

COMMITTEE REPORT

HOUSE

Mr. Speaker:

Date _____

The Committee on FINANCE has had HB 580

under consideration. A Majority of the members of the Committee

- recommends it DO PASS
- recommends it DO NOT PASS
- recommends it DO PASS WITH ATTACHED AMENDMENT(S)
- recommends it BE REPLACED WITH CS FOR _____ AND THAT
CS FOR _____ DO PASS
- "and" recommends it BE REFERRED TO THE _____
COMMITTEE
- reports it back WITHOUT RECOMMENDATION
- "other"

Members signing the Majority report:

Members NOT concurring in the Majority report:

_____ recommends: _____

_____ recommends: _____

_____ recommends: _____

_____ recommends: _____

_____ recommends: _____

5-14

Rep Smith carried to clerk.

_____ Chairman

Introduced: 1/15/76
Referred: Resources and
Finance

1
2 IN THE HOUSE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

3 HOUSE BILL NO. 580

4 IN THE LEGISLATURE OF THE STATE OF ALASKA

5 NINTH LEGISLATURE - SECOND SESSION

6 A BILL

7 For an Act entitled: "An Act Establishing the Talkeetna Mountains State
8 Park."

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

10 * Section 1. AS 41.20 is amended by adding new sections to read:

11 ARTICLE 12. TALKEETNA MOUNTAINS STATE PARK

12 Sec. 41.20.420. DECLARATION OF PURPOSE. The purpose of secs.
13 420--445 of this chapter is to establish the land and water described
14 in sec. 425 of this chapter as the Talkeetna Mountains State Park.
15 The land and water in sec. 425(a) of this chapter are closed to
16 multiple-use management in conformity with AS 38.05.300. The land and
17 water described in sec. 425(b) of this chapter, to be known as a
18 "recreation zone", are to be managed under a principle of restricted
19 multiple-use, in conformance with sec. 430(b) of this chapter.

20 Sec. 41.20.425. DESIGNATED STATE LANDS AND WATERS RESTRICTED TO
21 USE AS A STATE PARK. (a) The following land and water within the
22 Talkeetna Mountains State Park are subject to the use and restrictions
23 specified in sec. 430(a) of this chapter: Beginning at the SW corner,
24 Section 30, T20N, R2W, S.M.; thence northerly along the section line
25 to the NW corner, Section 6, T20N, R2W, S.M.; thence westerly along
26 section line to the SW corner, Section 31, T21N, R2W, S.M.; thence
27 northerly along the section line to the NW corner, Section 30, T22N,
28 R2W, S.M.; thence westerly along the section line to the SW corner, SE
29 1/4, SW 1/4, Section 20, T22N, R3W, S.M.; thence northerly to the NW

1 corner, SE 1/4, SW 1/4, Section 5, T22N, R3W, S.M.; thence north-
2 easterly along a straight line to the SW corner, SE 1/4, SW 1/4,
3 Section 22, T23N, R3W, S.M.; thence east northeasterly along a straight
4 line to approximately the NW corner, SW 1/4, SE 1/4, Section 17, T23N,
5 R2W, S.M.; said point being the top of the ridge between the north
6 fork Kashwitna River and the Sheep Creek drainage; thence easterly
7 along said ridgeline a distance of 21 miles, more or less, to the
8 approximate center of Section 21, T23N, R2E, S.M.; thence southeasterly
9 along said ridgeline a distance of 23 miles, more or less, to the SE
10 corner, Section 27, T21N, R4E, S.M.; thence southwesterly along said
11 ridgeline a distance of nine and one-half miles, more or less, to the
12 SE corner, SE 1/4, SW 1/4, Section 31, T20N, R4E, S.M.; thence westerly
13 along the section line to the SW corner of Section 31, T20N, R4E,
14 S.M.; thence southerly along the section line to the SE corner, NE
15 1/4, Section 12, T19N, R3E, S.M.; thence westerly to the NW corner of
16 the SE 1/4, SW 1/4, thence northerly to the NW corner, NE 1/4, SW 1/4
17 of said Section 12; thence westerly to the center of Section 11, T19N,
18 R3E, S.M.; thence southerly along the centerline of said section to
19 the SE corner, NW 1/4, SW 1/4 of said Section 11; thence westerly to
20 the SW corner, NW 1/4, SE 1/4, Section 9, T19N, R3E, S.M.; thence
21 northerly to the center of Section 9; thence westerly to the W 1/4
22 corner of Section 7, T19N, R2E, S.M.; thence southerly to the SE
23 corner, NE 1/4, SE 1/4 of said Section 12; thence westerly to the NE
24 corner, NW 1/4, SE 1/4, SE 1/4, Section 11, T19N, R2E, S.M.; thence
25 southerly to the SE corner, NW 1/4, SE 1/4, SE 1/4 of said Section 11;
26 thence westerly to the NE corner, SW 1/4 SW 1/4, SE 1/4 of said Section
27 11; thence southerly to the SE corner, SW 1/4, NW 1/4, SE 1/4, Section
28 14, T19N, R2E, S.M.; thence westerly to the SW corner, NW 1/4, SE 1/4,
29 of said Section 14; thence southerly to the south 1/4 corner of said

