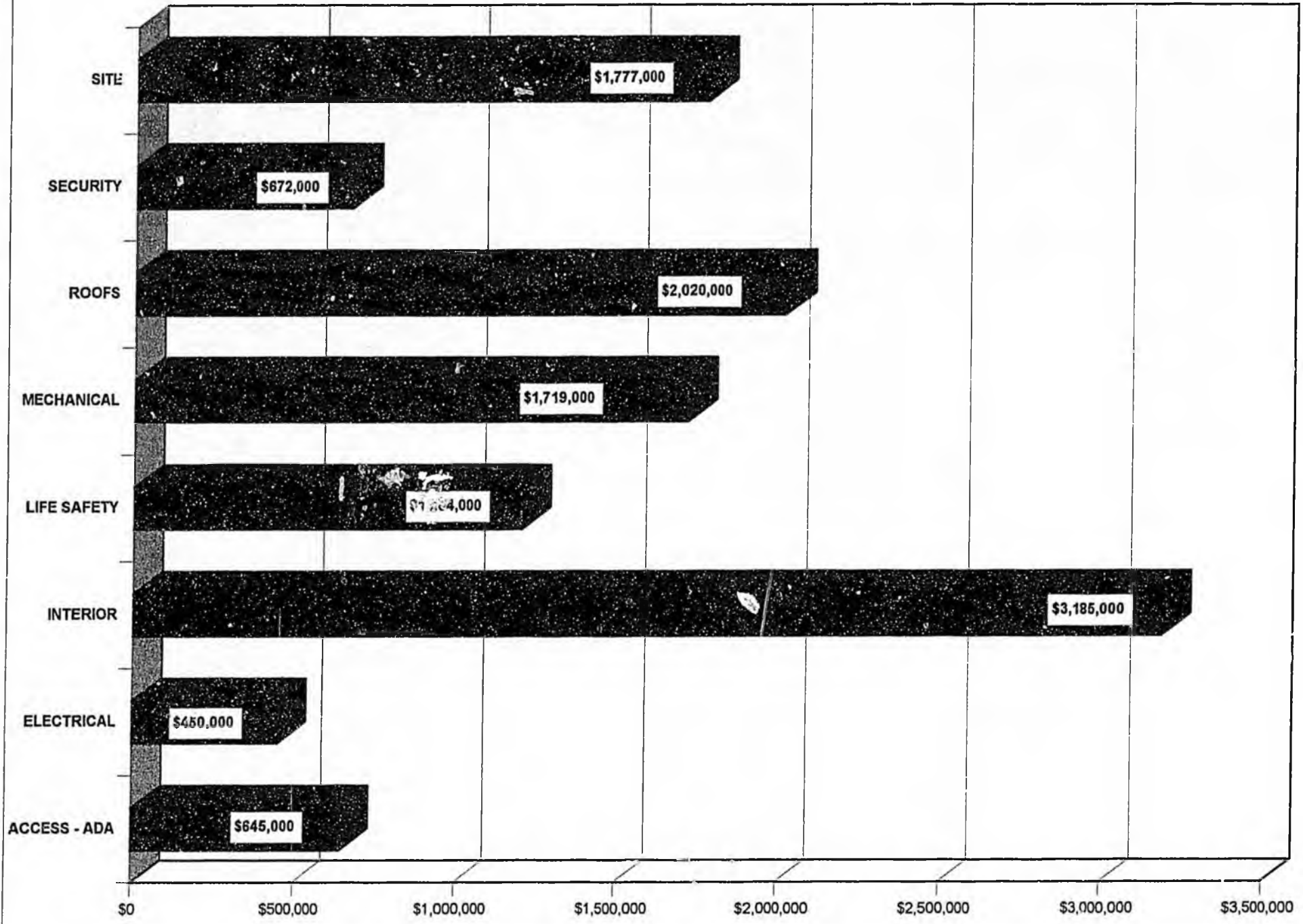
Source: University of Alaska Institute of Social & Economic Research

MSB Schools Deferred Maintenance Projects

\$ 12,172,000 - Total (all schools)



