

HOUSE/SENATE FINANCE COMMITTEE MINUTES - 1967-1982 2708

SB 199
Sen. Ferguson, Proposal

36

Fiscal Year - 81

	City/Borough	REAA	DOE	TOTAL
Separate Elementary Sites	7,340.8	76.6	-	7,417.4
Secondary Table Change	13,488.6	6,517.8	-	20,006.4
Increase Unit Value - 10%	18,460.0	6,768.6	-	25,228.6
Area Differential Study	-	-	250.0	250.0
	39,289.4	13,363.0	250.0	53,902.4

Fiscal Year - 82

Categorical Formula Changes	14,114.6	4,365.6	-	18,480.2
Eliminate 3% Local Effort	3,430.6	-	-	3,430.6
Increase in In-lieu Base	-	1,023.6	-	1,023.6
Increase Unit Value - 10%	22,060.5	7,882.0	-	29,942.5
	39,605.7	13,271.2	-	52,876.9

Total - 2 year	78,895.1	26,634.2	-	105,779.3
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FY81 IMPACT

Sen. Ferguson Proposal

3/6		FY81-Initial # Instruction Units	FY81 Preliminary Entitlement	Increased Unit Separate Aem. Sts.	Separate Sites Value	Increased Unit Security Formula	Security Units Value	Increase Unit Value 10%	FY81 Revised Entitlement	Net Increase FY81		3-11-80
1	Anchorage	1983	61957626	155	4244500	136	4386400	7124053	78301581	16406953		
2	Bristol Bay	21	1016762			8	148335	116510	1281607	261845		
3	Cordova	42	1524489			5	183425	170801	1878815	354226		
4	Craig	18	617174			3	103356	72053	782583	175407		
5	Dillingham	32	1367780			5	247225	181501	1996516	428726		
6	Fairbanks	570	14817326	27	1056112	42	1500576	2235401	21584415	4772087		
7	Galena	19	737168			3	148335	100550	1144053	256885		
8	Healy	35	1264999			5	183425	145342	1596766	328767		
9	Healy	22	783551			5	178640	96249	1058410	274859		
10	Healy	14	480767			2	68904	54967	601640	123871		
11	Hydaburg	282	8863912	9	257100	23	733700	988471	10873183	2007271		
12	Juneau	21	722347			13	103356	82570	908273	185926		
13	Kake	454	15171912	8	275616	33	136916	1658158	18242954	3010982		
14	Kenai	167	5308330	5	157500	16	510400	577823	6576053	1267723		
15	Ketchikan	13	618321			2	95700	91402	185423	167102		
16	King Cove	7	216257			1	7	24026	261283	24026		
17	Klawock	196	7151151	2	74008	13	481052	770621	8476832	1325681		
18	Kodiak	327	10634651	10	331760	26	862576	1162879	13011886	2377235		
19	Mat Su	22	839915			2	76560	91648	1008123	168208		
20	Nenana	68	3340990			7	296670	363766	4001126	660436		
21	Nome	167	8009595			15	741675	875127	9626377	1616802		
22	North Slope	16	51217			1	79528	21122	232341	21122		
23	Pelican	46	1021705			3	160723	1767756	1767756	260751		
24	Petersburg	15	405643			2	63800	53944	593387	117744		
25	Sand Point	115	3742354	7	232232	11	361936	433452	4773474	1031120		
26	Sitka	10	166081			3	103356	70944	780381	174300		
27	Skagway	16	781567			1	47445	83901	922913	133346		
28	St. Mary's	19	894072			2	95700	98977	1088749	194677		
29	Unalakleet	75	2668834			9	330165	299900	378879	636065		
30	Valdez	39	1278053			5	165880	144393	1588326	310273		
31	Wrangell	19	722653			2	76560	79921	879134	156481		
32	Yakutat											
33												
34												
35	TOTALS	4850	163770368	225	7340828	386	13488596	18459777	203059767	392897401		
36												
37	FY81 Cumulative											
38												
39												
40												

Attachment 4

F482 IMPACT

Sen. Ferguson Proposal

3/6		F482-Initial Instruction Units	F482 Prelimin. Entitlement	Elem. Formula	Increase Units Formula	Spec. Ed Formula	Bilingual Formula	Increase Units Value	Eliminate 3% Local Effort	Increase Unit Value 10%	F482 Revised Entitlement	Net Increase F482
1	Anchorage	2274	78361581	160	15	41	5	7754870	1360072	8741954	96161497	17796716
2	Bristol Bay	24	1281607	1		1		708780	21583	141197	1553167	271560
3	Caradova	47	1878815		1			40354	16181	173535	2126885	256070
4	Craig	2	712583		1			75794	2962	87134	156473	165870
5	Dillingham	37	1996506				1	54390	14460	266536	2271892	275386
6	Fairbanks	641	24587415	20	6	15	2	1689943	547634	2682699	29509691	4926276
7	Galena	22	1194053		1		1	163170	2287	135951	1495461	301406
8	Haines	40	1548766					40354	13796	165310	1818406	219640
9	Hoona	27	1058410					37301	2465	110018	1210194	151784
10	Ilyadburg	16	667640					75794	1557	68199	750192	145552
11	Juneau	314	10873183		2	7	1	350900	131888	1135517	12491566	1618385
12	Kake	24	908273						1145	90442	7000360	92687
13	Kenai	495	18242954	10	1	8	3	833734	467236	1954572	21500516	3257562
14	Ketchikan	190	6576053	1		5		245630	82770	690445	7591870	1018645
15	Kung Cove	15	785123						3529	78915	868067	82644
16	Klawock	7	264283					37877	907	36307	333376	67113
17	Kodiak	211	8476832	3	2	6	2	529152	101633	910762	10018377	1541549
18	Mat su	363	1301886	11	3	6	1	766374	213901	1399216	15391377	2377491
19	Nenana	24	1008123					42108	2245	105248	1157724	149601
20	Nome	74	4061426		1	4	1	326340	21270	434904	4783940	782514
21	North Slope	182	9626377	4			3	869730	247720	1025465	11280332	1653935
22	Pelican	6	232341						3149	23549	259039	26696
23	Petersburg	49	1767956		1			72988	18391	185931	2045264	277313
24	Sand Point	17	543387					35070	21857	63133	694467	101080
25	Sitka	133	4773174		1	2	1	145976	72886	499234	5491570	718096
26	Skragway	21	780381						14055	79444	873680	93495
27	St. Marys	17	922913	1				54390	1553	97886	1076742	153827
28	Unalaska	21	1086749					52635	15078	115646	1272108	163357
29	Valdez	84	3208899		1	3		161416	82541	354286	3897142	598243
30	Wrangell	44	1588326			1		36494	15811	164063	1801694	216368
31	Yakutat	21	877134						4667	88380	972161	93047
32												
33												
34												
35	TOTALS	5461	20305976	211	38	109	21	14114624	3430611	22060503	242665507	39605738
36	F482 Cumulative							217174293	220605004	242665507		
37												
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Attach #

FY81 IMPACT

Sen. Ferguson Proposal

3/b		FY81-Initial # Instruction Units	FY81 Prelimin. Entitlement	Increase Units Separate Elem. Sites	Separate Sites Value	Increase Units Secondary Formula	Secondary Units Value	Increase Unit Value 10%	FY81 Revised Entitlement	Net Increase FY81									
1	Adak	42	1,113,667			5	223,300	133,697	1,470,664	356,997									
2	Alaska Gateway	57	2,188,427			5	191,400	23,5983	2,417,810	429,383									
3	Aleutian Chain	32	1,450,951			-	-	14,5095	1,596,046	145,095									
4	Annette Island	33	618,485			3	99,528	11,801	789,814	111,329									
5	Bering Strait	84	3,679,214			12	593,340	42,7258	4,649,842	1,020,598									
6	Chatham	29	862,723			3	103,356	9,6626	1,062,707	199,984									
7	Chugach	8	311,926			-	-	31,193	343,119	31,193									
8	Copper River	62	2,489,360			5	183,425	26,7279	2,946,064	450,704									
9	Delta/Greely	72	2,453,667	2	16,560	7	267,960	20,9819	3,076,006	624,339									
10	Iditarod	52	2,289,306			1	47,445	23,3875	2,572,026	283,320									
11	Kuspuk	58	2,612,507			8	395,560	30,0807	3,308,674	696,367									
12	Lake & Peninsula	75	3,345,864			3	148,335	34,9420	3,643,619	497,755									
13	Lower Kuskokwim	224	10,248,247			29	1,433,965	117,0220	12,812,422	2,604,125									
14	Lower Yukon	36	586,183			13	642,785	65,0461	7,155,069	129,3246									
15	Northwest Arctic	168	9,387,427			24	1,186,680	85,7611	9,433,718	2,044,291									
16	Pribilof	23	867,481			2	95,700	9,6518	1,061,699	192,218									
17	Railbelt	44	1,691,411			5	191,400	18,8284	2,071,125	379,684									
18	Southeast Island	68	1,914,040			2	68,904	19,8294	2,181,238	267,198									
19	Southwest Region	84	3,555,909			5	247,225	38,0243	4,183,227	627,518									
20	Yukon Flats	61	2,768,484			3	148,335	29,1682	3,208,501	440,017									
21	Yukon/Koyukuk	81	3,356,665			5	247,225	36,0389	3,964,279	607,614									
22																			
23																			
24	Totals	1493	61,091,674	2	26,560	140	6,517,808	676,8607	74,454,669	13,362,978									
25	FY81 Cumulative				6,168,254		6,768,6062	744,53669											
26																			
27																			
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FY82 IMPACT

San. Ferguson Proposal

3/6		FY82-Initial Allocational Units	FY82 Prelimin. Entitlement	In-lieu Percentage 10%	Elem. Formula	Increase Vol. Ed. Formula	Increase Spec. Ed. Formula	Increase Bilingual Formula	Increase N Units Value	Increase Unit Value 10%	FY82 Revised Entitlement	Net Increase FY82
1	Adak	47	1470664	49448						147066	1667198	196514
2	Alaska Gateway	62	2617810	37439		1	1	1	126324	274413	3055186	438176
3	Aleutian Chain	32	1596046	1126			1		52635	164866	1824675	228629
4	Annette Island	36	789814	36464		1			36494	82631	937403	149589
5	Bering Strait	96	4694842	42207	1	1		3	271950	497179	551178	811336
6	Chatham	32	1062907	20132	1		1		75794	113810	1272703	209796
7	Chugach	8	34319	5210			1		42108	38523	428960	85841
8	Copper River	67	2940064	54658	3	1	3		242124	318219	3555065	615001
9	Delta/Greely	61	3076006	81501		1	3		168432	324644	3652583	575117
10	Iditarod	53	2572626	26137				1	54390	262702	2915855	343229
11	Kuskokwim	66	3308814	28168						330887	3667929	357055
12	Lake & Peninsula	78	3843619	33731	2	1		2	271950	411557	4560657	717238
13	Lower Kuskokwim	253	12872422	157205	3	6	3	1	1033410	1390583	15453670	2583198
14	Lower Yukon	149	7155069	106402			3	2	271950	742702	8276123	1121654
15	Northwest Arctic	192	9433718	135894	2	3	2	2	489510	992323	11051445	1617727
16	Pribilof	25	1061699	14393				2	105270	116697	1278059	236360
17	Railbelt	49	2071125	30905	1				42108	211323	2355461	284336
18	Southeast Island	70	2181238	34260	6		1		265279	244652	2725429	544191
19	Southwest Region	89	4133227	43002	4		1	4	489510	467274	5183013	999786
20	Yukon Flats	64	3208501	38640	1		1		108780	331728	3649649	471146
21	Yukon/Koyukuk	86	3964279	48653	2		1	1	217560	418184	4646676	684397
22												
23												
24												
25												
26	TOTALS	1635	74441669	1023505	26	15	21	25	4365578	7882025	87725847	13271178
27	FY82 Cumulative			75478244					79843822	87725847		
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30												
31												
32												
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Original sponsors: Dankworth, Stimson
and Sturgulewski

IN THE SENATE

BY THE FINANCE COMMITTEE

HOUSE CS FOR CS FOR SENATE BILL NO. 199 (Finance)

IN THE LEGISLATURE OF THE STATE OF ALASKA

ELEVENTH LEGISLATURE - SECOND SESSION

For an Act entitled: "An Act relating to support for schools and amending the public
school foundation program; and providing for an effective date."

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

* Section 1. AS 14.17.021 is amended to read as follows:

Sec. 14.17.021. STATE AID TO CITY AND BOROUGH SCHOOL DISTRICTS. (a) The amount of state aid for which each city and borough school district may qualify is calculated by multiplying the basic need as defined in (b) of this section by the equalized percentage as defined in (c) of this section. To the maximum extent permitted under sec. 5(d)(2) of P.L. 81-874, as amended, (20 U.S.C. 240(d)) and the regulations adopted under it (45 C.F.R. 115.60 -- 115.66), the amount of state aid shall be reduced by the amount of the school district's entitlement to federal financial assistance under P.L. 81-874, as amended, (20 U.S.C. 236 -- 244), for the prior fiscal year.

(b) The basic need of each city and borough school district is determined by multiplying the instructional unit allotment of the district as defined in Sec. 51 of this chapter by the number of instructional units in the district.

(c) The equalized percentage for each city and borough school district is computed according to the formula $P_i = 1 - (1-k) V_i/V_s$ in which

(1) P_i (equalized percentage) = per cent of need to be provided by the state;

(2) K (minimum level of state support of basic need) = 97 per cent;

(3) V_i (valuation per pupil in average daily membership in the district) = full and true value of taxable real and personal property within the district divided by the average daily membership of the district;

(4) Vs = average of the valuation per pupil in average daily membership for all the districts of the state;

(5) state aid as computed under this section constitutes at least 97 per cent of the basic need, as defined by the department, of each school district.

* Sec. 2. AS 14.17.021 is repealed and re-enacted to read:

Sec. 14.17.021. STATE AID TO CITY AND BOROUGH SCHOOL DISTRICTS. The amount of state aid for each city and borough school district is determined by multiplying the instructional unit allotment of the district as defined in Sec. 51 of this chapter by the number of instructional units in the district. To the maximum extent permitted under sec. 5(d)(2) of P.L. 81-874, as amended, (20 U.S.C. 240(d)) and the regulations adopted under it (45 C.F.R. 115.60 - 115.66), the amount of state aid shall be reduced by the amount of the school district's entitlement to federal financial assistance under P.L. 81-874, as amended, (20 U.S.C. 236 - 244), for the prior fiscal year.

* Sec. 3. AS 14.17 is amended by adding a new section to read:

AS 14.17.023. STATE AID FOR REGIONAL EDUCATIONAL ATTENDANCE AREAS. (a) The amount of state aid for each regional attendance area school district is the sum of the following:

(1) the amount of basic need as defined in AS 14.17.021(b), reduced by deducting, to the maximum extent permitted under sec. 5(d)(2) of P.L. 81-874, as amended, (20 U.S.C. 240(d)) and the regulations adopted under it (45 C.F.R. 115.60 - 115.66), the amount of the regional educational attendance area's entitlement to federal financial assistance under P.L. 81-874, as amended, (20 U.S.C. 236 - 244) for the prior fiscal year; and

(2) an additional amount equal to the average local tax contributions per pupil in average daily membership (ADM) for school operating costs in the city and borough school districts in the prior year, adjusted by the the percentage increase in the value of the base instructional unit established in AS 14.17.056 between the prior year and the current fiscal year.