1 Section 14; thence easterly to the NE corner, NW 1/4, NW 1/4, NW 1/4,
2 NE 1/4, Section 23, T19N, R2E, S.M.; thence southerly to the SE corner,
3 SW 1/4, NE 1/4, Section 23, T19N, R2E, S.M.; thence westerly to the E
4 1/4, Section 22, T19N, R2E, S.M.; thence northerly to the SE corner of
5 Section 15, T19N, R2E, S.M.; thence westerly to the SW corner, Section
6 16, T19N, R2E, S.M.; thence southerly along the section line to the SE
7 corner, Section 20, T19N, R2E, S.M.; thence westerly to the SW corner,
8 Section 24, T19N, R1E, S.M.; thence northerly along the section line
9 to the intersection of the ridgeline delineating the Little Susitna
10 River drainage, including its tributaries, occurring at approximately
11 the SE corner, NE 1/4, SE 1/4, Section 14, T19N, R1E, S.M.; thence
12 northeasterly along said ridgeline a distance of five and one-half
13 miles, more or less to a point at the approximate center of the NE
14 1/4, SW 1/4, NE 1/4, Section 3, T19N, R2E, S.M.; thence northerly
15 along said ridgeline a distance of nine miles, more or less, to the
16 top of Montana Peak; thence southwesterly along said ridgeline and a
17 distance of 11 miles, more or less, and along the ridgeline between
18 Purches and Willow Creeks a distance of four miles, more or less, to
19 the intersection of the east section line, Section 26, T20N, R1W,
20 S.M.; thence westerly along the ridgeline between Purches and Willow
21 Creeks a distance of four and one-quarter miles, more or less, to the
22 intersection of the east section line, Section 30, T20N, R1W, S.M.;
23 thence southerly along the section line a distance of five-eighths of a
24 mile, more or less to the SE corner, Section 30, T20N, R1W, S.M.;
25 thence westerly along the section line to the SW corner, Section 30,
26 T20N, R2W, S.M., said corner being the point of beginning.

27 (b) The following land and water within the Talkeetna Mountains
28 State Park are subject to the use and restrictions specified in sec.
29 430(b) of this chapter: Beginning at the SW corner of Section 30,