MSB SCHOOLS DEFERRED MAINTENANCE-BY CATEGORIES



ALEUTIANS EAST BOROUGH

SERVING THE COMMUNITIES OF

■ KING COVE ■ SAND POINT ■ AKUTAN ■ COLD BAY ■ FALSE PASS ■ NELSON LAGOON

February 27, 199

Rep. Con Bunde
Chairman, Health, Education &
Social Services
State Capitol Rm. 104
Juneau, AK 99801-1182

Re: SB 11

Dear Chairman Bunde:

The Aleutians East Borough supports the concepts behind SB 11. The idea of an equal partnership between municipal school districts and the State is a worthwhile goal. For a number of years the AEB has advocated a 50/50 partnership with the State on capital projects.

The concerns we have with SB 11 is that the rural municipal school districts will not have time to get projects approved for reimbursement. Nor will there be enough money available to them after the urban school districts bring forth their projects as happened the last time. Unlike some of the testimony I heard yesterday, the last new school built in our district was in 1982. The AEB has discouraged communities from asking for new buildings. Rather than approaching the State for new buildings, we have adopted the policy of major renovations and retrofitting of all existing schools. Needless to say, this is not a politically popular position in the Borough. Nor have we waited for the State of Alaska to provide funding for projects. We completed two major retrofits using lease/purchase agreements without any debt forgiveness because the work had to be done!

We still have two projects that need to be completed that will substantially increase the useful life of two of our schools. One is the replacement of 50,000 sq. ft. of roofing in Sand Point; the other is the replacing of siding and windows in King Cove. These projects

☐ CLERK/PLANNER
P.O. BOX 349
SAND POINT, ALASKA 99661
(907) 383-2699
(907) 383-3496 FAX

☐ BOROUGH ADMINISTRATOR
1600 A STREET, SUITE 103
ANCHORAGE, ALASKA 99501-5146
(907) 274-7555
(907) 276-7569 FAX

☐ FINANCE DIRECTOR
P.O. BOX 49
KING COVE, ALASKA 99612
(907) 497-2588
(907) 497-2386 FAX

Rep. Bunde
Page two

are scheduled for Year 4 of the Deferred Maintenance Program if it is funded and implemented as designed. A 50% debt forgiveness program would allow us to issue the necessary GO bonds to complete these renovations in a timely manner.

As I mentioned in my testimony, for every one dollar in debt forgiveness, we have eight dollars in principal and interest that is not forgiven or acknowledged by the State of Alaska.

Sincerely,

A handwritten signature in black ink, appearing to read "Robert S. Juettner", written in a cursive style.

Robert S. Juettner
Administrator

cc: committee members: Fred Dyson
Brian Porter
Al Vezey
Tom Brice
Allen Kemplen



TELEPHONE (907) 894-4702

FAX (907) 894-1005

Chugiak-Eagle River Chamber of Commerce

P.O. BOX 770353
EAGLE RIVER, ALASKA 99577

11401 OLD GLENN HIGHWAY, SUITE 110A
EAGLE RIVER, ALASKA 99577

"Place of Many Places"

March 3, 1998

**TO: Representative Con Bunde
Representative Fred Dyson
Representative Joe Green
Representative Allen Kemplen
Representative Brian Porter
Representative Al Vazay
Representative Tom Brice
House of Representatives/HESS Committee**

**FROM: Jim Young, President
Chugiak-Eagle River Chamber of Commerce**

RE: SB 11 - Reimburse Municipal Bonds for School Construction

The Chugiak-Eagle River Chamber of Commerce lends its support for SB 11, "An Act Establishing a reimbursement program for municipal bonds, notes... for school construction..." Our community is experiencing new residential construction and still has a significant amount of land to be developed. We anticipate the need for a second high school in the area and recognize the value of such a reimbursement program for our growing community. Further, we ask that this bill be retroactive to the April 1998 Municipal election. The Anchorage School District has proposed bonds for the April 1998 ballot. We support inclusion of these projects in this legislation.

Mat-Su Council of PTA/PTSA's

PTA is working hard to recognize "KIDS FIRST"

February 26, 1998

**To: Our Alaskan State Legislature,
re: SB11**

Mat-Su Council of PTA/PTSA's, in cooperation with the Alaska State PTA has identified overcrowding and unsafe school conditions as a Legislative Priority.