(b) Notwithstanding anything in (a)(2) of this section to the contrary, the value of the average local tax contributions per pupil in average daily membership for school operating costs in the city and borough school districts in the prior fiscal year, as adjusted for increases in the value of the base instructional unit, shall not be less than the actual value of the average local tax contributions per

pupil determined by the department for the second-prior fiscal year, adjusted for changes in the value of the base instructional unit between the prior fiscal year and the current fiscal year. However, in no event may that value, as adjusted, for the fiscal year beginning July 1, 1980 be less than \$883.

* Sec. 4. AS 14.17.031(a)(1) is amended to read:

(1) the number of units for elementary schools and the number of units for secondary schools as determined from AS 14.17.041(a), (b), or (c) [, OR (d)] of this chapter;

* Sec. 5. AS 14.17.031(a) is amended to read:

Sec. 14.17.031. INSTRUCTIONAL UNITS. (a) The total number of instructional units within each school district is the sum of

(1) the number of units for elementary schools and the number of units for secondary schools calculated in the manner set out in AS 14.17.041(1) and (2) [AS DETERMINED FROM SEC. 41(a), (b), OR (c) OF THIS CHAPTER];

(2) the number of units for vocational education calculated in the manner set out in AS 14.17.041(3) [DETERMINED FROM SEC. 41(e) OF THIS CHAPTER] as approved by the department;

(3) the number of units for special education calculated in the manner set out in AS 14.17.041(4) [DETERMINED FROM SEC. 41(f) OF THIS CHAPTER] as approved by the department;

(4) if the district has five or more correspondence pupils enrolled in an approved district correspondence study program, the number of units for correspondence pupils determined by applying the number of correspondence pupils to the table in AS 14.17.041(1); and

(5) the number of units for bilingual education calculated in the manner set out in AS 14.17.041(5) [DETERMINED FROM SEC. 41(g) OF THIS CHAPTER] as approved by the department.

* Sec. 6. AS 14.17.031(b) is amended to read:

(b) A school district shall compute separately the number of allowable instructional units for each of its elementary and secondary schools except as provided in (c) of this section.

* Sec. 7. AS 14.17.031(d) is amended to read:

(d) If the instructional units which a school district is entitled to under (a) of this section decrease by 10 percent or more from one year to the next, the school district may use the last year before the reduction as a base year and offset its reduction according to the following schedule: (1) for the first year after the base, the school district is entitled to the instructional units determined under (a)(1) [(a)] of this section plus 75 percent of the difference in instructional units between the base year and the first year; (2) for the second year after the base year, the school district is entitled to the instructional units determined under (a)(1) [(a)] of this section plus 50 percent of the difference in instructional units between the base year and the second year; (3) for the third year after the base year the school district is entitled to the instructional units determined under (a)(1) [(a)] of this section plus 25 percent of the difference in instructional units between the base year and the third [SECOND] year. The schedule established in this subsection is available to a school district for the three years following the base year only so long as the entitlement to instructional units under (a)(1) [(a)] of this section for each year is less than the entitlement in the base year. This subsection does not apply to a decrease in instructional units resulting from a loss of enrollment which occurs as a result of a boundary change under AS 29.

* Sec. 8. AS 14.17.031 is amended by adding a new subsection to read:

(e) The commissioner may authorize a school district operating a school in a remote area to calculate the number of instructional units to which the remote school would be entitled if that school were a separate school district and to include that number of instructional units in the total number of instructional units for the district.

* Sec. 9. AS 14.17.041(c) is repealed and reenacted to read:

(c) Secondary Schools

ADM.	No. Instructional Units
under 20	3
20 -- 32	4
33 -- 46	6
47 -- 62	7
63 -- 80	8
81 and over	8 plus 1 for each 17 pupils in ADM or fraction of 17

* Sec. 10. AS 14.17.041 is repealed and re-enacted to read:

Sec. 14.17.041. TABLE OF ALLOWABLE INSTRUCTIONAL UNITS. The following is the table of allowable instructional units:

(1) Elementary Schools

ADM	No. Instructional Units
Under 32	3
33 -- 46	4
47 -- 62	5
63 -- 80	6
81 and over	6 plus 1 for each 18 pupils in ADM or fraction of 18

(2) Secondary Schools

ADM	No. Instructional Units
under 20	3
20 -- 32	4
33 -- 46	6
47 -- 62	7
63 -- 80	8
81 and over	8 plus 1 for each 17 pupils in ADM or fraction of 17

(3) Vocational education

ADM	No. Instructional Units
under 3	.5
3 -- 10	1
11 -- 20	2
21 -- 32	3
33 -- 46	4
47 and over	4 plus 1 for each 18 pupils in ADM or fraction of 18 pupils in full time equivalent ADM

(4) Special education

ADM

Full Time Equivalent

No. Instructional Units

under 3

1

3 -- 10

2

11 -- 18

3

19 -- 27

4

28 and over

4 plus 1 for each 9
pupils or fraction of
9 pupils in full time
equivalent ADM

(5) Bilingual education

(A) districts providing services in one or two non-English

languages:

Weighted ADM

No. Instructional Units

1 -- 12

1

13 -- 18

2

19 -- 42

3

43 and over

3 plus 1 for each 24
weighted ADM or frac-
tion of 24 weighted ADM

(B) districts providing services in three or more non-English

languages:

Weighted ADM

No. Instructional Units

1 -- 12

2

13 -- 18

3

19 -- 30

4

31 -- 42

5

43 and over

5 plus 1 for each 20
weighted ADM or frac-
tion of 20 weighted ADM

* Sec. 11. AS 14.17.051(8) is amended to read:

(8) for Pribilof Islands School District, Aleutian Chain School District, King Cove City School District, Sand Point City School District, and Unalaska City School District, the district or area is entitled to receive 150 percent of the base instructional unit allotment;

* Sec. 12. AS 14.17.056 is repealed and re-enacted to read:

Sec. 14.17.056. BASE INSTRUCTIONAL UNIT VALUE. The base instructional unit value for fiscal years beginning on or after July 1, 1980, is \$35,090.

* Sec. 13. AS 14.17.056 is amended to read:

Sec. 14.17.056. BASE INSTRUCTIONAL UNIT VALUE. The base instructional unit value for fiscal years beginning on or after July 1, 1981 [1980], is \$36,599 [\$35,090].

* Sec. 14. AS 14.17.071 is amended to read:

Sec. 14.17.071. REQUIRED LOCAL EFFORT. (a) Payment of state aid to a city or borough [LOCAL] school district under this chapter is contingent upon matching by the district in the amount of the required local effort for that district in the ratio of required local effort: state contribution = $1:Pi/(1-Pi)$.

(b) For purposes of this section, Pi = equalized percentage as defined in sec. 21(c) of this chapter.

* Sec. 15. AS 14.17.250(3) is amended to read:

(3) "district" means any city or borough school district or regional educational attendance area;

* Sec. 16. The amendments made to AS 14.17.031(d) by Sec. 7 of this Act substituting references to AS 14.17.031(a)(1) for references to AS 14.17.031(a) shall not apply to any school district utilizing a base year ending on or before June 30, 1980 for instructional unit computation under the schedule of instructional unit reductions set out in AS 14.17.031(d).

* Sec. 17. The Department of Education shall contract for a study of the differential instructional unit values applicable to school districts under AS 14.17.051. The study shall establish the appropriate differential elements and weighting factors for instructional units and shall include a process for periodic revisions of the differential instructional unit allotment values. The department shall submit the study and its recommendations on the study to the Legislature no later than January 15, 1981.

- * Sec. 18. AS 14.08.121 and AS 14.17.041(d) are repealed.
- * Sec. 19. AS 14.17.071 and AS 14.17.140 are repealed.
- * Sec. 20. Sec. 8 of this Act is retroactive to July 1, 1978.
- * Sec. 21. Sec. 11 of this Act is retroactive to July 1, 1979.
- * Sec. 22. Secs. 1, 3, 4, 6, 7, 9, 12, 14, 15, 16 and 18 of this Act take effect on July 1, 1980.
- * Sec. 23. Secs. 2, 5, 10, 13 and 19 of this Act take effect on July 1, 1981.
- * Sec. 24. Sec. 17 of this Act takes effect immediately in accordance with AS 01.-10.070(c).

TESTIMONY PRESENTED TO
HOUSE FINANCE SUB-COMMITTEE ON EDUCATION

January 24, 1980

BY: WAYNE E. TAYLOR
ACTING SUPERINTENDENT
NENANA CITY PUBLIC SCHOOLS

TESTIMONY PRESENTED TO
HOUSE FINANCE SUB-COMMITTEE ON EDUCATION
ON JANUARY 24, 1980, BY WAYNE TAYLOR

Nenana City Public Schools has been a city school district since 1917. Nenana is very proud of its heritage and the fact it has operated a fine quality educational program for 63 years. Nenana is one of two small first class cities on the highway system in the central and northern regions of the state that is not a member of a large borough. (The other city is Valdez.)

The current foundation program is one of the best in the nation, but over the last few years changing needs have created weaknesses within the current system. These weaknesses are very apparent in the equity of funding statewide and in the adequacy of funding, particularly for small city districts. The foundation formula does not make provisions for the small city districts without a tax base or a large PL-874 entitlement.

Nenana received a devastating financial blow in 1976 when its area differential was reduced from 133 3/4% to 120%. This amounted to \$110,000 per year, which was disasterous on a \$900,000 Budget. Over the last three years this sum would have totaled \$330,000. Due to the reduction in funding, Nenana has been experiencing financial difficulties over the last three years, in which we have been using our reserves to balance the budget. During FY-77, we maintained a positive budget system, despite the reduction in funding. During FY-78, we used \$11,136 of our reserves; FY-79, \$55,063 of our reserves, and the prediction for FY-80 is \$101,142, which will leave us with a debt of \$16,800. We are in the position of desperately needing additional funding for our schools. (See insert #1- Report from auditors, Staley and Doelle).

III. Appropriation for the School Operating Fund, 1979-80 Year

The Nenana City Public School Board has approved a budget for the 1978-80 year as follows:

Estimated revenues	\$1,117,383
Expenditures	\$1,218,525
Excess of expenditures over estimated revenues	<u>\$ (101,142)</u>

At June 30, 1979 the School Operating Fund had a fund balance of \$84,342. Based on the approved expenditures and estimated revenues of the School District, serious liquidity and cash flow problems may arise prior to the end of the fiscal year. Consideration should be given immediately to additional funding sources or other methods of eliminating the deficiency.

The above was taken from the 1979-80 Audit Report by Staley & Doelle, P.C., Report on Internal Control and Accounting Procedures, Pages 1 and 2.

The obvious question that arises is that we are overstaffed. (See Insert 2 - A study done by the audit company, Cooper and Lybrand, for FY-78).

Nenana's pupil teacher ratio is higher than districts our size and up to 500 pupils. This means we average more pupils per teacher than districts our size and up to over twice our size. In comparison to other districts, we are not overstaffed.

The next set of figures in the study concerns the gross operating fund available per student. As you can see, we receive less money, per student than all districts, except the very large districts. We receive \$1,551 less than the very small districts and up to \$2,616 less than districts up to 2,000 pupils. The rest of the study is included to demonstrate that Nenana is not a wild money spender. This study was done for FY-78 and since that year we have been receiving less funds as compared to other districts due to the funding decrease in 1976.

NENANA CITY PUBLIC SCHOOL DISTRICT
COMPARATIVE PUPIL-TEACHER STATISTICS

	No. of Pupils In District				
	2,000 or More	1,000 to 1,999	500 to 999	250 to 499	0 to 249
Pupil/teacher ratios:					
No. of districts	7	4	8	13	12
Average	18.12	13.37	15.08	11.47	10.12
Your district					12.11
High	22.47	17.07	18.67	14.38	13.12
Low	16.43	10.71	12.36	9.41	6.46
Gross operating fund revenue per pupil:					
No. of districts	4	3	3	8	6
Average	\$ 2,765	\$ 7,091	\$ 5,798	\$ 5,593	\$ 6,026
Your district					\$ 4,475
High	\$ 3,063	\$ 10,039	\$ 7,595	\$ 7,417	\$ 9,310
Low	\$ 2,247	\$ 4,863	\$ 4,540	\$ 3,605	\$ 3,971
Gross operating fund revenue per teacher:					
No. of districts	4	3	3	8	6
Average	\$51,975	\$ 73,234	\$80,404	\$61,033	\$ 66,248
Your district					\$ 54,201
High	\$54,813	\$107,507	\$98,134	\$79,272	\$117,541
Low	\$49,592	\$69,586	\$68,365	\$49,938	\$ 47,723

NOTE: Number of pupils and teachers obtained from 1979 Alaska Educational Directory.

NENANA CITY PUBLIC SCHOOL DISTRICT
COMPARISON OF GENERAL FUND EXPENDITURES BY FUNCTION
for the year ended June 30, 1978

	Number Of Districts Reporting	Your District	Average Of All Districts (A)	All Districts High Low	
Regular instruction	28	28%	35%	53%	16%
Vocational education	28	17	7	17	3
Correspondence	9	-	3	9	*
Special instruction	28	9	8	24	3
Support services - pupils	28	2	3	9	*
Support services - instruction	24	1	3	6	1
General support services	28	16	15	25	10
Operation and plant maintenance	28	19	22	36	11
Pupil transportation	20	8	5	11	*
Student activities	5	-	2	3	*
Community Services	7	-			
Non-programmed charges	25	*	5	17	*
Swimming	1	-			
Librarian	2	-			
Facilities acquisition	2	-			
Rural high school	1	-			
Guidance	2	-			
Boarding home	2	-			

100%

(A) Will not add to 100% because of varying number of regions reporting each line item.

* Expenditure was less than 1% of total expenditures.

NENANA CITY PUBLIC SCHOOL DISTRICT
COMPARISON OF EXPENDITURES BY OBJECT
FOR ALL FUNDS
for the year ended June 30, 1978

<u>Expenditure</u>	<u>Number Of Districts Reporting</u>	<u>Your District</u>	<u>Average Of All Districts Reporting This Line Item(A)</u>	<u>All Districts</u>	
				<u>High</u>	<u>Low</u>
Managerial - professional salaries	26	9.29%	6.16%	10.50%	2.95%
Certified salaries	25	39.27	36.01	55.45	24.80
Classified salaries	26	8.66	14.89	24.40	8.10
Employee benefits	27	6.32	6.72	11.26	3.72
Teaching supplies	25	.98	2.31	5.49	.69
Textbooks	18	.85	.88	1.58	.34
Library books	19	.02	.37	.81	.02
Periodicals	18	.13	.10	.18	.05
Other instructional media	21	.84	.76	2.50	.09
Office supplies	24	.35	.45	.90	.08
Maintenance supplies	25	.91	1.29	4.80	.10
Janitorial supplies	23	.79	.42	.84	*
Other supplies	17	*	.20	1.20	*
Communication	24	.47	.39	.70	.14
Heating fuel and other fuel	20	2.56	2.61	6.03	1.30
Utilities	26	1.89	3.93	12.12	.20
Professional, technical and other services	27	1.95	2.64	7.50	1.10
Travel	26	1.42	2.61	10.15	.20
Rentals	23	.86	.75	2.90	*
Insurance	26	4.05	2.44	4.20	.12
Repairs and maintenance	26	1.33	1.43	5.54	.10

School Board expenditures	9	-	.61	1.02	.19
Food and milk	23	.45	1.26	3.07	.20
Boarding home stipends	13	4.09	.81	4.09	.10
Pupil transportation	20	7.48	4.46	11.47	*
Capital outlay	14	.33	4.03	13.40	*
Equipment purchases	27	1.81	4.03	18.30	.67
Student activities	22	2.83	1.79	4.00	*
Miscellaneous	27	<u>.07</u>	1.31	3.92	.07
		<u>100.00%</u>			

* Expenditure was less than .01% of total expenditures.