1 T20N, R2W, S.M.; thence easterly along the section line to the SE
2 corner, Section 30, T20N, R1W, S.M.; thence northerly along the section
3 line a distance of five-eighths of a mile, more or less, to a point on
4 the ridgeline between Purches and Willow Creeks; thence easterly along
5 said ridgeline a distance of four and one-quarter miles, more or less,
6 to the intersection of the east section line, Section 26, T20N, R1W,
7 S.M.; thence northeasterly along said ridgeline a distance of four
8 miles, more or less, and along a ridgeline delineating the Little
9 Susitna River drainage, including its tributaries, a distance of 11
10 miles, more or less, to the top of Montana Peak; thence southerly
11 along the ridgeline delineating the Little Susitna River drainage,
12 including its tributaries, a distance of nine miles, more or less to a
13 point at the approximate center of the NE 1/4, SW 1/4, NE 1/4, Section
14 3, T19N, R2E, S.M.; thence southwesterly along said ridgeline a distance
15 of five and one-half miles, more or less, to the intersection of the
16 section line occurring at approximately the SE corner, NE 1/4, SE 1/4,
17 Section 14, T19N, R1E, S.M.; thence southerly along the section line
18 to the SE corner, Section 23, T19N, R1E, S.M.; thence westerly along
19 the section line to the SW corner, Section 23, T19N, R1E, S.M.; thence
20 southerly along the section line to the SW corner, NW 1/4, NW 1/4,
21 Section 26, T19N, R1E, S.M.; thence easterly along the north 1/4 line
22 to the SE corner, NW 1/4, NW 1/4, Section 26, T19N, R1E, S.M.; thence
23 southerly along the west 1/4 line to the SE corner, SW 1/4, SW 1/4,
24 Section 26, T19N, R1E, S.M.; thence westerly along the section line to
25 the NE corner, Section 31, T19N, R1E, S.M.; thence southerly along the
26 section line to the SE corner, Section 31, T19N, R1E, S.M.; thence
27 westerly along the section line to the SW corner, Section 31, T19N,
28 R2W, thence northerly along the section line to the SW corner, Section
29 30, T20N, R2W, S.M., said corner being the point of beginning.

1 Sec. 41.20.430. USES PERMITTED AND RESTRICTED. (a) Within the
2 portion of Talkeetna Mountains State Park which is closed to multiple-
3 use management under sec. 425(a) of this chapter, private land, valid
4 leases and mineral entries are restricted to the type of uses to which
5 they were put before January 1, 1976. With the exception of boats
6 with motors, motorized vehicles are prohibited on land and water
7 described in sec. 425(a) of this chapter. No more than one aircraft
8 landing strip may be established upon the land described in sec.
9 425(a) of this chapter, the landing strip to provide for park management
10 requirements and visitor access.

11 (b) Within the portion of Talkeetna Mountains State Park open to
12 restricted multiple-use management under sec. 425(b) of this chapter,
13 the commissioner shall designate by regulation those uses of land and
14 water which are compatible with recreation. All state land and water
15 described in sec. 425(b) of this chapter are to be managed under a
16 land-use plan prepared by representatives of the division of parks,
17 division of lands, division of agriculture, division of geological and
18 geophysical surveys, Department of Fish and Game and Department of
19 Highways. The plan must be approved by the commissioner of the Depart-
20 ment of Natural Resources, and shall be revised as necessary every
21 five years by representatives of the agencies specified in this sub-
22 section. Grazing leases may be renewed as provided by law. Other
23 agricultural activity may be permitted if compatible with recreation.
24 Use of motorized vehicles may be permitted at the discretion of the
25 commissioner in areas designated by him for that purpose.

26 Sec. 41.20.435. DESIGNATION OF MANAGEMENT AUTHORITY. (a) The
27 management of recreational uses of state land and water described in
28 sec. 425(b) of this chapter is the responsibility of the division of
29 parks. The management of resources other than recreation is the

1 responsibility of the division of lands subject to (e) of this section.

2 (b) The Department of Highways is responsible for the repair and
3 maintenance of the routes known as the Fishhook-Willow Road and the
4 Craigie Creek Road. The costs of road maintenance and repair are to
5 be borne by Department of Highway funds.

6 (c) The Department of Fish and Game is responsible for the
7 management of fish and wildlife resources in the areas described in
8 sec. 425 of this chapter; however, it shall consult with the Department
9 of Natural Resources before adopting regulations concerning fish and
10 wildlife management.

11 (d) The division of parks shall consult with the Department of
12 Fish and Game before adoption of regulations concerning the use and
13 control of firearms in the areas described in sec. 425 of this chapter.

14 (e) The division of lands must receive the approval of the
15 director of the division of parks before leasing any land or permitting
16 any land uses within the recreation zone described in sec. 425(b) of
17 this chapter.