Please look closely at the Mat-Su Valley with its demographic uniqueness. The Mat-Su School District is faced with great expenses in providing a quality education to our rural schools. At the same time our core schools are dangerously overcrowded and in drastic need of upgrading. Support for retroactive reimbursement for current Mat-Su bonds is essential. Mary Ostermic from Talkeetna Elementary PTA, stated, "It's tough to learn in a class with 26 rain buckets all chanting a different tune."

Mat-Su School District enrollment is increasing on a yearly average of 3 to 4%. We can not continue at this rate with the overcrowded facilities already in place!

Mat-Su PTA's are united in voice in support of (SB11) with its amendment to reinstate the 70/30 reimbursement program for school construction. Though this may be a 'cry in a deaf ear', we will continue to speak. We truly recognize the commitment required to achieve this goal! Your job is not an easy one. Please move ahead realizing the needs in the Mat-Su Valley are critically REAL!

Thank-you for your support in helping to providing 'The Best' education possible for our children.

**Faithfully for Kids,
Cheryl Turner**

page 1

ALASKA PTA

Alaska PTA Legislative Priorities 1997-98

Alaska PTA is concerned about the need for renewed confidence in our public schools. We believe that every public school in the state should provide the highest quality of education. Alaska PTA supports legislation and funding of programs that will hold school districts accountable to high standards for educational programs, staff professionalism and student performance.

Alaska PTA is concerned about the inadequate state funding of public education. Alaska PTA supports the creation of a new funding mechanism that will meet all rising costs of public education, including those associated with inflation and increased enrollment, and provide equitable distribution of those funds. Funding should be sufficient to enable school districts to support a cap on the pupil teacher ratio (PTR) for each grade level and provide safe and adequate pupil transportation.

Alaska PTA is concerned about the health, safety and welfare of Alaska's children. We believe that every child deserves protection from neglect, violence and abuse. Alaska PTA supports legislation and increased funding of programs directed toward protection, prevention and intervention services to ensure the personal health and safety of every child. We urge the legislature to immediately focus on inadequacies in those services and to take emergency measures to increase funding necessary to cure these inadequacies.

Alaska PTA is concerned about the overcrowded and unsafe conditions in the public schools in our state. We believe that every child deserves a safe school. Alaska PTA supports legislation that would provide consistent and substantial state funding, including, but not limited to a debt reimbursement program for the renovation and repair of existing facilities, and for the construction of new schools.

The Alaska PTA believes that advanced communication and information technologies are fundamental to school curriculum. Alaska PTA supports legislation and the funding to provide the infrastructure and mandatory staff training necessary to provide access to technology for all students in Alaska's public schools.

Jurner Page 2

Senate Bill 11

TITLE: "An Act establishing a reimbursement program for municipal bonds, notes, or other indebtedness incurred for school construction; relating to administrative costs of reimbursing municipal school construction debt; relating to municipal school construction project eligibility requirements for receiving state reimbursement; and providing for an effective date."

Patricia Purcell, parent and President of Finger Lake Elem. PTA

I am asking that every effort be made to pass Senate Bill 11 because of the sad state that exists for Mat-Su Schools. Schools are critically overcrowded now and even after money would be made available for construction it can't happen overnight. We need schools NOW because our teachers cannot effectively teach and our children cannot effectively learn in the crowded environment that currently exists. At Finger Lake classrooms were set up in the gym locker rooms because every available space is being used including portables. I as a parent was shocked that there is minimal space for classes let alone storage. We have not had a school built in the Mat Su District since 1992 and student enrollment has increased by 2900 students. Valley population continues to increase and we need someplace to put the expected increase in students. We cannot continue to ignore or avoid the problems of funding for education. We cannot continue to argue about balancing the budget. Our children are our future and we cannot ignore that! Thank you for listening.