(A) Will not add to 100% because of varying number of regions reporting each line item.

The next category would be that we pay high salaries and that we should reduce our salary increases. I would like to direct your attention to the next figures. (Insert 3). The first being a study done by NEA-Alaska on those districts which had settled their salary negotiations as of April 17, 1979 for the 1979-80 school year. Nenana is dead last in settled salaries for FY-80 at the beginning salary and at the top salary.

Our teacher's salaries ranked 35th out of 52 school districts for FY-79. We are approximately \$2,000 lower per teacher's salary than the districts around us. The principal's salary ranked 20th out of 46 for FY-79 and the principal is making less for FY-80 than was paid in FY-79. The Superintendent's salary ranked 36th out of 52 school districts for FY-79 and the Acting Superintendent's salary is less this year than it was last year.

Our classified personnel are paid less than most classified personnel in the state. The Custodians are tied for last place in salaries, with the Secretary, Maintenance Man, and Finance Officer all ranking in the lower one-third of the state in pay. We are experiencing difficulties in hiring personnel both certified and classified due to the low salaries.

(Compiled by NEA - Alaska)
SETTLED TEACHER SALARIES FOR 1979-80

<u>District</u>	<u>Salary Range</u>	<u>Semester Hours</u>	
		<u>Hrs. Req.</u>	<u>Steps Req.</u>
Adak	18,210-33,872	MA + 36	13 Steps
Alaska Gateway	17,596-32,729	MA + 36	13 Steps
AK. Cen. Railbelt	19,404-33,832	MA + 36	13 Steps
Aleutians	18,758-34,889	BA + 72	13 Steps
	(+ 3500-5000)		
Annette	18,237-31,914	MA + 36	11 Steps
Bristol Bay	20,433-36,873	MA + 54	14 Steps
Dillingham	18,458-34,466	MA + 36	12 Steps
Fairbanks	19,189-35,301	MA + 36	12 Steps
Galena	18,250-32,850	MA + 36	12 Steps
Juneau	18,714-33,686	MA + 18	13 Steps
Ketchikan	18,485-32,617	MA + 36	12 Steps
Kodiak	17,604-35,209	MA + 54	13 Steps
Lake and Penin.	19,387-32,787	Doct.	13 Steps
Lo. Kuskokwim	18,500-34,410	MA + 36	13 Steps
Lower Yukon	18,881-34,473	MA + 36	13 Steps
Mat-Su	19,529-33,280	MA + 45	14 Steps
Nenana	17,500-31,571	MA + 18	13 Steps
North Slope	21,254-39,359	MA + 45	14 Steps
N. W. Arctic	20,033-38,864		13 Steps
Sand Point	21,785-35,269	MA + 36	13 Steps
S.E. Islands	18,191-34,563	MA + 36	13 Steps
Southwest	19,680-32,760	MA + 36	13 Steps
Unalaska	18,962-35,334	MA + 36	13 Steps
Yukon Flats	18,100-32,218	MA + 36	13 Steps

<u>Salaries</u>	<u>Low</u>	<u>1978-79</u>		<u>Nenana</u>	<u>1979-80(Nenana)</u>
		<u>High</u>	<u>Average</u>		
Principal	26,630	54,000	37,500	38,232	38,000
(Rank:20th-46)					
Superintendent	27,500	72,000	46,019	45,028	43,341
(Rank:36th-52)					
(Fringe Benefits Not Included)					

Nenana Classified-1978-79Three Districts Surrounding Nenana

		(1)	(2)	(3)
Custodial	\$6.00-\$7.07	\$ 7.56- 11.32	\$ 9.98- 12.28	\$ 8.50- 8.97
Secretary	6.50- 9.29	7.19- 10.40	8.61- 11.23	9.07-13.06
Finance Off.	8.79-12.09	13.88-----	17.49- 19.23	14.71-17.00
Teacher Aide	5.00 hr.	6.57- 8.65	7.67- 9.41	9.07- 9.54
Maintenance	8.79-12.09	15.10-----	11.92- 16.50	9.07-14.71

Our budget is as tight as we can make it without damaging existing programs. A budget recapitulation sheet is enclosed which shows our audited figures for FY-79, our projected expenses and losses for FY-80, and a parity budget with a neighboring district for FY-81. (See Insert 4). The parity budget was figured by placing all of Nenana's personnel on the neighboring districts pay scales for both certified and classified personnel. Also, additional money was placed in library services and operations and maintenance which is sorely needed.

We need an additional \$100,000 to make up expenditures over revenues for the current budget as well as 273,700 in additional monies for FY-81, to maintain our programs.

SCHOOL DISTRICT NENANA CITY PUBLIC SCHOOL

BUDGET RECAPITULATION

SCHOOL OPERATING FUND

	Actual Prior Year 79 FY*	Budget Current Year 80 FY	Budget 81 FY
ESTIMATED REVENUE:			
Local Sources	18,000	25,000	25,000
State Sources	972,057	1,069,298	994,411
Federal Sources	13,939	10,000	8,500
Other	13,557	13,085	10,000
Total Revenue			
Beginning Balance		84,342	(16,800)
TOTAL AVAILABLE FUNDS	1,017,553	1,201,725	1,021,111
ESTIMATED EXPENDITURES:			
Regular Instruction	302,085	320,701	379,329
RSVP	68,303	92,544	
Vocational Education	86,656	97,125	114,447
Correspondence			
Special Instruction	107,685	114,907	141,401
Bilingual-Bicultural Education Instruction		38,239	38,279
Supporting Services—Pupils	30,138	35,262	41,042
Supporting Services—Instruction	12,612	14,678	27,040
General Support Services	187,907	177,355	217,009
Operation & Maintenance of Plant	158,885	192,231	279,803
Pupil Transportation	79,720	85,483	96,961
Community Services			
Nonprogrammed Charges	39,209	50,000	59,500
TOTAL EXPENDITURES	1,073,200	1,213,525	1,394,811
BALANCE	(1) (55,063)	(2) debt (16,800)	(373,700)**

* Figures to be taken from the Audit Report. (1) Expense in excess of revenue, Fund Bal.-0-, Reserve Page 1 of 11
84,342

Explain below on this form the reason for any budgeted balance. (2) Actual expense in excess of revenue-101,142

Nenana's City School Board unanimously endorses the Foundation Task Force proposal. The most critical aspect of the proposal is the equalization section. Nenana is in the unique position of being one of the few small city districts in the state that does not have a tax base or PL-874 federal monies. Our tax evaluation per student in Nenana is \$24,014, while the state average per pupil is \$245,545.(See Insert 5). Our PL-874 entitlement is \$9,751 or \$46 per student. Our student population is 213. The city currently contributes a 4.9 mill tax rate to the school system. This amounts to \$118 per student from the city. 96% of our budget comes from state sources. The equalization section contains \$234,300 for Nenana Public Schools, which would have a tremendous impact (21%) on a \$1.1 million budget. (Current budget minus the RSVP money for the Northern Area).

STATE OF ALASKA
DEPARTMENT OF EDUCATION

School District	1979-80 Estimated ADM	1-8-78 Property Value	Value Per ADM	Index	Level of State Suppt (97% min.)	Matching Ratio: 1 Local Suppt.
Anchorage	34,167	\$5,269,219,055	\$ 154,220	.62834	98.1150	52.05
Bristol Bay	224	32,965,035	147,165	.59960	98.2012	54.59
Cordova	450	42,652,420	94,783	.38617	98.8415	85.32
Craig	161	6,679,535	41,488	.16903	99.4929	196.20
Dillingham	317	25,968,634	81,920	.33377	98.9987	98.87
Fairbanks	8,421	1,904,806,490	226,197	.92159	97.2352	35.17
Galena	162	3,068,330	18,940	.07717	99.7685	430.95
Haines	398	37,450,185	94,096	.38337	98.8499	85.95
Hoonah	251	6,090,580	24,265	.09886	99.7034	336.16
Hydaburg	106	1,640,745	15,479	.06306	99.8108	527.55
Juneau	4,109	439,782,820	107,029	.43607	98.6918	75.44
Kake	199	2,715,035	13,643	.05559	99.8332	598.66
Kenai	5,959	1,556,959,603	261,279	1.06453	97.0000	32.33
Ketchikan	2,333	313,053,585	134,185	.54671	98.3599	59.97
King Cove	105	6,197,170	59,021	.24047	99.2786	137.62
Klawock	80	1,168,085	14,601	.05949	99.8215	559.33
Kodiak	2,243	182,722,540	81,463	.33191	99.0043	99.43
Mat-Su	4,500	699,349,572	155,411	.63319	98.1004	51.64
Nenana	213	5,115,070	24,014	.09784	99.7065	339.68
Nome	758	35,867,860	47,319	.19279	99.4216	171.90
North Slope	1,171	4,716,152,130	4,027,457	16.40906	97.0000	32.33
Pelican	35	4,793,415	136,955	.55799	98.3260	58.74
Petersburg	565	41,742,285	73,880	.30101	99.0970	109.74
Sitka	1,710	231,796,865	135,554	.55229	98.3431	59.36
Skagway	210	31,884,840	15,833	.61861	98.1442	52.88
St. Mary's	107	1,661,660	15,530	.06327	99.8102	525.82
Unalaska	145	24,401,645	168,287	.68565	97.9430	47.62
Valdez	938	1,669,570,185	1,779,926	7.25195	97.0000	32.33
Wrangell	453	45,438,280	100,305	.40867	98.7740	80.56
Yakutat	175	10,559,595	60,341	.24585	99.2625	134.59
TOTALS	70,665	\$17,351,473,249				

245,545 Average

DISTRICT'S REVENUE

FY-78

	<u>Foundation Entitlement</u>	<u>Local Tax Appropriation</u>	<u>Total Foundation & Local Approp.</u>	<u>Percent of 100% Basic Need</u>	<u>PL 874</u>
Anchorage	53,366,996	22,521,854	75,888,850	138.2	,2,280,063
Bristol Bay	1,021,987	80,000	1,101,987	103.7	149,700
Cordova	1,266,521	170,765	1,437,286	111.2	27,924
Craig	558,965	13,000	571,965	101.4	99,885
Dillingham	1,601,000	30,000	1,631,000	100.7	164,341
Fairbanks	16,707,460	6,359,676	23,067,136	133.1	443,050
Galena	721,995	6,468	728,463	100.5	196,850
Haines	1,164,842	246,490	1,411,332	118.1	45,994
Hoonah	797,095	13,994	811,089	101.3	119,709
Hydaburg	413,822	-0-	413,822	99.5	40,189
Juneau	7,883,508	2,931,700	10,815,208	134.4	309,066
Kake	621,203	15,000	636,203	102.0	166,262
Kenai	11,596,365	3,520,000	15,116,365	125.3	357,683
Ketchikan	4,773,760	1,634,770	6,408,530	130.7	69,572
King Cove	614,541	27,146	641,687	103.7	84,865
Klawock	236,522	1,500	238,022	100.2	133,850
Kodiak	5,186,334	457,180	5,643,514	106.1	253,745
Mat-Su	7,362,022	2,536,240	9,898,262	130.1	42,339
Nenana	803,781	17,000	820,781	101.4	9,751
Nome	2,829,350	64,475	2,893,825	101.3	49,039
North Slope	4,737,769	5,149,100	9,886,869	203.7	1,508,098
Pelican	151,033	6,635	157,668	101.7	-0-
Petersburg	1,316,446	231,371	1,547,817	115.5	39,295
Sitka	3,434,227	783,288	4,217,515	119.6	517,106
Skagway	600,995	49,000	649,995	104.5	-0-
St Marys	723,022	-0-	723,022	99.8	140,739
Unalaska	634,606	112,500	747,106	113.9	42,916
Valdez	2,253,281	995,644	3,248,925	139.2	-0-
Wrangell	1,168,920	215,500	1,384,420	115.7	17,105
Yakutat	590,610	20,369	610,979	102.9	-0-
Totals	135,138,978	48,210,665	183,349,643		7,309,136

The second major impact area for Nenana, contained in the foundation proposal is in secondary education. Small high school secondary programs (5-150 students) are very expensive to operate due to the expectations everyone has about what should be included in a comprehensive program, e.g., advanced Science, Math, English, Foreign Languages, career education, counseling, and student activities. (See Insert 6). It is common knowledge among administrators of the small K-12 programs that the elementary program is robbed to pay for the secondary programs. In our situation, 46% of the budget is spent for elementary programs, while generating 57.1% of the revenue. The secondary program spends 54% of the revenue, while it generates only 42.9% of the income. If other districts were checked, I am sure the per cent of revenue vs expenditures would be about the same as ours. It is important to increase the funding for the High School programs so the revenue can be spent where it is generated and not rob Peter to pay Paul.

The total foundation package contains the following money for Nenana:

A. Equalization	\$243,300
B. Separate Elementary Count	-0-
C. Elementary ADM	-0-
D. Secondary Instructional Units	76,560
E. Vocational Education	38,280
F. Special Education	-0-
G. Bi-lingual Education	-0-
H. Junior High School (If approved)	<u>38,280</u>
Total-without Jr. High	358,140
Total-with Jr. High	396,420

NENANA CITY PUBLIC SCHOOL

FY - 79 Audit

COSTS / PROGRAM / CATAGORY

	<u>ELEMENTARY</u>	<u>SECONDARY</u>	<u>TOTAL</u>
100 - Regular Instr.	198,051	104,034	302,085
160 - Vocational Education	7,246	79,410	86,656
200 - Special Education	51,977	55,708	107,685
300 - Pupil Support	1,722	28,416	30,138
400 - Instructional Support	4,550	8,062	12,612
500 - General Support	86,249	101,658	187,907
605 - Operation & Maintenance	63,555	95,330	158,885
Pupil Act	1,138	13,445	14,583
Total Expenditures	414,488	486,063	900,551
	46%	54%	100%
Total Revenue	440,076	330,057	770,133
	57.1%	42.9%	100%
Cost Per ADM	139.354= 2,974	69.650=6,979	4,309
Revenue/ADM	139.354= 3,158	69.650=4,739	3,685

We need \$373,700 to stay on an equitable basis with other districts.