18 Sec. 41.20.445. BOUNDARY MODIFICATIONS. If, in the exercise of
19 management responsibility under secs. 420--445 of this chapter, conflicts
20 of land ownership, jurisdiction, or authority are unreconcilable or
21 unmanageable at reasonable cost to the state, the commissioner may
22 modify the boundaries of the Talkeetna Mountains State Park, not to
23 exceed a 20 per cent diminution of the total acreage described in sec.
24 425 of this chapter. The commissioner may also add adjacent land
25 found to be desirable but not included in the description in sec. 425
26 of this chapter. Boundary modifications under this section shall be
27 made by regulation adopted under the Administrative Procedure Act (AS
28 44.62) and are subject to annulment by the legislature under AS
29 44.62.320(a).

JAN 15 1975

HB 580

The Honorable Mike Bradner
Speaker of the House
Alaska State Legislature
Juneau, Alaska 99811

Dear Mr. Speaker:

In accordance with AS 24.30.060(b) and the Uniform Rules of the Alaska State Legislature, I am transmitting a bill to establish a Talkeetna Mountains State Park and urge its prompt enactment. The bill is a substantially revised version of the legislation introduced last year as SB 327.

The proposed Talkeetna Mountains State Park has been called one of Alaska's most scenic public resources. The area, known by most visitors as "Hatcher Pass", offers a unique combination of road-access, rugged mountains, alpine valleys and relics of past gold mining activities. Today this area has become a de facto recreation area, even though many multiple uses such as mining and livestock grazing also take place here. The Fishhook-Willow road, which traverses the proposed State park, receives heavy summer use by wheeled motor vehicles, and heavy winter use by snowmachines and cross country skiers. Planners have estimated that over 200,000 people visit this proposed State park each year.

Recreational activities common in the Talkeetna Mountains include hang-gliding, hiking, camping, snowmobiling and cross country skiing. This winter, helicopter-borne alpine skiing is taking place, and one group of enterprising Palmer residents is developing a plan to construct a bobsled run near Hatcher Pass itself. This kind of pressure creates a need for recreation facilities and management; patrol and visitor safety programs by park rangers, construction of sanitary facilities, campgrounds, trails and picnic areas.

Even with the emphasis on recreation management, which this legislation would create, planners in the Department of Natural Resources recognize that other uses are well-suited to the drainages of the Little Susitna River and Willow Creek. Thus, a unique concept in park management has been written into this proposed legislation.

A legally-defined zone, which will be subject to restricted multiple use management, is contained within the boundary of

the proposed Talkeetna Mountains State Park. This zone will be the subject of a multiple-use planning effort by members of the Department of Natural Resources' Divisions of Geological and Geophysical Survey, Lands, Parks, and Agriculture. In addition, there will be representatives on this planning team from the Departments of Fish and Game and Highways. Their final product must be approved by the Commissioner of Natural Resources. It is through this process that these land uses other than recreation can be protected.

Though the legislation's wording makes this area subject to less restrictive protection than our other State parks, we feel that it is the only logical management approach which can insure that traditional land uses which have taken place here can continue in reasonable consonance.

Sincerely,

Jay S. Hammond
Governor

THE LEGISLATURE OF THE STATE OF ALASKA
FISCAL NOTE

Second Session - Ninth Legislature

I. REQUEST

Bill No. _____
Title: Taikeetna Mountains State Park
Requested by: _____ Date: _____
Return Date Requested: _____
Agency: Division of Parks Program: Park & Recreation

II. FISCAL DETAIL

Budget Request Unit(s) Affected: District Operations (10.46.7.02.00.00)

A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 76	FY 77	FY 78	FY 79	FY 80	FY 81
100 PERSONAL SERVICES	37.0	37.0	50.0	50.0	75.0	135.0
200 TRAVEL	1.5	2.0	2.0	2.5	3.0	4.0
300 COMMODITIES	6.0	9.0	12.0	12.0	20.0	30.0
400 COMMODITIES	1.0	2.0	2.5	3.5	4.0	7.0
500 EQUIPMENT	12.3	5.0	10.0	10.0	10.0	20.0
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	57.8	55.0	76.5	78.0	112.0	191.0