Alaska State Legislature

Senate

**RICK
HALFORD**


State Capitol
Juneau, Alaska
99801-1182
Phone (907) 465-4958
Fax (907) 465-4928

P.O. Box 670190
Chugiak, Alaska 99567
Phone (907) 694-4958
Fax (907) 694-0549

600 E. Railroad Avenue
Wasilla, Alaska 99654
Phone (907) 376-4958

Official Business

TO: Representative Con Bunde, Chairman
House HESS Committee

FROM: Senator Rick Halford 

DATE: February 18, 1998

RE: Scheduling request for SB 11 (School Construction Debt
Reimbursement).

I request that you schedule SB 11 for a hearing.

As you may recall from my May 7, 1997 scheduling request memo, the committee substitute adopted by the Senate Finance Committee contains a technical error which your committee may want to address.

When the Senate Finance Committee removed the retroactive portion of the bill, they neglected to also remove the language but before July 1, 1995 in Sec. 2 (6) on page 4, line 2.

Please do not hesitate to contact me, or my staff, if you have any questions.

**THE FOLLOWING PAGES MAY
NOT FILM LEGIBLY BECAUSE OF
THE POOR QUALITY OF THE ORIGINAL**

Fax

To: House of Representatives
 CC: Health, Education, and Social Services Committee
 Fax: 376 6180
 Phone: 376-3764
 Pages: 1, including this cover sheet.
 Date: February 26, 1998

Good afternoon, Mr. Chairman and committee members. My name is Maureen Swed. I am a parent in the Talkeetna area and I wish to voice my support of Senate Bill 11. The children, staff, parents and community members of Talkeetna have been contacting legislators concerning the condition of the elementary school for the past six legislative sessions. We have shown our willingness to make a local monetary contribution for a renovation/addition to the school by approving a prepared bond in the fall of 1995. The issue is no longer making this approval retroactive but rather moving ahead to solve the problem of a school that is in great need of repair and expansion. The need for new educational facilities is a borough wide and state wide problem. Although SB-11 does require a match of funds from each local community and therefore cannot aid communities with no means of providing the required match it is a vehicle by which we can begin to address the need for facilities. There are many communities across the state that are willing to work in partnership with the state. Please help initiate this partnership by letting SB-11 move through the legislative process. Please lead our children into the next century with the security of safe, stimulating environments in which to learn.

Thank you for the opportunity to address the House, Health, Education and Social Services Committee

Sincerely,

Maureen Swed (907) 733-1500

Fax to: 376-6180

ASAP: 376-3764
 PG Fax 0/6

Talkeetna, AK 99570

FAX

TO: House HESS Committee

Fax number: 375 5180

FROM: Mary Osternick
P.O. Box 827
Talkeetna, AK 99676
Phone: 907-733-2467

Dear HESS committee members:

I am a parent with children attending Talkeetna Elementary School and I am writing in support of HB11. Due to a snow storm last night and poor road conditions, I am unable to make the drive from Talkeetna to testify via teleconference.

Talkeetna Elementary is in dire need of an already planned renovation/addition. A bond has been passed recognizing and supporting the needs here.

All in all, SB11 will address many of the school construction needs that are critical at this point in time. Yes, I strongly support this bill and thank you for all your work in bringing it forth to this point.

Sincerely

Mary Osternick
Mary Osternick

S B

1 3

HOUSE COMMITTEE REPORT

(7)

Date Referred to Committee: April 14, 1997

FURTHER REFERRALS:

Finance

Date of Committee Action: 4/22/97

The HEALTH, EDUCATION AND SOCIAL SERVICES Committee considered:

CSSB 13(RLS)

CS FOR SENATE BILL NO. 13(RLS)

INCREASE TOBACCO TAXES

"An Act relating to taxes on cigarettes and tobacco products and to the use of the proceeds of those taxes, and increasing by at least 35.5 mills the amount of excise tax levied on each cigarette imported or acquired in the state; and providing for an effective date."

recommends it be replaced with the following committee substitute HES CSSB 13(HES) the same title a new title

additional referral to _____ Committee
 attached amendment(s)

ADOPTS: _____ Letter of Intent

ATTACHES NEW FISCAL NOTE(s): (Dept)

APPROVES PREVIOUS: (Dept/Date)

fiscal note(s) _____

fiscal note(s) Revenue / 4-7-97

zero fiscal note(s) _____

zero fiscal note(s) _____

SIGNING WITH RECOMMENDATIONS	DP	DNP	NR	AM
<i>[Signature]</i>			✓	
<i>[Signature]</i>	✓			
<i>[Signature]</i>	✓			
<i>[Signature]</i>		✓		
<i>[Signature]</i>	✓			