The total impact of the package for Nenana is tremendous. It would range from 32.5% to 36% of our current budget. This is money we desperately need. The pro-rating of funds (\$30 million of the \$82 million) would not give us adequate funding. Under a pro-rating scheme Nenana would receive either \$131,079 or \$145,089 depending upon certification of the Junior High program. This amount will barely cover the current losses of \$101,142 that we have this year.

If we do not receive all of the additional funding, we will have to cut up to six teaching positions, one administrative position, and one custodial position. We have a total of 17 teachers in the district. This would be a reduction of 35% of the teaching staff, 50% of the administrative staff, and 33% of the custodial staff. It would be a killing blow to our educational program.

There should not be any reason Nenana has to operate on less state money than other school districts in the same geographical area or area differential area. We at Nenana cannot understand why we have to run our programs on approximately \$1,200 less money per student than neighboring districts with the same size schools and similar circumstances. (See Insert 7).

In summary, Nenana urges the legislature to pass the total foundation package as presented so we may maintain our quality programs as they currently exist. Money does not guarantee quality, but a 35% reduction in teaching staff would totally destroy the educational program at Nenana.

DISTRICT'S REVENUE

BASED ON STATE FOUNDATION ENTITLEMENT
LOCAL APPROPRIATIONS AND
PL-874 FEDERAL MONIES

	FY-78 Value Per ADM	FY-79 Value Per ADM	Projected FY-80 Value Per ADM
Anchorage	2,020	2,705	2,955
Bristol Bay	5,689	5,786	5,595
Cordova	2,984	3,432	3,669
Craig	3,999	3,992	3,989
Dillingham	4,368	4,052	5,638
Fairbanks	2,067	2,926	3,403
Galena	5,052	5,521	6,400
Haines	3,520	3,739	4,146
Hoonah	3,753	4,045	4,162
Hydaburg	4,586	5,101	4,627
Juneau	2,589	2,829	3,020
Kake	3,895	3,466	3,954
Kenai	2,679	3,044	3,253
Ketchikan	2,664	2,930	3,220
King Cove	6,157	6,271	6,952
Klawock	4,707	3,547	4,389
Kodiak	2,799	3,376	3,796
Mat-Su	2,513	3,185	3,294
Nenana	3,974	3,992	4,166
Nome	3,903	4,172	4,694
North Slope	11,106	10,355	10,975
Pelican	4,261	4,783	6,216
Petersburg	2,780	2,677	3,305
Sitka	2,729	3,031	3,081
Skagway	3,266	3,233	3,477
St. Marys	8,552	8,802	8,734
Unalaska	5,643	5,970	6,286
Valdez	4,097	5,304	4,938
Wrangell	2,944	3,398	3,602
Yakutat	3,842	3,860	4,240

REVENUE BASED ON A PER PUPIL AMOUNT OF
STATE FOUNDATION ENTITLEMENT
AND IN-LIEU-OF LOCAL TAX MONIES

	Value Per ADM FY-78	Value Per ADM FY-79	Projected Value Per AD FY-80
Adak	\$ 3,893	\$ 4,068	\$ 4,021
Alaska Gateway	4,280	5,013	5,475
Aleutian Region	6,743	8,225	9,374
Annette Island	3,428	3,327	3,570
Bering Strait	6,609	8,805	8,300
Chatham	4,369	4,764	5,196
Chugach	6,146	5,582	8,072
Copper River	4,748	4,123	4,289
Delta/Greely	3,107	3,402	3,677
Iditarod	6,911	8,514	9,671
Kuspuk	7,039	8,452	9,106
Lake & Peninsula	7,068	8,937	9,825
Lower Kuskokwim	3,985	5,084	5,972
Lower Yukon	4,863	5,300	6,725
Northwest Arctic	4,878	5,342	6,193
Pribilof	6,119	6,567	7,380
Railbelt	5,036	5,400	5,393
Southeast Island	6,186	5,506	6,199
Southwest	6,737	7,800	9,332
Yukon Flats	6,533	6,313	8,517
Yukon-Koyukuk	6,065	6,760	7,749

TRANSPORTATION

It is important to Nenana to have transportation, fully funded by the legislature. The transportation costs to the district, contracted expenditures over state income will be \$18,000. This is 1.6% of our total budget or 17.8% of our net loss this year. Nenana feels that the state should pay for 100% of the transportation costs for public schools especially with the knowledge that approximately \$400,000 is being spent by the state to transport private school students.

In the event that we do not receive the total amount of funding in the foundation package, we will have to reduce staff, or programs, by the following amounts:

Total Funding Needs	-	\$ 373,700
Task Force Foundation Proposal-Receive	358,140	- Program Expense Cutback
Receive	- 325,000	- Cut $\frac{1}{2}$ Position & Program Expense Cutback
Receive	- 300,000	- Cut $1\frac{1}{2}$ Positions - 7.5% of All Staff
Receive	- 275,000	- Cut $2\frac{1}{2}$ Positions -12.5% of All Staff
Receive	- 250,000	- Cut All Student Activities, Music, & Driver's Ed.
Receive	- 225,000	- Cut $3\frac{1}{2}$ Positions -17.5% of All Staff
Receive	- 200,000	- Cut $4\frac{1}{2}$ Positions -22.5% of All Staff
Receive	- 175,000	- Cut $5\frac{1}{2}$ Positions -27.5% of All Staff
Receive	- 150,000	- Cut $6\frac{1}{2}$ Positions -32.5% of All Staff

We will have a very difficult time maintaining the quality of our programs with anything less than \$ 300,000. We will have to cut $1\frac{1}{2}$ positions and continue with the economy measures that we have implemented in the last three years in order to survive.

March 12, 1980

TO: Rep. Russ Meekins
FROM: Mike Doogan
SUBJECT: Tax relief/distribution deliberations

Yesterday, the House Finance Committee voted as follows
on the tax relief and income distribution bill:

1. Accepted (7-4) a motion that the tax bill be a four-year suspension of individual income taxes.
2. Accepted (7-4) a motion that the amount to be distributed this year is about \$200 million.
3. Accepted (8-3) a motion to make distribution retroactive for a maximum of five years.
4. Accepted (6-5) a motion to make all Alaskans, regardless of age, eligible for distribution if ~~they have been here a full year.~~ *as in State Affairs bill.*
~~Those here less than one year receive their distribution on a pro rata basis.~~
5. Accepted (6-5) a motion to allow those younger than 18 years old to receive their distributions, plus 6 per cent annual interest, when they reach age 18.
6. Accepted (unanimously) a motion to make distribution "equal to an amount that is at least 50 per cent of the earnings of the Permanent Fund."
7. Accepted (8-3) a motion to allow existing tax credits to be payable tax credits at their current levels.
8. Accepted (6-4) a motion to put both the tax suspension and distribution in one bill.

In short, the committee accepted the State Affairs bill
with the following changes:

1. The addition of (5) above.
2. The addition of (6) above.
3. Lowered the payable tax credits to existing levels, thereby reducing the residential fuel credit from the State Affairs bill.

HOUSE FINANCE COMMITTEE
March 17, 1980
2:15 p.m.

[Tape HFC 80-25, Side 2 #528]

All members of the Committee were present except Representative Moss. Present to testify was legislative attorney Jim Baldwin.

PRESENT

Chairman Meekins called the meeting to order and presented Committee members with a copy of a work draft:

INCOME
TAX

"An Act suspending the Alaska net income tax on individuals for four tax years; providing for payments to state residents; and providing for an effective date."

Chairman Meekins briefly explained the bill. He said it would provide for a suspension of the income tax for four years and would also provide for distribution. He explained that \$213 million is distributed to all residents of the State regardless of age, and the bill does not set up a trust for those under the age of 18. He explained the bill refunds 1979 taxes. Mr. Baldwin advised the bill establishes a one year duration of residency, and it sets up the same credits as under current law.

Representative Freeman asked if they came up with \$213 million as a result of multiplying \$500 times the number of individuals. Chairman Meekins said this was correct. Chairman Meekins commented briefly on what had been discussed at the Caucus.

Representative Rogers moved to amend page 5, line 26, deleting "1977" and inserting "1980". He explained that the original intent of the residential fuel conservation credit was that the credit would only go to houses that were previously in existence, and changing the date to 1980 would conform with that original intent. There being no objection, it was so ordered.

There was brief discussion on the cost of the bill. Chairman Meekins commented that the State has enough money to do this if the Legislature feels it is a high priority. Representative Haugen asked what kind of a balance they had on the revenue projections, and Chairman Meekins advised there is approximately a \$2.4 billion balance, but that does not include the supplemental appropriation budget. Representative Rogers commented that if the Legislature passes this amount of money for the income tax suspension, it just means that much less money will be available for other projects.

Chairman Meekins stated this proposal is an attempt to compromise with all the different points of view on income tax relief. He said he thinks it is the best effort to date.

3/17/80

Mr. Baldwin advised he included some other changes in the work draft: Regarding fuel conservation, language was added to handle situations where two individuals share the same residence, so the credit can only be claimed by one of the individuals. He explained that in determining who a state resident is, certain periods of absense are allowed, and he added to that "or any other reasons the Department of Revenue determines by regulation".

Mr. Baldwin referred to page 7, line 26, and advised this says that for the first year of residency, the individual only gets the \$500 credit, and not the other amounts that are covered (the fuel and day care credits, etc.) There was discussion. Representative Rogers moved that on page 7, lines 26 through 29, the sentence "AS 43.23.010(a)(2) . . . \$500." be deleted. There being no objection, it was so ordered.

Representative Rogers moved to report out HCS CSSB 122 incorporating the workdraft before the Committee with the amendments. The question was called for: Representatives Rogers, McKinnon, Duncan, Meekins, Freeman, Guy and Schaeffer in favor; Representative Smith opposed. The motion carried. HCS CSSB 122 was reported out with a "do pass" recommendation. New fiscal notes for this bill will be provided by the Department of Revenue.

HCS
CSSB 122
REPORTED
OUT

The meeting adjourned at 2:35 p.m.

ADJOURN

HFC 80-25, Side 2 #528 to end

3/17/80

HOUSE FINANCE COMMITTEE

March 18, 1980

1:45 p.m.

All members of the Committee were present, except Representative Freeman. Representatives Duncan and Guy arrived later in the meeting. Also in attendance: Rod Mourant, Administrative Officer, Office of the Governor; Ken Paulson, United Fishermen of Alaska; Mike Doogan, Administrative Assistant to Chairman Meekins; Milt Barker and Bob Schroeder, Fiscal Analysts, Legislative Finance Division.

PRESENT

Chairman Meekins called the meeting to order and reminded subcommittee chairmen that March 28th is the deadline for readying their budgets to present their recommendations to the full Committee the following week. He advised it is his intent to take up one budget a day, meeting mornings and afternoons, and finish in a week.

BUDGET INFO

Representative Rogers, subcommittee chairman for the social services budget category, called attention to his recommendation to stop accepting federal funds under Title 20 and advised of the alternative proposal.

Chairman Meekins advised the first bill to be considered by the Committee is CSSB 383:

CSSB 383 - "An Act making supplemental appropriations to the Office of the Governor; and providing for an effective date."

CSSB 383

[Representative Duncan arrived at this time.]

Rod Mourant, who prepared the fiscal note, represented the Office of the Governor. Chairman Meekins asked which version of the bill they support, and Mr. Mourant indicated the committee substitute. He provided the following breakdown for the Asian and European Offices:

Asian Office - The original request of \$196.8 was for a budgetary shortfall. In addition, they are requesting \$50.0, which is tied to director changes, and \$10.0 for Mrs. Arakaki's retirement. Total request for this office is \$256.8.

European Office - Originally, the request was for \$75.0; \$25.0 for the National White House Conference on Families (in Los Angeles in May); and \$50.0 to repay a loan to the Northern Southeast Aquaculture Association (NSAA) for their operating expenses.

Mr. Mourant explained the NSAA loan was made because their funds are currently tied up in a court case. There was brief discussion on why this request is being made under the Office of the Governor instead of Department of Natural Resources. Mr. Mourant informed the Committee loans of this nature dealing with short-term funds are frequently made from the Governor's Office.

Representing United Fishermen of Alaska, Ken Paulson briefly explained the litigation that is currently before the supreme court. He advised the lower court has ruled the mandatory assessments of fishermen unconstitutional. He indicated they expect the case to be settled shortly, at which time the money would be forthcoming, but need the funds now for operating expenses for their various projects. He explained that, for every \$2 they collect, they will pay back at the rate of \$1. Discussion followed.

In answer to questions, Mr. Mourant replied it is correct that the group does not have the money yet. He advised the estimate is that about \$1 million was collected under the mandatory provisions that was frozen. Representative Rogers asked if interest was charged on this loan, and Mr. Mourant responded there is no interest rate at all charged.

[Representative Guy arrived at this time.]

Representative Rogers asked how much is currently in the Governor's contingency fund, and Mr. Mourant replied approximately \$120.0. Representative Smith stated her position regarding the staffing of Alaskan offices. She stated she feels the retirement for Mrs. Arakaki is necessary and only fair. She added she is against turning these offices into being staffed by all Alaskans, which seems to be the policy. Chairman Meekins indicated his support for the retirement request.

Representative McKinnon asked what account the repayment for the legislative liaison officer, comes under. Mr. Mourant advised it is through the Legislative Affairs Intergovernmental Cooperation account. Representative McKinnon requested a copy of the reimbursable services agreement (RSA). Mr. Mourant explained the original request did not encompass this, that it was added in the Senate Finance CS. There was discussion on the differences between the original bill and the committee substitute.

Representative Montgomery asked if the \$10.0 for Mrs. Arakaki's retirement would be recurring or is a payout. Mr. Mourant advised it is to be paid in a lump sum and should be called a retirement settlement. He added she was not on the State payroll as such. There was further discussion on the budgeting of the Asian Office, with Representative Montgomery advising he cannot support this as it stands. Mr. Mourant

said there is no intention of expanding the Asian Office by the Office of the Governor. He stated this request is the result of a low estimate of expenses to operate the Asian Office due to yen fluctuation. In response to a question, Milt Barker indicated he hasn't checked but believes the dollar has risen against the yen.

Representative McKinnon asked if the position noted for preparation of a guide for doing business is a one-time deal. Mr. Maurant advised it is intended this be a continuing position to function as an information officer.

Representative McKinnon moved to delete the \$50.0 from Section 1 of the committee substitute intended for paying back the Legislative Affairs Agency European information officer. There being no objection, the motion carried.

DELETE

APPROVED

Representative Duncan moved to report out a House Finance CS for CSSB 383 as amended. Representative Montgomery objected and asked what would happen if the \$196.8 was not appropriated. Mr. Maurant said the functions of the Asian Office would cease. Representative McKinnon requested an itemized list of the \$196.8 request (see attached). During discussion, Chairman Meekins commented it really comes down to the question of whether or not spending money for the Asian and European Offices is a good idea. Including a letter of intent was discussed as well as the time element involved regarding the NSAA loan. The question was called for, and the motion carried (6 in favor). House Finance Committee Substitute for CSSB 383 was reported out with individual recommendation.

HCS FOR
CSSB 383
REPORTED OUT

The next bill to come before the Committee is HCR 59:

HCR 59 - Relating to workers' compensation.