B. FUNDING: (Thousands of dollars)

GENERAL FUND	FEDERAL FUNDS	OTHER
57.8		
55.0		
76.5		
78.0		
112.0		
191.0		

C. POSITIONS:

PERMANENT/TEMPORARY	1 / 1	1 / 1	2 / 1	2 / 1	2 / 3	3 / 3
MAN MONTHS (P./T.)	12 / 0	12 / 6	24 / 6	24 / 6	24 / 18	55 / 18

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

Assumes minimal visitor safety and park resource protection for first year of operation. Staffing by park rangers and equipment operators; refuse collection via contract. Snow-machines for patrol, highway vehicles, radio communications equipment, aircraft charter time will all be necessary for effective park management. During FY's 79 and 80, it is assumed that capital bonds will be available for recreation facility development. In addition to increasing public use, said recreation facilities will increase staffing needs for FY 81.

IV. ATTACHMENTS Note: Park acreage: 499,000. Estimated 1975 visitation: 199,500.

V. DATE: 12/23/75

PREPARED BY:

Russell W. Cahill
Russell W. Cahill

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (Direct Legislator NAMED)

Revised

THE LEGISLATURE OF THE STATE OF ALASKA
FISCAL NOTE
Second Session - Ninth Legislature

I. REQUEST
 Bill No. HB 580
 Title: Talkeetna Mountains State Park
 Requested by: _____ Date: 3/11/1976
 Return Date Requested: _____
 Agency: Division of Parks Program: Park & Recreation

II. FISCAL DETAIL
 Budget Request Unit(s) Affected: District Operations (10.46.7.02.00.00)
 A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 76	FY 77	FY 78	FY 79	FY 80	FY 81
100 PERSONAL SERVICES	37.0	37.0	50.0	50.0	75.0	130.0
200 TRAVEL	1.5	2.0	2.0	2.5	3.0	4.0
300 CONTRACTUAL	6.0	9.0	12.0	12.0	20.0	30.0
400 COMMODITIES	1.0	2.0	2.5	3.5	4.0	7.0
500 EQUIPMENT	12.3	5.0	10.0	10.0	10.0	20.0
600 LAND & STRUCTURES			150.0	350.0	200.0	
700 GRANTS, CLAIMS, ETC.						
TOTAL	57.8	55.0	226.5	428.0	312.0	191.0

B. FUNDING: (Thousands of dollars)

GENERAL FUND	57.8	55.0	76.5	78.0	112.0	191.0
FEDERAL FUNDS			75.0	175.0	100.0	
OTHER (G.O. Bonds)			75.0	175.0	100.0	

C. POSITIONS:

PERMANENT/TEMPORARY	1 / 1	1 / 1	2 / 1	2 / 1	2 / 3	3 / 3
MAN MONTHS (P./T.)	12 / 6	12 / 6	24 / 6	24 / 6	24 / 18	36 / 18

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

Assumes minimal visitor safety and park resource protection for first year of operation. Staffing by park rangers and equipment operators; refuse collection via contract. Snowmachines for patrol, highway vehicles, radio communications equipment, aircraft charter time will all be necessary for effective park management. During FY's 78, 79 and 80, it is assumed that capital bonds will be available for recreation facility development. In addition to increasing public use, said recreation facilities will increase staffing needs for FY 81.

IV. ATTACHMENTS

V. DATE: 3/11/1976 PREPARED BY: Russell W Cahill

Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

STATEMENT OF DEE FRANKFOURTH

REGARDING THE PROPOSED
TALKEETHNA MOUNTAINS STATE PARK
(HB 580 and HB 664)

House Finance Committee
Juneau, Alaska
March 13, 1976

Testifying for:

Alaska Center for the Environment
Eagle River Sportsman's Game Preservation Assoc.
Mountaineering Club of Alaska
PARC of Anchorage
Sierra Club, Alaska Chapter
Upper Cook Inlet Chapter/Alaska Conservation Society

My name is Dee Frankfourth, and I live in Anchorage. I am here this morning to testify in support of the Talkeetna Mountains State Park (HB 580). I am representing the Alaska Center for the Environment, the Eagle River Sportsman's Game Preservation Association, the Mountaineering Club of Alaska, PARC of Anchorage, the Alaska Chapter of the Sierra Club, and the Upper Cook Inlet Chapter of the Alaska Conservation Society.