CHAIR'S SIGNATURE Car Bando

Revision Date: _____ Dept. Affected: Revenue
 Title: Increase Tobacco Taxes BRU: Revenue Operations
 Component: Income and Excise Audit
 Sponsor: Senator Sharp
 Requestor: (S) FIN COMPONENT SERIAL NO. 113

Expenditures/Revenues: (Thousands of Dollars)

OPERATING EXPENDITURES	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03
PERSONAL SERVICES	30.0	30.0	30.0	30.0	30.0	30.0
TRAVEL	0.5	0.5	0.5	0.5	0.5	0.5
CONTRACTUAL	6.5	1.5	1.5	1.5	1.5	1.5
SUPPLIES	0.5	0.5	0.5	0.5	0.5	0.5
EQUIPMENT	4.0	0.0	0.0	0.0	0.0	0.0
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	41.5	32.5	32.5	32.5	32.5	32.5
CAPITAL EXPENDITURES						
CHANGE IN REVENUES	22,048.0	33,072.0	33,072.0	33,072.0	33,072.0	33,071.0

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	41.5	32.5	32.5	32.5	32.5	32.5
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other						
TOTAL	41.5	32.5	32.5	32.5	32.5	32.5

Estimate of any current year (FY97) cost \$ 0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

(See Attached Analysis)

Prepared by: Brett Fried, Economist Phone: 465-3682
 Division: Income and Excise Audit Division Date: April 7, 1997
 Approved by Commissioner: Wilson L. Condon Date: April 7, 1997
 Agency: Department of Revenue

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Alaska Department of Revenue
Income and Excise Audit Division

Increase Tobacco Taxes
CSSB 13(FIN)
April 7, 1997
Page 2 of 4

BILL ANALYSIS

Section 1 discusses legislative intent.

Section 2 increases the School Fund portion of the cigarette tax rate by \$.71 per pack of 20; from 2.5 mills per cigarette (\$.05 per pack) to 38 mills per cigarette (\$.76 per pack). Combining this rate with the 12 mills per cigarette (\$.24 per pack) levied under AS 43.50.190, which goes to the General Fund, the total tax rate on a pack of cigarettes would increase from \$.29 to \$1.00. Additionally changes the percent that the licensee can deduct to cover expenses from 1 to four-tenths of one percent of the tax due.

Section 3 This section only takes effect if section 2 of this act is ruled unconstitutional (see section 8). If so, the statute would be amended back to how it was prior to the bill passage.

Section 4 This section only takes effect if section 2 is ruled unconstitutional (see section 8). If so, this section increases the General Fund portion of the cigarette tax rate by \$.71 per pack of 20; from 12 mills per cigarette (\$.24 per pack) to 47.5 mills per cigarette (\$.95 per pack). Combining this rate with the 2.5 mills per cigarette (\$.05 per pack) levied under AS 43.50.090, which is dedicated to the School Fund, the total tax rate on a pack of cigarettes would increase from \$.29 to \$1.00.

Section 5 increases the tobacco products tax rate from 25% to 75% of the wholesale price of the tobacco products.

Section 6 provides for the disposition of tax collected under section 5 of this act to the general fund. These tax proceeds may then be used by the legislature to make appropriations to health programs as well as programs targeted at reducing tobacco use of children. Additionally changes the percent that the licensee can deduct to cover expenses from 1 to four-tenths of one percent of the tax due.

Section 7 discusses the legislative intent not to create a dedicated fund.

Section 8 provides for sections 3 and 4 of this act only taking effect if dedication of the proceeds of the cigarette tax to the School Fund is found to be unconstitutional.

Alaska Department of Revenue
Income and Excise Audit Division

Increase Tobacco Taxes
CSSB 13(FIN)
April 7, 1997
Page 3 of 4

Section 9 establishes that if section 2 is ruled unconstitutional and sections 3 and 4 of this act take effect then revenue derived under section 2 (prior to it being found unconstitutional) that exceeds the original 2.5 mills will be credited to the tax levied under AS 43.50.190 (a) as amended by section 4 of this act.