HCR 59

Representative Rogers advised this is to create a 10-member task force during the interim to analyze and eliminate some of the inadequacies in workers' compensation. He called attention to the \$87.4 fiscal note and stated the \$51.5 in personal services is for a project leader, researcher and secretary for July through February. He noted the bill received a unanimous "do pass" recommendation from the Labor and Management Committee.

Representative Rogers moved to report out the Labor and Management Committee Substitute for HCR 59 with the \$87.4 fiscal note dated March 4, 1980. There being no objection, it was so ordered. CS for HCR 59 was reported out of the Finance Committee with a "do pass" recommendation.

CS for
HCR 59
REPORTED OUT

The meeting adjourned at 2:50 p.m.

ADJOURN

Tape HFC 80-26 Side 1 #001 - End
Side 2 #001 - #323

Breakdown on 1/9/68

OSSB 683

SUPPLEMENTAL REQUEST FOR STATE FOREIGN OFFICES

January 9, 1980

Line	FY 60 Budget Allocation	Amount Required For FY 80	Supplemental Request for FY 80	Explanation
ASIAN OFFICE				
100 Director	56.7	119.7	63.0	When the budget was prepared it was planned to continue with a Japanese national as Director. The increase resulted from the placement of an Alaskan as Director.
		20.0		The new Director was replaced within the probationary period by another Alaskan, therefore double filling required for two months.
Information Specialist	33.6	0.0		Originally these positions budgeted as State employees. It has been determined in the best interests of the State that foreign national employees remain as contract employees. These funds, therefore, transferred to line item 380.
Secretary	11.2	0.0		
200 Total Travel & Moving	8.5	58.8	50.3	
210 In-State Transportation	1.0	3.0	[2.0] -	Funds allocated were insufficient to carry out the duties of the office. Change in personnel requires additional travel in- and out-of-State.
220 In-State Per Diem	.2	3.0	[2.8] -	
Out-of-State Transportation	4.3	10.3	[6.0] -	
Out-of-State Per Diem	3.0	5.0	[2.0] -	
280 Moving or Relocation Expenses	0.0	37.5	[37.5] -	Moving and relocation expenses of the two employees from Alaska to Japan, and return of one employee from Japan to Alaska.
300 Total Contractual Services	124.8 (80 + 44.8)	195.0	70.2	44.8 transferred from line item 100, Information Specialist and Secretary.
Communications	10.0	14.0	[4.0] -	Additional use of facilities, particularly telex.
310 Printing and advertising	4.0	4.0		
330 Space and Fees	54.0	86.4	[32.4] -	Director's housing 22.0, brokerage fee relative to locating residence and deposit, one-time charge, 10.4.
350 Utilities Other Than Space	0.0	4.5	[4.5] -	Utilities, Director's residence.
380 Professional Fees and Supplies	4.0	4.0		
Information Officer Contract Employee Japanese National	33.6	43.0	[9.4] -	Information Officer, 33.6 transferred from line item 100. Underbudgeted; inflation greater than expected.
Secretary Contract Employee Japanese National	11.2	15.4	[4.2] -	Secretary, 11.2 transferred from line item 100. Underbudgeted; inflation greater than expected.
Consultant	0.0	5.0	[5.0] -	Consultant required in orientation of new Director and assistance in peak work periods.
390 Other Fees and Expenses	8.0	18.7	[10.7] -	Promotional charges: subscription to Alaska newspapers, oriental papers printed in English, professional journals, Japanese language pamphlets.
400 Total Commodities	6.0	8.3	2.3	
480 Office and Library Supplies	6.0	8.3	[2.3] -	Additional traffic and additional activities.
500 Total for Equipment	6.0	11.0	11.0	
550 Office and Household	0.0	6.0	[6.0] -	Purchase of household furnishings determined to be savings over freight shipment.
591 Language Training (Director)	0.0	5.0	[5.0] -	Japanese language training for Director.
Total Asian Office	156.0	392.8	196.8	
EUROPEAN OFFICE				
Total European Office	750.0	325.0	75.0	The deficit in the Alaska European Office is due to one-time start-up costs larger than anticipated.
Total State Foreign Offices	446.0	717.8	271.8	

HOUSE FINANCE COMMITTEE
March 19, 1980
2:30 p.m.

[HFC 80-26, Side 2 #323.]

PRESENT

All members of the Committee were present.

Chairman Meekins called the meeting to order and brought HB 578 up for consideration.

HB 578

"An Act relating to state grants; and providing for an effective date."

Chairman Meekins presented a proposed Finance Committee Substitute for HB 578, which would allow appropriations to go directly to municipalities. He said the Committee had discussions on this with the Attorney General earlier this year.

Representative Haugen moved and asked unanimous consent that the CSHB 578 CS for HB 578 be reported out. There being no objection, CSHB 578 REPORTED OUT

Chairman Meekins said the next item up for discussion would be the supplemental budget bill (CSHB 60). Chairman Meekins presented a workdraft of the bill, and explained the bill would be a combination of supplemental operating and supplemental capital appropriations. There was discussion on the appropriations contained in the bill.

HB 60

A recess was called at 2:50 p.m. and Chairman Meekins recalled the meeting to order at 3:25 p.m.

Representative Rogers moved and asked unanimous consent that a CS for HB 60 be prepared, incorporating all the items on the master list and making any technical wording changes that are necessary. There being no objection, it was so ordered.

(Note: The Committee Report for CSHB 60 was signed after the meeting adjourned. CSHB 60 was reported out with a "do pass" recommendation.)

The meeting adjourned at 3:28 p.m.

ADJOURN

Tape HFC 80-26, Side 2 #323 - 592)

HOUSE FINANCE COMMITTEE

March 20, 1980

1:45 p.m.

PRESENT

All members of the Committee were present, except Representative Duncan. Representatives Schaeffer, Freeman, Haugen and McKinnon arrived later in the meeting. Also in attendance: Messrs. Lipton and Kilgore, W.J. Levy Consultants Corporation; Rick Urion, representing Wein Air Alaska; Bob Heath, Vice President, Alaska International Air, and Steve Williams, attorney with Charles Cole of Fairbanks, representing Alaska International Air; Joe Donohue, Deputy Commissioner of Taxation, Department of Revenue; Mike Doogan, Administrative Assistant to Chairman Meekins; Milt Barker and Bob Grogan, Fiscal Analysts, Legislative Finance Division.

Chairman Meekins called the meeting to order and advised the Committee would hear a presentation on the oil price situation by Mr. Lipton.

[Tape HFC 80-26, Side 2, #605]

Mr. Lipton discussed the increase in world oil prices and how this compares with Alaska crude and the stability and economic problems involved. Chairman Meekins asked what other countries have a large accumulation of petroleum dollars. Mr. Lipton stated there are essentially four world oil producing countries he refers to as "accumulators": Saudi Arabia, Kuwait, Qatar and Abu Dhabi. Chairman Meekins asked about Iran, and Mr. Lipton commented Iran was never an accumulator even under the Shah. Chairman Meekins then asked how Alaska compares with these countries in quantity of oil produced. Mr. Lipton advised Saudi Arabia produces 9-1/2 barrels per day; Kuwait, 2 million; Qatar, 700,000; Abu Dhabi, 600,000; and Alaska at 1.7 million.

[Representative Schaeffer arrived at this time.]

In response to a question from Representative Rogers, Mr. Lipton compared Alberta, Canada, to Alaska and discussed bonus income from lease rentals received. When Chairman Meekins asked him to compare Qatar with Alaska, Mr. Lipton replied there is no comparison, because the risk of finding oil in these countries is not there. Chairman Meekins asked what other countries have large oil supplies. Mr. Lipton mentioned Venezuela, which produces a little over 2 million barrels per day, and Iraq at 3-1/2 barrels per day. He pointed out Libya, Nigeria, Venezuela and Indonesia have relatively limited reserves and are concerned with continuing exploration.

[Tape HFC 80-27, Side 1, #001]

Mr. Lipton advised world oil prices will go up even if the demand goes down and explained why. He predicted prices will be going up from \$32 per barrel to \$50 plus. He discussed the term, "random shock", which relates to world crises, such as the Iranian situation. Because of these he stated, the prices could be \$50 in 1983 and \$70 by 1985, but also it could work the other way; for example if enough things go wrong simultaneously. He listed factors that could affect oil prices such as disposal of income.

[Tape HFC 80-27, Side 1, #210]

[The meeting recessed at 2:14 p.m. and reconvened at 2:32 p.m. Committee members present: Meekins, Freeman, Moss, Smith, Guy, Montgomery, Haugen.]

RECESS

Chairman Meekins brought SB 313 am up for consideration:

SB 313 am - "An Act exempting property of air and motor freight carriers regulated by the Alaska Transportation Commission from the oil and gas exploration, production and pipeline transportation property tax; and providing for an effective date."

SB 313 am

[Tape HFC 80-27, Side 1, #257]

Representing Wein Air Alaska, Rick Urion testified in favor of SB 313 am. Providing background information, he noted he was among the legislators who served in the Special Session of the 1973 Legislature. He stated it is his belief it was never the intent of that Legislature to tax aircraft under the provisions of the tax bill that passed at that time. The intent, he stated, was to tax oil and gas related properties, which has now been extended, by the Department of Revenue, to include aircraft that services the oil companies. He advised Wein Air Alaska has not been taxed under the provisions of the law yet, but he is here with a look to that possibility to the future.

URION
TESTIMONY

[Representative Schaeffer arrived at this time.]

Chairman Meekins summarized that what this bill does essentially is try to overturn the interpretation or position of the Department of Revenue, which is to include, in the tax act of 1973, aircraft equipment and airlines that service or fly into oil fields. He stated he believes all members who served on the Free Conference Committee on that bill --House: Freeman, chairman, Bud Sailors, Andy Warwick; Senate: Bill Ray, John Butrovich, Cliff Groh--agree that it was not the original intent of the Legislature to include that. The Department of Revenue has interpreted the intent to say it would include certain air carriers, he said.

Mr. Urion brought up the subject of a retroactive clause, and Chairman Meekins indicated there is a committee substitute being considered that includes a retroactive provision. Mr. Urion distributed to the Committee a sheet containing two suggested amendments (see Attachment 1) and explained the first would bring Wein Air Alaska under this exemption; the second, is a housekeeping measure designed to include aircraft as an exemption. Discussion followed.

[Tape HFC 80-27, Side 1, #428]

Vice President Bob Heath of Alaska International Air made his presentation at this time. He advised the Committee that AIA as well as Wein has not yet been taxed but are currently under investigation by the Department of Revenue. He provided background information and discussed Revenue's interpretation of those subject to taxes under the 1973 provision. Until last September, he commented, AIA never considered they were anywhere near the realm of being taxed, and now they are under investigation. Questioned by Chairman Meekins, Mr. Heath advised Revenue is saying AIA would owe the full value of each of their aircraft or any aircraft used more than 50% on oil and gas and that the cost would be from \$400.0-\$500.0 per year.

H. ATH
TESTIMONY

[Tape HFC 80-27, Side 1, #442]

Chairman Meekins advised he has been requested to read into the record letters from members of the FCC, First Special Session of the 1973 Legislature, and other members of the Legislature at that time (see Attachment 2).

[Representative Rogers arrived at this time.]

[Tape HFC 80-27, Side 1, #630]

Attorney Steve Williams, representing Alaska International Air, testified that, in his review of the existing laws, the taxation to properties, determined by the Department of Revenue, was not contemplated by the original act.

WILLIAMS
TESTIMONY

[Representative McKinnon arrived at this time.]

Mr. Williams discussed air property as it relates to the pipeline corridor that was expanded by Revenue. He advised he feels the taxes should be rationally rated to the services. He urged passage of SB 313 am. Commenting briefly on Urion's proposed amendment, he suggested further language be added that "property owned by and used in the pursuit of regulatory businesses". Discussion followed.

[Tape HFC 80-27, Side 1, #746]

During further discussion, Chairman Meekins indicated his feeling is the Department of Revenue imposed the tax the Legislature did not contemplate, and he is opposed to this.

Chairman Meekins moved the amendments proposed by Mr. Urion. AMENDMENTS
During brief discussion, Mr. Urion restated his position on APPROVED
the second amendment that "vehicular" might be interpreted by Revenue to mean that it does not include aircraft in the exception. Representative McKinnon stated he feels Mr. Urion's choice of "transportation" is too broad and proposed to insert the words "aircraft or" before the word "vehicular" (see Attachment 1). There being no objection, the amendment to the amendment was approved.

[Tape HFC 80-27, Side 2, #233]

Chairman Meekins' proposed retroactive clause, to be added in a new Section 2 (see Attachment 1), was discussed. Mike Doogan indicated he doesn't think this involves anyone but it would catch whoever may have already paid this tax. Joe Donohue advised some money has been collected. The Department of Revenue's impact is \$100.0, and the range is about \$100.0-\$200.0. He added there should be a retroactive provision if the Finance Committee decides to exempt aircraft.

DONOHUE
TESTIMONY

[Tape HFC 80-27, Side 2, #244]

Mr. Donohue discussed Revenue's position on this question and advised they do take issue with this. He said they feel the definition of taxable property--airstrips, docks and roads--does include aircraft. He advised of two litigations currently pending in court on the question of whether aircraft is taxable property. He did agree, however, with Chairman Meekins that it is the Legislature who makes the determination on what is taxable property.

During discussion, Representative Rogers commented he is uncomfortable with a retroactive clause. Representative Freeman stated he feels it is necessary if they are going to treat everyone equally. Questioned about fiscal note cost if the retroactive clause is included, Mr. Donohue stated the impact would be \$200.0 for the fiscal note rebate. He recapped they have collected approximately \$100.0, and as a result of audits, would probably collect another \$100.0.

Representative Montgomery asked if this would have any effect on municipalities. Mr. Donohue indicated yes, but that it hasn't been a problem yet because it hasn't been litigated until now. He added this property, if exempted under No. 4356, would become subject to tax by municipalities. Discussion followed, with Mr. Williams indicating it is his understanding the municipalities have been allowed to tax and are subject to the tax at the same rate as other property within their boundaries.

Mr. Donohue stated Revenue recommends this bill not pass because it would make distinction between those aircraft carriers making a living and those owned by the company. Representative McKinnon commented he would just as soon turn the whole thing over to the local governments. Chairman Meekins and Representative Schaeffer echoed those sentiments. Mr. Donohue argued there are all kinds of properties besides aircraft that are owned by oil companies; the point being, the Legislature is creating a special exception in exempting aircraft under contract. Further discussion followed.

Representative Rogers moved new Section 2: "This Act takes effect immediately and is retroactive to January 1980." Representative Freeman objected, stating Revenue did go beyond its bounds in assessing the tax; and if taxes were collected, everyone should be treated equally and a rebate made. Representative Rogers indicated his concern was with reporting out an unknown fiscal note because of current litigation.

AMENDMENT
NOT APPROVED

Chairman Meekins moved the addition of new Sections 2, 3 and 4 (see Attachment 1). The question was called for, and the motion carried (5 in favor; 3 opposed--Rogers, McKinnon, Montgomery).

AMENDMENT
APPROVED

Representative Smith requested the Department of Revenue provide a new fiscal note reflecting the amendments. Representatives Rogers and Montgomery concurred. Chairman Meekins requested staff prepare a House Finance Committee Substitute incorporating the above amendments and that HCS for SB 313 am be held over pending receipt of a new fiscal note.

HCS FOR SB 313
HELD OVER

The meeting adjourned at 4:00 p.m.

ADJOURN

Tape HFC 80-26 Side 2 #592 - End
 80-27 Side 1 #001 - End
 Side 2 #001 - End
 80-28 Side 1 #001 - #142

Union

AMENDMENT

OFFERED IN THE HOUSE:

By: _____

To: _____ HOUSE BILL No. _____

SENATE BILL No. _____

PAGE: _____

LINE: _____

PAGE 1, LINE 8

AND

PAGE 2, LINE 5

① AFTER "ALASKA TRANSPORTATION COMMISSION" INSERT:

OR SUBJECT TO PUBLIC LAW 95-504, THE AIRLINE

DEREGULATION ACT OF 1978 OK

PAGE 2, LINE 3

② DELETE (VEHICULAR) AND INSERT TRANSPORTATION No

Union

OK

Page 2, line 3 - Before: " vehicular" INSERT: "aircraft or" OK

Wetkins

NEW SECTIONS:

* Sec. 2. The commissioner of revenue shall provide the commissioner of administration with the names of taxpayers who paid the state after December 31, 1973, a tax levied on aircraft or vehicular property owned or leased by carriers regulated by the Alaska Transportation Commission or subject to Public Law 95-504, the Airline Deregulation Act of 1978, and exempted by AS 43.56.210(6) as amended by Sec. 1 of this Act, and the amount paid by the taxpayer as determined by the commissioner of revenue. The commissioner of administration shall promptly pay to each taxpayer the amount paid by the taxpayer as determined by the commissioner of revenue.

* Sec. 3. Section 1 of this Act is retroactive to January 1, 1974.

* Sec. 4. This Act takes effect immediately in accordance with AS 01.-10.070(c).

Miller's read into the record

**ALASKA
INTERNATIONAL
INDUSTRIES**

Suite 600
3201 C. Street
Anchorage, Alaska 99503
(907) 276-0113

February 27, 1980

Honorable Alvin Osterback, Co-Chairman
Honorable Bill Miles, Co-Chairman
House Resources Committee
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Gentlemen:

I am forwarding to you a copy of a letter from former Speaker of the House, Tom Fink, which I would like to have read and entered into the official record of Senate Bill No. 313.

Sincerely,

Alex Miller

Alex Miller
Vice President
Government and Labor Relations

s
enc.

Tom Fink, C.L.U.

P. O. BOX 1066, ANCHORAGE, ALASKA 99510
PHONE 907 / 270-2522

February 26, 1980

Alex Miller

Dear Alex:

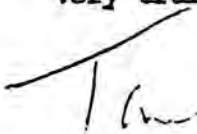
You requested a letter from me in regard to my understanding of the Pipeline Ad Valorem tax bill passed when I was Speaker of the House.

We intended to place a 20 mill tax on the pipeline and the facilities at the north and south ends of the line. We certainly did not intend to tax trucks, planes, or boats which delivered supplies to the pipeline, or pipe or tools located in Kenai.

We primarily intended to cover those facilities which would not be covered by any local government tax and those items which would also be covered at the north and south ends. We determined that the north end and the south end governments did not need the opportunity of applying a 20 mill tax because of the magnitude of the facilities in relation to the two local governments involved.

The tax was to apply to the line and necessary facilities at each end. It certainly was not designed to cover casual property occasionally located at the same geographic sites or property which some day might be used at those sites.

Very truly yours,


Tom Fink

TF/ndm



POUCH V

JUNEAU, ALASKA 99811

TELEPHONE 465-4922

Alaska State Legislature Senate

February 29, 1980

SENATOR

Bill Ray

CHAIRMAN

COMMITTEE ON TRANSPORTATION

COMMITTEE ON TITLE IV CODE REVISION

BLUE RIBBON COMMISSION
ON THE STATE PERSONNEL ACT

TO: Representatives Osterback & Miles
Co-Chairmen, House Resources Committee

FROM: Senator Bill Ray *BR*

RE: AS 43-56-210 (6) - Taxation - SB 313

When this bill was in Finance Committee it faintly rang a bell in my memory, but I could not associate the facts during the hearing and subsequent voting on the floor.

Since that time I have had occasion to more clearly recall the circumstances involving original intent of taxation concerning oil and gas properties. I was the Chairman of the Free Conference Committee during the Special Session of 1973 which considered the proposed legislation which eventually ended up as Chapter 1.

The intent as I recollect was that the taxation mentioned in the proposed bill was not to be put on "oil and gas in place" and "intangible drilling expenses." It would appear, in my estimation, that at least air carriers would certainly come under the latter exclusion and would justify the favorable adoption by your committee of SB 313.

If you have any further questions concerning this bill, please be assured that you may call me at any time.

cc: Senator Sackett
Senator Dankworth

Alaska State Senate



HOME ADDRESS
1039 5TH AVENUE
FAIRBANKS, ALASKA 99701

X Senator John Butrovich
STANDING COMMITTEES - 1977-78
FINANCE
RESOURCES

Feb. 25, 1980

State of Alaska
House Resources Committee

Mr Osterback -

Mr Miles -

Gentlemen -

Session Laws of Alaska 1973
Special Session Chapter I

With reference to legislation you have in Committee which would exclude air carriers from the provisions of the above act I would like to offer an opinion.

At the time we passed the above act as I recall no mention was ever made nor was any intent ever offered to tax private public carriers (air). The intent was to tax the in place physical property. As I recollect the main bone of contention was "oil or gas in place", and "intangible drilling expenses" both of which were excluded from the tax as passed.

Under the definition of "taxable property" as written in the act only an A.S. could read "air carriers" into the law.

Kindest personal regards.

John Butrovich, Jr.
"Honorary Member Alaska House"

CROFT, THURLOW & DUGGAN

ATTORNEYS AT LAW
738 H STREET, SUITE 200
ANCHORAGE, ALASKA 99501

CHANCY CROFT
GARY THURLOW
JOHN E. DUGGAN
LINDA M. CERRO

TELEPHONE 272-3508
AREA CODE 907
WILLIAM J. BAILEY
OF COUNSEL

February 27, 1980

Representative Alvin Osterback
Representative Bill Miles
Co-Chairmen, House Resources
Committee
Pouch "V"
Juneau, AK 99811

RE Senate Bill 313

Dear Alvin and Bill:

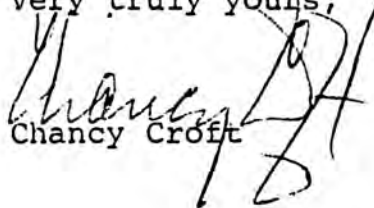
Several weeks ago, after Senate Bill 313 had passed the Senate and was referred to the House, a staff member of one of the House committees called and asked my opinion about this legislation. I told him then that I thought the bill should be passed because, in my opinion, there was never any intent on the part of the 1973 special session which passed the oil and gas property tax to include vehicular property owned or leased by air carriers under the tax.

Since that time, I've been asked to express my opinion to you and I am glad to do so. I was not a member of the free commerce committee which considered the property tax and came up with the final version of the bill. However, I was actively involved with all of the legislation that passed the 1973 special session and I did offer floor amendments when the bill was being considered in the Senate. I have reviewed both Senate Bill 313 and the amended version of Senate Bill 313 as well as proposed revenue regulations, 15 AAC 05.860, and 870. In my opinion, there is little question that had Senate Bill 313, amended, been offered as a substitute to the property tax legislation in the 1973 special session, it would have passed; it would probably have passed both houses without objection. It is further my opinion that had the above revenue regulations been offered as an amendment to the ad valorem tax, they would have been defeated in both the House and the Senate.

I believe Senate Bill 313, amended, incorporates the will of the Legislature during the 1973 special session and

should be passed. I believe the proposed regulations of the Department of Revenue are contrary to the legislative intent and should be annulled.

Very truly yours,


Chancy Croft

CC:dat

CLIFFORD J. GROH
KENNETH P. EGGERS
JAMES T. ROBINSON
MICHAEL W. PRICE
TERRY L. JOHNSON
LANCE E. GIDCUMB
PAUL D. KELLY
DAVID A. DEVINE
TERESA A. HOGAN

LAW OFFICES OF
Groh, Eggers, Robinson, Price & Johnson
SECURITY TITLE AND TRUST BUILDING
711 "H" STREET, SUITE 600
Anchorage, Alaska 99501

TELEPHONES
(907) 272-6474
(907) 277-6433

February 26, 1980

Representative Bill Miles
Chairman
House Resources Committee
Alaska State Legislature
Pouch "V"
Juneau, Alaska 99811

Re: A.S. 43.56.210(6) - Taxation

Dear Representative Miles:

As you well know, since you were with me, I was very active in the First Special Session of the 1973 Alaska Legislature. At that time, I was Chairman of the Senate Finance Committee and you were my assistant. I have been asked to interpret the provisions of A.S. 43.56.210(6) to determine whether the State of Alaska can tax airplanes and trucks utilized in transportation. It certainly was not the intent of the Legislature to have the tax extend to airplanes and trucks. This matter was discussed at great length and it was our intent that the only taxable property should be that used directly in the exploration for oil and gas.

I understand your committee is considering a clarification of the above section. I firmly believe that it does not need clarification, but if so, I urge the passage of Senate Bill 313.

Sincerely,


Clifford J. Groh

CJG:dla

cc: Representative Alvin Osterback

HOUSE FINANCE COMMITTEE
March 21, 1980
3:15 p.m.

[Tape HFC 80-28, Side 1 #141.]

All Members of the Committee were present except Representatives Smith and Freeman.

PRESENT

Chairman Meekins called the meeting to order and brought the CS for HB 60 up for consideration.

CORRECTIONS
TO CSHB 60

"An Act appropriating for supplemental operating and capital expenses of the state government and making transfers between appropriations; and providing for an effective date."

Chairman Meekins advised there are a number of corrections to be made to the bill. He presented a list of the corrections that he is aware of (see attachment), and he asked if any other changes should be made to the bill.

Representative McKinnon advised that on page 12, Section 1 should be fiscal years 1980 and 1981, and sections 2, 3 and 4 should be fiscal year 1981.

Mr. Crandall advised that Representative Freeman requested page 3, line 20 be changed from "Ketchikan" to "Annette Island REAA".

Representative McKinnon said that on page 7, line 8, after "for", "landscaping and" should be added.

Mr. Scott, Legislative Finance Division, said that page 2, line 7 "Alaska Arts Council" should be changed to "Department of Education, state museum".

Representative Duncan advised that page 10, line 3 should be "remodeling".

Representative Rogers advised page 5, line 25 should be "flooding repairs".

Representative Rogers said that on page 11, line 24 "instructional" should be added before "equipment".

Representative Schaeffer requested that "Seward Peninsula" be added at the end of line 5 on page 25.

Representative Guy gave the correct spelling for the following villages: Page 3 - Tuntutuliak; page 39 - Tununak and Napaskiak.

3/21/80

Chairman Meekins advised a new section 13 should be added on page 2 appropriating \$82,000 to the Alaska State Library.

Representative Rogers moved that the Committee adopt these changes and the corrections on the attached list to CSHB 60. There being no objection, it was so ordered.

The meeting adjourned at 3:30 p.m.

ADJOURN

Tape HFC 80-28, Side 1 #141 - #456.

3/21/80

CORRECTIONS TO CSHB 60

Page 2, Line 9. Delete "\$20,000". Insert "\$62,000".

Page 4. Delete lines 1 through 8.

Page 4, line 15. Change "vocational education building" to "vocational agriculture building".

Page 5, line 1. Delete "Palmer".

Page 17, line 12, before "pioneer" add "Municipal-"

Page 26, after line 6 add: "Community Enterprise Development Corp. of Alaska, direct grant \$99,800".

Page 27. line 20 and 21, delete "comprehensive borough planning grant" and insert "flood ~~plane~~ mapping"
plain

Page 28, line 25, delete "renovation" and insert "recreation".

Page 29, after line 6 add:

Ketchikan grant to shoreline Fire Department	
Firehouse improvements	\$ 70,000
Soldotna, Sports arena engineering and design	300,000

Page 32, line 5, after "surveying" add "to include Point McKensie and Delta II agricultural land project."

Page 33, line 3, after "development" add "and firehall completion"

Page 36, lines 19 through 25, move from Municipal Grant Account to Department of Transportation and Public Facilities.

Page 38, line 15, move from Department of Transportation to Municipal Grant Account.

Page 39, after line 21 add:

Valdez airport runway extension & lighting	\$2,500,000
Atka airport improvements	1,950,000

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 60

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act appropriating for supplemental operating and
7 capital expenses of the state government and making
8 transfers between appropriations; and providing for
9 an effective date."

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

11
12
13 [TEXT TO FOLLOW.]
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Attachment

3/21/80

1 EDUCATION

2 * Sec. 1. The sum of \$459,300 is appropriated from the general fund to
3 the Department of Education, Alaska Arts Council component, for grant funds
4 to the Alaska Repertory Theatre to meet budget deficits incurred on tours,
5 loss of estimated income, and to meet cash reserve requirements.

6 * Sec. 2. The sum of \$54,600 is appropriated from the general fund to
7 the Department of Education, museum category, for grants to the Anchorage
8 Current Events Society.

9 * Sec. 3. The sum of \$20,000 is appropriated from the general fund to
10 the Department of Education, program evaluation, career and vocational
11 education component, as a grant to the guidance department of the Juneau-
12 Douglas High School.

13 * Sec. 4. The sum of \$72,000 is appropriated from the general fund
14 to the Department of Education, program evaluation, special education com-
15 ponent, for a grant to the Anchorage Association for the Education of Young
16 Children.

17 * Sec. 5. The sum of \$15,500 is appropriated from the general fund to
18 the Alaska Public Broadcasting Commission for staff services at the Satellite
19 Delay Center and for review of Mini TV applications.

20 * Sec. 6. The sum of \$26 500 is appropriated from the general fund to
21 the Alaska Public Broadcasting Commission for contractual services related
22 to Mini TV applications and a study of two-way satellite television with
23 rural areas.

24 * Sec. 7. The sum of \$44,500 is appropriated from the general fund to
25 the Alaska Public Broadcasting Commission as a grant to the Alaska Public
26 Radio Network.

27 * Sec. 8. The sum of \$7,500 is appropriated from the general fund to
28 the Alaska Public Broadcasting Commission for costs incurred in coverage of
29 University of Alaska basketball.

1 * Sec. 9. The sum of \$22,000 is appropriated from the general fund to
2 the Alaska Public Broadcasting Commission as a grant to KSKA-FM.

3 * Sec. 10. The sum of \$92,700 is appropriated from the general fund to
4 the Alaska Public Broadcasting Commission for a grant to KAKM for art
5 appreciation programs.

6 * Sec. 11. The sum of \$20,000 is appropriated from the general fund to
7 Alaska Arts Council for a grant award to the Ketchikan Arts-on-the-Move
8 Program.