Section 10 establishes an effective date of October 1, 1997 for sections 1, 2, 5-7 and 9 of this act.

Section 11 establishes an effective date of which ever of the following comes later for sections 3 and 4 of this act: (1) when a court enters a final judgement that the amendment under section 2 of this act is unconstitutional or (2) when the time for appeal has expired or upon entry of a final order on the appeal that section 2 is unconstitutional.

OPERATING EXPENDITURES

Department of Revenue is requesting operating funds to cover ½ the costs of a Revenue Auditor III position. With such a large increase in taxes due the state (increase from \$17 to \$50 million annually), the department anticipates increased taxpayer noncompliance.

With significantly higher levels of tax, it is possible that taxpayers will look for loopholes or other methods of tax avoidance. This ½ position will be responsible for ensuring that all taxpayers are identified and that taxpayers are filing and paying the proper amount of tax. The projected annual salary costs for the ½ portion of this position comes to \$30.0.

The department is also requesting one time FY 98 funding of \$5.0 for contractual funds to cover costs of public notice of rate increases, forms revisions and postage, and \$4.0 for equipment (\$3.5 for computer costs and \$.5 for office equipment). The recurring costs will be \$2.5 to cover travel, contractual and supplies.

REVENUE COLLECTED

The attached spreadsheet details revenue projections from rate increases in this bill.

Alaska Department of Revenue
Income and Excise Audit Division
Projected Revenue Increases from Change in Tobacco Tax Rates

Increase Tobacco Taxes
 CSSB 13
 April 7, 1997
 Page 4 of 4

	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04
Cigarettes							
<i>Elasticity Factor</i>	-13.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Consumption (packs of cigarettes)	30,487,136 *	45,730,706	45,730,706	45,730,706	45,730,706	45,730,706	45,730,706
Rate	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00
Cigarette Tax	<u>\$30,487,136</u>	<u>\$45,730,706</u>	<u>\$45,730,706</u>	<u>\$45,730,706</u>	<u>\$45,730,706</u>	<u>\$45,730,706</u>	<u>\$45,730,706</u>
Less .4 % Commission	<u>(121,949)</u>	<u>(182,923)</u>	<u>(182,923)</u>	<u>(182,923)</u>	<u>(182,923)</u>	<u>(182,923)</u>	<u>(182,923)</u>
Net Cigarette Tax	\$30,365,188	\$45,547,783	\$45,547,783	\$45,547,783	\$45,547,783	\$45,547,783	\$45,547,783
FY 97 Projected Net Cigarette Tax	<u>(10,083,937) *</u>	<u>(15,125,905)</u>	<u>(15,125,905)</u>	<u>(15,125,905)</u>	<u>(15,125,905)</u>	<u>(15,125,905)</u>	<u>(15,125,905)</u>
Net Cigarette Tax Increase Into the School Fund	\$20,281,251	\$30,421,878	\$30,421,878	\$30,421,878	\$30,421,878	\$30,421,878	\$30,421,878
Tobacco Products							
<i>Elasticity Factor</i>	-13.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Consumption (Whole. Pr. 1996 \$)	\$3,825,216 *	\$5,737,824	\$5,737,824	\$5,737,824	\$5,737,824	\$5,737,824	\$5,737,824
Rate	75%	75%	75%	75%	75%	75%	75%
Tobacco Products Tax	<u>\$2,868,912</u>	<u>\$4,303,368</u>	<u>\$4,303,368</u>	<u>\$4,303,368</u>	<u>\$4,303,368</u>	<u>\$4,303,368</u>	<u>\$4,303,368</u>
Less .4 % Commission	<u>(11,476)</u>	<u>(17,213)</u>	<u>(17,213)</u>	<u>(17,213)</u>	<u>(17,213)</u>	<u>(17,213)</u>	<u>(17,213)</u>
Net Tobacco Products Tax	\$2,857,436	\$4,286,154	\$4,286,154	\$4,286,154	\$4,286,154	\$4,286,154	\$4,286,154
FY 97 Projected Net Tob. Prod. Tax	<u>(1,090,715)</u>	<u>(1,636,073)</u>	<u>(1,636,073)</u>	<u>(1,636,073)</u>	<u>(1,636,073)</u>	<u>(1,636,073)</u>	<u>(1,636,073)</u>
Net Tobacco Prod. Tax Increase	\$1,766,721	\$2,650,081	\$2,650,081	\$2,650,081	\$2,650,081	\$2,650,081	\$2,650,081
Cigarette and Tob. Products							
Cigarette and Tobacco Tax	\$33,222,624 *	\$49,833,937	\$49,833,937	\$49,833,937	\$49,833,937	\$49,833,937	\$49,833,937
Net Cig. and Tob. Tax Increase	<u>\$22,047,972 *</u>	<u>\$33,071,959</u>	<u>\$33,071,959</u>	<u>\$33,071,959</u>	<u>\$33,071,959</u>	<u>\$33,071,959</u>	<u>\$33,071,959</u>