9 * Sec. 12. The sum of \$20,000 is appropriated from the general fund to
10 the Alaska Public Broadcasters Commission for a grant to the Lynn Canal Public
11 Broadcasting Company.
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1 EDUCATION

2 Southwest

3 Ekwo - class remodel \$ 320,000

4 Lower Kuskokwim

5 Kongiginak elementary 200,000

6 Kongiginak high school 600,000

7 Kilbuck school - piling freezer unit 90,000

8 Tuntutulak - gymnasium 1,500,000

9 Copper River

10 Chistochina - generator 50,000

11 Anchorage Schools

12 Stellar School - gym addition 1,680,000

13 Nome City Schools

14 Nome-Beltz Swimming Pool 2,500,000

15 Craig City Schools

16 Elementary school 2,349,000

17 gymnasium 200,000

18 Klawock city schools

19 high school 1,628,000

20 Ketchikan schools

21 Metlakatla - school and community facility 1,792,500

22 Nenana city schools

23 heating system renovation 102,000

24 Juneau schools

25 repairs and code compliance 1,000,000

26 Delta/Greely

27 Delta - sprinkler system 200,000

28 Admin. offices and gym remodel 600,000

29 Library expansion - Fort Greely 300,000

1	Sand Point City Schools	
2	swimming pool	250,000
3	King Cove City Schools	
4	swimming pool	250,000
5	Unalaska City Schools	
6	swimming pool	250,000
7	Kodiak schools	
8	Old Harbor - swimming pool	250,000
9	Fairbanks schools	
10	solar greenhouses	10,000
11	Northwest Arctic	
12	Kotzebue gym expansion	561,000
13	Noatak Elementary	2,404,500
14	Matanuska-Susitna schools	
15	vocational education building	100,000
16	Alaska Gateway	
17	Eagle - school hockey rink	19,200
18	Tok - replace roof	250,000
19	Lake and Peninsula	
20	construction shortfall	197,000
21	Nondalton - class remodel	197,000
22	Perryville - class and library	99,900
23	Ivanof Bay - shop	65,000
24	Museum	
25	Baranof Museum - heating system	25,000
26	Pratt Museum (Homer)	28,000
27	Seldovia - Russian Orthodox	55,900
28	Alaskan Artifacts Inventory	20,000
29	Transportation Museum - Palmer	150,000

1	Wasilla Historical Park Reconstruction - Palmer	30,000
2	Russian Orthodox Museum - historical records	350,000
3	Unalaska - restoration of historical landmark	45,500
4	State Library	
5	Tyonek Village - documentary film	87,300
6	Fairbanks regional ABE instructional materials/	
7	equipment	16,000
8	Department of Education, RSVP	
9	Youth Employment Program - Alaska Railroad	171,400
10	Department of Education, Commissioner's Office	
11	Tobeluk Consent Decree Schools	8,009,400
12	EDA (Skill Center) shop building	general funds 800,000
13		federal funds 600,000
14	MUNICIPAL GRANT ACCOUNT	
15	Fairbanks North Star Borough - library books and equipment	100,000
16	Nenana - library construction	250,000
17	Haines Borough - Chilkat Center for the Arts	550,000
18	Klukwan - artifacts storage building	50,000
19	Anchorage Borough - Girdwood library	317,000
20	Kodiak Borough - library, children's wing	300,000
21	Fairbanks North Star Borough - North Pole Library	250,000
22	Anchorage - Woodland Park Renovation, grant to Boy's Club	
23	of Alaska	550,000
24	Old Harbor - grant to manage and operate library	20,000
25	Anchorage - Abbot Loop School	200,000
26	Anchorage - regional fire training center equipment	85,000

1 UNIVERSITY OF ALASKA

2 * Sec. 1. The sum of \$128,600 is appropriated from the general fund to
3 the University of Alaska, University Center - Anchorage Academic centers
4 component, for support of the Criminal Justice Center.

5 * Sec. 2. The sum of \$10,000 is appropriated from the general fund to
6 the University of Alaska, University Center - Anchorage Academic, Centers
7 component, for development of a CLEO program with the Criminal Justice
8 Center.

9 * Sec. 3. The sum of \$105,000 is appropriated from the general fund
10 to the University of Alaska, University Center - Juneau Academic, Public
11 Service component, for support of a joint classroom training/rehabilitation
12 program at Southeast Regional Correction Center (Juneau).

13 * Sec. 4. The sum of \$45,000 is appropriated from the general fund to
14 the University of Alaska, organized research, AEIDC component, for support
15 of FY 80 operations.

16 * Sec. 5. The sum of \$69,000 is appropriated from the general fund to
17 the University of Alaska, board of regents, intercollegiate athletics com-
18 ponent, for staff support, travel, TV coverage and uniforms for the Anchorage
19 program.

20 * Sec. 6. The sum of \$150,000 is appropriated from the general fund to
21 the University of Alaska, University Center - Fairbanks Academic, Instruction
22 component, for support of petroleum industry training programs.

23 * Sec. 7. The sum of \$50,000 is appropriated from the general fund to
24 the University of Alaska, Ketchikan Community College, Academic Support
25 component, for a feasibility study for a maritime program.

26 * Sec. 8. The sum of \$50,000 is appropriated from the general fund to
27 the University of Alaska, organized research, Institute for Arctic Biology
28 component, for program receipts shortfalls.

29 * Sec. 9. The sum of \$5,000 is appropriated from the general fund to

1 the University of Alaska, Kodiak Community College, Academic Support component
2 for a cross-cultural seminar.

3 * Sec. 10. The sum of \$138,000 is appropriated from the general fund to
4 the University of Alaska, Anchorage Community College, Public Service compo-
5 nent, for support of a Women's Center.

6 * Sec. 11. The sum of \$10,000 is appropriated from the general fund to
7 the University of Alaska, Anchorage Community College, instruction component
8 for purchase of equipment for the Day Care Center.

9 * Sec. 12. The sum of \$192,300 is appropriated from the general fund to
10 the University of Alaska to correct miscellaneous errors in FY 80 budget
11 processing, allocated as follows:

12	Organized Research	\$ 43,800
13	University of Alaska-Fairbanks campus	74,900
14	University of Alaska-Anchorage campus	50,300
15	Anchorage Community College	17,100
16	Kodiak Community College	6,700

17 * Sec. 13. The sum of \$101,900 is appropriated from the general fund to
18 the University of Alaska, Fairbanks administration and plant, to pay costs of
19 emergency sewer repair at the Fairbanks Agriculture Experiment Station.

20 * Sec. 14. The sum of \$202,700 is appropriated from the general fund
21 and the sum of \$61,400 is appropriated from program receipts to the Tanana
22 Valley Community College to continue development of industrial trade classes.

23 * Sec. 15. The sum of \$166,200 is appropriated from the general fund
24 to the University of Alaska to fund fiscal year 1979 costs-of-living adjust-
25 ment increases for community college teachers.

26 * Sec. 16. The sum of \$9,900 is appropriated from the general fund to
27 the Arctic Environmental Information and Data Center for documentation of
28 the Northern Technology small grants program.

29 * Sec. 17. The sum of \$200,000 is appropriated from the general fund

1 to the University of Alaska, board of regents, intercollegiate athletics
2 component, for support of the Great Alaska Shootout tournament and for an
3 athletic contingency at the Anchorage campus. These funds shall lapse
4 June 30, 1981.

5 * Sec. 18. The sum of \$300,000 is appropriated from the general fund
6 to the University of Alaska to pay increased utility and fuel costs in the
7 University physical plants.

8 * Sec. 19. The sum of \$250,000 is appropriated from the general fund
9 to the University of Alaska, Anchorage Community College, instruction compo-
10 nent, for use with other funds to provide for a summer school program that
11 could not be funded in the fiscal year 1980 revised budget due to reductions
12 in student fee income.

13 * Sec. 20. Section 12, ch. 113 SLA 1978, page 10, line 22 (University
14 Center - Fairbanks support), is amended to read:

APPROPRIATION ITEM

15
16 UNIVERSITY CENTER - FAIRBANKS SUPPORT 16,616,300 [17,222,300]

17 * Sec. 21. Section 12, ch. 113 SLA 1978, page 11, line 3 (University
18 Center - Fairbanks support), is amended to read:

ALLOCATIONS

19
20 SUPPORT SERVICES - ADMIN & PLANT 10,853,600 [11,459,600]

21 * Sec. 22. Section 12, ch. 113 SLA 1978, page 11, line 10 (University
22 Center - Anchorage), is amended to read:

APPROPRIATION ITEM

23
24 INSTRUCTION 5,573,400 [5,569,200]

25 * Sec. 23. Section 12, ch. 113 SLA 1978, page 12, lines 25 and 26 (CC -
26 Statewide), are amended to read:

ALLOCATIONS

APPROPRIATION ITEM

27
28 CC-STATEWIDE 1,716,400 [1,716,100]

29 ADMINISTRATION 702,300 [702,000]

1 * Sec. 24. Section 12, ch. 113 SLA 1978, page 13, lines 6 and 7 (CC -
2 Anchorage), are amended to read:

APPROPRIATION ITEM

CC-ANCHORAGE

INSTRUCTION

8,094,400 [7,595,200]

6 * Sec. 25. Section 12, ch. 113 SLA 1978, page 14, line 8 (CC - Kenai),
7 is amended to read:

APPROPRIATION ITEM

CC-KENAI

INSTRUCTION

883,300 [823,800]

11 * Sec. 26. Section 12, ch. 113, SLA 1978, page 14, line 9 (CC - Kenai),
12 is amended to read:

APPROPRIATION ITEM

CC-KENAI SUPPORT

523,600 [473,400]

15 * Sec. 27. Section 12, ch. 113, SLA 1978, page 14, line 21 (CC -
16 Kodiak), is amended to read:

APPROPRIATION ITEM

CC-KODIAK SUPPORT

395,600 [384,000]

19 * Sec. 28. Section 12, ch. 113, SLA 1978, page 15, line 10 (CC - Mat-
20 Su), is amended to read:

APPROPRIATION ITEM

CC-MAT-SU SUPPORT

459,300 [452,200]

23 * Sec. 29. Section 12, ch. 113 SLA 1978, page 15, line 27 (CC - Tanana
24 Valley), is amended to read:

APPROPRIATION ITEM

CC-TANANA VALLEY

INSTRUCTION

1,686,000 [1,561,100]

UNIVERSITY OF ALASKA

University Center - Juneau

Land acquisition	150,000
N.C. property remodel	600,000
Fisheries Building - Phase II	1,200,000

University Center - Fairbanks

Womens' locker room upgrading	150,000
Fine Arts Building modification	275,000
Fairbanks campus beautification	100,000
Museum acquisitions	75,000
Wood Center student offices completion	79,500
Music Department equipment and instruments	50,000
Eielson Building audio-visual lab renovation and equipment	44,100
Photography lab conversion - Journalism	80,000
Rasmusson Library acquisitions - rare Alaska books and maps	15,000
Arctic Chamber Orchestra - Yukon River community tour	30,000
Polar Star typesetting equipment	13,100
Wood Center student services van	12,000
Journalism Department equipment	25,000

Organized Research

Organized research equipment - statewide	500,000
Organized research equipment - Agricultural Experiment Station	300,000
Facilities and Equipment - Agricultural Experiment Station - Delta	113,000
Arctic Health incinerator	150,000
CES Food Storage demonstration	22,000

1	Elvey Building repair	120,000
2	Alternative Energy Research Program equipment	
3	- Fairbanks	100,000
4	Geophysical Institute - Gold Dome exploratorium	2,000,000
5	1980 Alaska Science Conference	15,000
6	<u>Tanana Valley Community College</u>	
7	Hutchison Career Center commuter van	16,000
8	<u>University Center - Anchorage</u>	
9	Admin/Office/Class Building	4,500,000
10	<u>Roads, Streets & Parking</u>	
11	Univ. Center-Fairbanks	500,000
12	Univ. Center-Anchorage	500,000
13	CC-Anchorage	250,000
14	<u>Handicap Barrier Removal</u>	
15	Univ. Center-Anchorage	100,000
16	CC-Anchorage	150,000
17	<u>Building Repair and Renovation</u>	
18	University of Alaska/Fairbanks	400,000
19	University of Alaska/Anchorage	100,000
20	Anchorage Community College	600,000
21	University of Alaska/Fairbanks - Legal/Safety	
22	Compliance	450,000
23	<u>Equipment Replacement and Additions</u>	
24	Univ. Center-Fairbanks	500,000
25	Univ. Center-Anchorage	421,000
26	CC-Anchorage	700,000
27	CC-Tanana Valley	700,000
28		
29		

1 HEALTH AND SOCIAL SERVICES

2 * Sec. 1. The sum of \$33,000 is appropriated from the general fund to
3 the Department of Health and Social Services, nursing, field nursing for
4 fiscal year 1980 to be allocated as follows:

5 Equipment \$18,000

6 Training Programs 15,000

7 * Sec. 2. The sum of \$45,000 is appropriated from the general fund to
8 the Department of Health and Social Services, public health, communicative
9 disorders, for a speech pathology demonstration project for fiscal year 1980.

10 * Sec. 3. The sum of \$6,000 is appropriated from the general fund to
11 the Department of Health and Social Services, public health, communicative
12 disorders for the purpose of purchasing audiometry equipment for fiscal year
13 1980.

14 * Sec. 4. The sum of \$60,000 is appropriated from the general fund to
15 the Department of Health and Social Services, public health administration,
16 health education, for health education programs for fiscal year 1980.

17 * Sec. 5. The sum of \$40,000 is appropriated from the general fund to
18 the Department of Health and Social Services, child and family health, child
19 development services for the Alaska State Program for the Deaf for fiscal
20 year 1981 and fiscal year 1982.

21 * Sec. 6. The sum of \$40,000 is appropriated from the general fund to
22 the Department of Health and Social Services, child and family health, child
23 development services for the Blind/Vision Impaired Program for fiscal year
24 1981 and fiscal year 1982.

25 * Sec. 7. The sum of \$950,000 is appropriated from the general fund to
26 the Department of Health and Social Services, alcohol and drug abuse, admin-
27 istration, for personal services, contractual and program evaluation for
28 comprehensive alcoholism programs for fiscal year 1980 and fiscal year 1981.

29 * Sec. 8. The sum of \$3,950,000 is appropriated from the general fund

1 to the Department of Health and Social Services, alcohol and drug abuse,
2 alcohol abuse grants, for fiscal year 1980 and fiscal year 1981 to be allocated
3 as follows:

4 Long term care	\$ 500,000
5 Public inebriates	450,000
6 Special projects	500,000
7 Community responses	1,500,000
8 Training	500,000
9 Public Education	500,000

10 * Sec. 9. The sum of \$12,000 is appropriated from the general fund to
11 the Department of Health and Social Services, program services, youth services
12 for a grant to the Anchorage Child Abuse Board for a public ad campaign for
13 fiscal year 1980.

14 * Sec. 10. The sum of \$95,000 is appropriated from the general fund to
15 the Department of Health and Social Services, office on alcoholism, alcohol
16 abuse grants for a grant to the Anchorage Salvation Army for comprehensive
17 alcoholism services for fiscal year 1980.