*Note: The bill's effective date results in the tax increase covering 8 months in FY 98.

HOUSE CS FOR CS FOR SENATE BILL NO. 13(HES)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTIETH LEGISLATURE - FIRST SESSION

BY THE HOUSE HEALTH, EDUCATION AND SOCIAL SERVICES COMMITTEE

Offered:
Referred:

Sponsor(s): SENATORS SHARP, Ellis

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to taxes on cigarettes and tobacco products and to the use of
2 the proceeds of those taxes, and increasing by at least 35.5 mills the amount of
3 excise tax levied on each cigarette imported or acquired in the state; and
4 providing for an effective date."

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

6 * Section 1. LEGISLATIVE INTENT. It is the intent of the legislature that, of the tax
7 revenue derived

8 (1) from the amendment to the cigarette tax made by sec. 2 of this Act, the
9 amount obtained be deposited into the school fund (AS 43.50.140) and used as required by
10 that section for state support of elementary and secondary education; and

11 (2) from the amendment contingently made to the cigarette tax by sec. 4 of this
12 Act, subject to appropriation, the amount obtained be expended for state support of elementary
13 and secondary education.

14 * Sec. 2. AS 43.50.090(a) is amended to read:

1 (a) There is levied an excise tax of 38 [TWO AND ONE-HALF] mills on each
2 cigarette imported or acquired in the state. Each licensee shall, at the time of filing
3 the return required by AS 43.50.080, pay to the department the excise for the calendar
4 month covered by the return, deducting four-tenths of one percent of the total tax due,
5 which the licensee shall retain to cover the expense of accounting and filing returns.
6 Cigarettes upon which the excise is imposed are not again subject to the excise when
7 acquired by another person.

8 * Sec. 3. AS 43.50.090(a) is amended to read:

9 (a) There is levied an excise tax of two and one-half [38] mills on each
10 cigarette imported or acquired in the state. Each licensee shall, at the time of filing
11 the return required by AS 43.50.080, pay to the department the excise for the calendar
12 month covered by the return, deducting four-tenths of one percent of the total tax due,
13 which the licensee shall retain to cover the expense of accounting and filing returns.
14 Cigarettes upon which the excise is imposed are not again subject to the excise when
15 acquired by another person.

16 * Sec. 4. AS 43.50.190(a) is amended to read:

17 (a) There is levied an excise tax of 47.5 [12] mills on each cigarette imported
18 or acquired in this state.

19 * Sec. 5. AS 43.50.300 is amended to read:

20 **Sec. 43.50.300. Excise tax levied.** An excise tax is levied on tobacco products
21 in the state at the rate of 75 [25] percent of the wholesale price of the tobacco
22 products. The tax is levied when a person

23 (1) brings, or causes to be brought, a tobacco product into the state
24 from outside the state for sale;

25 (2) makes, manufactures, or fabricates a tobacco product in the state
26 for sale in the state; or

27 (3) ships or transports a tobacco product to a retailer in the state for
28 sale by the retailer.

29 * Sec. 6. AS 43.50.330(b) is amended to read:

30 (b) The licensee shall remit with the return the tax due under AS 43.50.300
31 for the month covered by the return, after deducting four-tenths of one percent of the