18 * Sec. 11. The sum of \$25,000 is appropriated from the general fund to
19 ~~HB~~ 819 the Department of Health and Social Services, alcohol and drug abuse,
20 alcohol abuse grants, for a grant to Old Harbor for alcohol and drug abuse
21 programs for fiscal year 1980.

22 * Sec. 12. The sum of \$14,500 is appropriated from the general fund to
23 the Department of Health and Social Services, program services, adult
24 supportive services for a grant to Alaska Semi-Supportive Homes, Inc. for
25 fiscal year 1980.

26 * Sec. 13. The sum of \$3,000 is appropriated from the general fund to
27 the Department of Health and Social Services, program services, foster care
28 for a grant to the Alaska Foster Parents Association for statewide conference
29 on foster care for fiscal year 1980.

1 * Sec. 14. The sum of \$450,000 is appropriated from the general fund
2 to the Department of Health and Social Services, program services, youth
3 services for a grant to the Anchorage Child Abuse Board for crisis nursery
4 program for fiscal year 1980.

5 * Sec. 15. The sum of \$32,000 is appropriated from the general fund to
HB 641 the Department of Health and Social Services, office of aging, grants, for a
7 grant to the Senior Citizens of Kodiak, Inc. for homemaker services for fiscal
8 year 1980.

9 * Sec. 16. The sum of \$75,000 is appropriated from the general fund to
10 the Department of Health and Social Services, program services, youth services
11 for a grant to the Anchorage Children's Center for fiscal year 1980.

12 * Sec. 17. The sum of \$9,000 is appropriated from the general fund to
13 the Department of Community and Regional Affairs, child assistance head
14 start for a grant to Chugiak Children's Services, Inc. for head start program
15 for fiscal year 1980.

16 * Sec. 18. The sum of \$6,400 is appropriated from the general fund to
17 the Department of Community and Regional Affairs, CETA for a grant to Adult
18 Learning Programs of Alaska for displaced homemaker services for fiscal year
19 1980.

20 * Sec. 19. The sum of \$127,000 is appropriated from the general fund
21 to the Department of Community and Regional Affairs, child assistance, day
22 care program for fiscal year 1980 and fiscal year 1981.

23 * Sec. 20. The sum of \$32,000 is appropriated from the general fund
24 to the municipal grant account to be paid to Sitka for education of handi-
25 capped children ages 0 to 3.

26 * Sec. 21. The sum of \$32,000 is appropriated from the general fund
27 to the municipal grant account to be paid to Dillingham for education of
28 handicapped children ages 0 to 3.

29 * Sec. 22. The sum of \$68,100 is appropriated from the general fund to

1 the municipal grant account to be paid to Kotzebue for the women's crisis
2 project.

3 * Sec. 23. The sum of \$190,000 is appropriated from the general fund
4 to the municipal grant account to be paid to the city and borough of Juneau
5 for the Totem Center Project.

6 * Sec. 24. The sum of \$50,000 is appropriated from the general fund
7 to the Municipal Grant Account to be paid to the city and borough of Juneau
8 for a grant to the Children's Home for Individual Learning Development.

9 * Sec. 25. The sum of \$50,800 is appropriated from the general fund
10 to the municipal grant account to be paid to Bethel for a grant to the
11 Bethel Prematernal Home.

1 SOCIAL SERVICES

2 Department of Administration

3 Anchorage Pioneers Home - Nursing wing addition \$3,000,000

4 HEALTH

5 Department of Health and Social Services

6 Public Health - vehicle emergency equipment 15,300

7 Repairs for health centers - statewide 30,000

8 Juneau health center - furniture & equipment 10,000

9 Laboratories equipment replacement 67,000

10 API - furniture & equipment, children's ward 22,000

11 API - replacement of emergency power plant 50,000

12 API - automated hospital accounting system 60,000

13 Interior region EMS training equipment 11,500

14 Emergency medical communication equipment for Chena-

15 Goldstream, North Pole, University of Alaska and

16 Fairbanks Memorial Hospital 15,500

17 Northern Region Family Planning - Information/Equipment 19,000

18 EMS regional councils - maintenance and operation of

19 volunteer ambulance service 105,000

20 Akutan - health clinic 120,000

21 Fairbanks Memorial Hospital birthing room 12,300

22 MUNICIPAL GRANT ACCOUNT

23 Petersburg - Hospital remodeling and restoration 1,500,000

24 Kodiak - hospital equipment 43,000

25 Ketchikan Gateway Opportunity Center - elevator installation 55,000

26 City and Borough of Juneau - Juneau receiving home fire

27 sprinkler system 50,000

28 Sand Point - health clinic 120,000

29 King Cove - health clinic 120,000

1	Ketchikan - general hospital decompression chamber	50,000
2	Nenana - senior citizens center	150,000
3	Nenana - senior citizens van	15,000
4	Craig - health clinic addition	75,000
5	Craig - grant to Craig Youth Center to repay city of Craig	
6	and miscellaneous costs associated with new building	15,000
7	Anchorage - senior citizens multi-purpose	
8	center	1,700,000
9	Wasilla - crisis center equipment	25,000
10	Wasilla - senior citizen center and health clinic	400,000
11	Hydaburg - community center head start	22,000
12	Sitka - pioneer home cemetery	400,000
13	Anchorage - neighborhood health centers	1,000,000
14	Kaltag - clinic labor	12,000
15	Anchorage - grant to Health Care Advocates	35,000
16	Anchorage - grant to Alaska Semi-Supportive Homes, Inc.	33,200
17	Kenai - Kenai Care Center	150,000
18	Fairbanks North Star Borough - grant to Fairbanks Rehabil-	
19	itation Association for building repair	35,000
20	Fairbanks North Star Borough - grant to Fairbanks Associ-	
21	ation for Education of Young Children for child care	
22	equipment	20,000
23	Fairbanks North Star Borough - grant to Women in Crisis	
24	counseling and assistance for transportation and office	
25	equipment	11,400
26	Kotzebue - grant to Inuuailiq Youth Program, NANA	55,500
27	Anchorage - grant to the Task Force on Smoking or Health	35,000

PUBLIC PROTECTION/JUSTICE

1 * Section 1. The sum of \$52,600 is appropriated from the general fund
2 to the Department of Labor, Wage and Hour Division, Mechanical Inspection
3 Section, to reduce underfunding for personal services, travel, and contrac-
4 tual services in the fiscal year 1980 appropriation.

5 * Sec. 2. The sum of \$33,200 is appropriated from the general fund to
6 the Department of Commerce and Economic Development, Weights and Measures
7 Section, to purchase scale testing equipment and provide transportation to
8 test scales for seafood processors in the Aleutian Islands and Western Alaska
9 for fiscal years 1980 and 1981.

HB 913 * Sec. 3. The sum of \$26,300 is appropriated from the general fund to
11 the Department of Commerce and Economic Development, Division of Occupational
12 Licensing, to pay the costs of dental hygiene and dentistry licensing exam-
13 inations and to fund travel requirements for the State Board of Registration
14 for Architects, Engineers, and Land Surveyors.

HB 943 * Sec. 4. The sum of \$109,000 is appropriated from the general fund to
16 the Department of Commerce and Economic Development, Division of Occupational
17 Licensing, to pay for hearing officer fees and witness fees being paid by the
18 Office of the Lieutenant Governor during fiscal year 1980.

HB 966 * Sec. 5. The sum of \$101,500 is appropriated from the general fund to
20 the Department of Commerce and Economic Development, Alaska Pipeline Com-
21 mission, to provide funds for the legal defense of the Alaska Pipeline Com-
22 mission's regulatory authority over the Trans-Alaska Pipeline System.

HB 937 * Sec. 6. The sum of \$157,300 is appropriated from the general fund to
24 the Department of Military Affairs, Alaska Disaster Office, to pay rent owed
25 to the Municipality of Anchorage for facilities occupied by the Alaska Dis-
26 aster Office, for the period ending June 30, 1980.

HB 969 * Sec. 7. The sum of \$82,300 is appropriated from the general fund to
28 the Office of the Governor, Public Defender Agency, to provide funds for
29 travel and contractual services to represent clients for whom the agency is

1 appointed by the judiciary for fiscal year 1980.

2 * Sec. 8. The sum of \$1,700 is appropriated from the general fund to
3 the Office of the Governor, Public Defender Agency, to provide funds for
4 travel by the Keani Peninsula Public Defender for fiscal year 1980.

SSB 396 * Sec. 9. The sum of \$1,456,900 is appropriated from the general fund
5 to the Department of Health and Social Services, division of corrections, for
6 increases in cost of care and confinement of adults in state custody for the
7 fiscal year ending June 30, 1980 to be allocated as follows:

9	Palmer correctional center	\$ 39,500
10	Anchorage state correctional center	65,000
11	Juneau correctional center	43,700
12	Fairbanks correctional center	154,700
13	Ketchikan correctional center	35,500
14	Anchorage annex correctional center	57,100
15	Eagle River correctional center	27,900
16	Ridgeview Manor	91,400
17	Nome correctional center	19,200
18	out-of-state contractual services	655,400
19	major medical expenses and guard hire	100,000
20	community-based programs	167,500

SSB 396 * Sec. 10. The sum of \$575,500 is appropriated from the general fund to
22 the Department of Health and Social Services, division of corrections, for
23 the increased cost of care and confinement of juveniles in state custody
24 (institutional care), for the fiscal year ending June 30, 1980.

SSB 396 * Sec. 11. The sum of \$35,657 is appropriated from the general fund to
26 the Department of Health and Social Services, division of corrections, for
27 the purpose of hiring additional correctional officers for the Juneau cor-
28 rectional center for the fiscal year ending June 30, 1980.

29

SSB 396 * Sec. 12. The sum of \$12,735 is appropriated from the general fund to the Department of Health and Social Services, division of corrections, for back pay to five employees of the Anchorage annex correctional center for the fiscal year ending June 30, 1980.

SSB 396 * Sec. 13. The sum of \$249,900 is appropriated from the general fund to the Department of Health and Social Services, division of corrections, for the fiscal year ending June 30, 1980 (1) for the purpose of preventing further reduction of probation and parole staff, and (2) to pay unfunded lease costs and court mandated travel. The appropriation made by this section shall be allocated as follows:

First Judicial District	\$ 60,300
Second Judicial District	8,200
Third Judicial District	132,400
Fourth Judicial District	49,000

SSB 396 * Sec. 14. The sum of \$35,000 is appropriated from the general fund to the Department of Health and Social Services, division of corrections, for an increase in contract jail services purchased from the City of Kodiak for the fiscal year ending June 30, 1980.

SSB 382 * Sec. 15. The sum of \$380,000 is appropriated from the general fund to the Department of Health and Social Services, division of corrections, to pay outstanding bills for the fiscal year ending June 30, 1979.

* Sec. 16. The sum of \$124,000 is appropriated from the general fund to the Department of Health and Social Services, division of corrections, for the purpose of funding a classroom training and rehabilitation program at the Juneau Correctional Center for fiscal year 1980.

* Sec. 17. The sum of \$39,700 is appropriated from the general fund to the Department of Health and Social Services, division of corrections, for psychological counseling services, staff teacher salary, arts in prison program continuation, educational materials and supplies, installation of tele-

1 phone lines, and snow removal tractor at the Ridgeview Manor women's facility.

2 * Sec. 18. The sum of \$59,200 is appropriated from the general fund to
3 the Department of Health and Social Services, division of corrections, dir-
4 ector's office, for additional expense incurred in the development of the
5 Alaska corrections master plan.

6 * Sec. 19. The sum of \$21,150 is appropriated from the general fund to
7 the Department of Health and Social Services, division of corrections, to es-
8 tablish permanent full-time alcoholism counselor positions at Juneau Correc-
9 tional Center, Fairbanks Correctional Center and Anchorage State Correctional
10 Center during the remainder of fiscal year 1980.

11 * Sec. 20. The sum of \$57,500 is appropriated from the general fund to
12 the Department of Public Safety, crime identification and apprehension, for
13 additional cost of housing state prisoners contracted for with the City of
14 Kotzebue for the fiscal year ending June 30, 1980.

15 * Sec. 21. The sum of \$21,400 is appropriated from the general fund to
16 the Department of Public Safety, crime identification and apprehension, to
17 establish a new permanent full-time constable position in Iliamna and fund the
18 position during the remainder of fiscal year 1980.

19 * Sec. 22. The sum of \$5,800 is appropriated from the general fund to
20 the Alaska Court System to establish a new permanent full-time court clerk
21 position in the Dillingham District Court and to fund the position during the
22 remainder of fiscal year 1980.

23 * Sec. 23. The sum of \$826,000 is appropriated from the general fund to
24 the municipal grant account and shall be paid to Matanuska-Susitna Borough
25 borough disaster relief fund.

26 * Sec. 24. The sum of \$305,000 is appropriated from the general fund to
27 the municipal grant account to be paid to Anchorage for the purpose of con-
28 tinuing the operation of the Treatment Alternatives to Street Crime program
29 for the period of May 16, 1980 through June 30, 1981.

ADMINISTRATION OF JUSTICE

Department of Health and Social Services

Adult Confinement

Ketchikan Jail completion \$ 949.3

Anchorage presentence facility addition 1,400.0

Alaska Court System

Kotzebue Court addition 132.4

Fairbanks Court planning 110.0

MUNICIPAL GRANT ACCOUNT

Hydaburg, city building basement conversion to

jail facility 70.0

Anchorage, Alaska Public Advocacy Corporation 453.0

City of North Pole, Public Safety complex and
community center 1,135.0

1 DEVELOPMENT

2 * Sec. 1. The sum of \$14,000 is appropriated from the general fund to
3 the Department of Natural Resources for the purpose of a direct grant to the
4 Ninilchik State Fair Association.

5 * Sec. 2. The sum of \$37,500 is appropriated from the general fund to
6 the Department of Commerce and Economic Development, division of business
7 loans for the purpose of a loan examiner and clerk typist in Dillingham.

8 * Sec. 3. The sum of \$271,400 is appropriated from the general fund
9 to the Department of Revenue, Alaska Renewable Resources Corporation to
10 screen and develop project opportunities.

11 * Sec. 4. The sum of \$50,000 is appropriated from the general fund
12 to the Department of Community and Regional Affairs, office of the commis-
13 sioner for the purpose of the Haines Centennial Commission.

14 * Sec. 5. The sum of \$100,000 is appropriated from the general fund
15 to the Department of Community and Regional Affairs, winterization for the
16 purpose of the Tlingit-Haida housing improvement program.

17 * Sec. 6. Section 25, chapter 80, SLA 1979, page 71, line 4 is
18 amended to read:

19	ALLOCATIONS	APPROPRIATION	GENERAL	OTHER
20		ITEMS	FUNDS	FUNDS
21	Klawock <u>Maintenance Shop</u> [Fire Truck] (ED 1)			
22		50,600	50,600	

23 * Sec. 7. The sum of \$6,708,912 is appropriated from the general fund
24 to the Department of Community and Regional Affairs, municipal revenue
25 sharing, to provide full funding of municipal revenue sharing entitlements
26 for the fiscal year ending June 30, 1980.

27 * Sec. 8. The sum of \$78,000 is appropriated from the general fund to
28 the Department of Commerce and Economic Development, business loans division
29 for two additional staff in the Anchorage office.