I want to convince you of the importance of creating a Talkeetna Mountains State Park. It has been called many things in five years of being tossed around in the Legislature -- Hatcher Pass State Recreation Area, Garret Heinie Snider State Recreation Area, Talkeetna Mountains State Park, Talkeetna Mountains State Agricultural Reserve. However you refer to it, it is still a section of the Talkeetna Mountains that is heavily used by recreationists.

It is an area of 450,000 acres, 30 miles north, as the raven flies, from Anchorage. It has a long history of various uses. From 1900-1942 it was commonly known as the Willow Creek Mining District. During these four decades there were six major gold mines in the area. In 1942 a presidential order closed the mines to divert manpower to military defense. The mines have never resumed this peak level of activity.

As the Matanuska Valley colonists began to settle in the late 30's more and more lands were used for grazing. Some of these lands were within what is now proposed park. Grazing lands began to be leased in 1939.

As population in southcentral Alaska began to increase in the 1950's and has continued through the '70's, so did recreation in the area now known as Hatcher Pass. It became a popular ski tour to start at the Little Su Roadhouse, ski up to Hatcher Pass, and then down the other side to Willow on the snow-covered Willow-Fishhook Road. (The road is not plowed in the winter.) Exploring the ruins of the old mines attracted some. Picnicking and hiking among the alpine hills of the Little Susitna River, Reed Creek and the Willow Creek drainages became popular to others. Just taking a summer drive over the Pass is a pleasant way to spend a Sunday afternoon. Snowmobiles and motorcycles have become common sights in the area.

So, there is a history of various, oftentimes conflicting, uses in this portion of the Talkeetna Mountains. At different times in history it has had different predominant uses. Now, and for the last ten years that use has been recreation. That isn't to say that recreation should prevail to the exclusion of other historic uses. Indeed, it should not. In the bill before you now (HB 580) all the aforementioned activities would be allowed. Mining will be allowed to continue on the valid existing claims. Grazing leases, in both the park and recreation zones, will continue with the option to be renewed.

The activities are so diverse, the users so varied, that some type of planning and regulation needs to be introduced into this area. Better management would protect everyone's interests. HB 580 would enable that protection.

The creation of a park in the Talkeetna Mountains is not a new, just-this-year idea. There has been a lot of time put in by a lot of interested citizens. We have worked and talked and had meetings. We have made concessions to all factions. We have reached impasses, and we have gone back to the drawing board. More meetings, more work. And, now a bill that has been drafted by the Administration and received input from all interested parties is before you.

It is not perfect, but we think it is as close as it ever can be. This is the year to begin better management of 450,000 acres of the Talkeetna Mountains, and HB 580 is the way to do it. The pressures on the Matanuska Valley are increasing -- land speculation, possible capital site location, a rapidly growing population. These must be anticipated and planned for before tremendous pressures create a situation that no factions wish to see.

Thank you.

MEMORANDUM

3-24-76)

HB 580

TO: Honorable Hugh Malone
State House of Representatives
Alaska State Legislature

DATE : March 1, 1976

FROM: *CRK* Chris Roust
Facilities Coordinator
Department of Education

SUBJECT: School Construction
Projects

The following is submitted in reply to a request by your Aide, Jim Rhode, for a list of recent school construction projects which have had cost overruns. Most of the projects listed are in Chapter 142 SLA 1974 (1974 General Obligation Bonds) as they are the most recent authorizations.

Please be aware that not all cost overruns must be covered by additional funds. Many of the negotiated items to bring a project within the available funds do not affect the functional use of the facility, which may have been overdesigned. At times, a readjustment of the budget for design, administration and inspection has added many dollars to a construction budget. Equipment funds are often used to finance an award, and at the end of a project are sometimes partially replenished from the contingency budget for that project, or are supplemented by operating funds. Another source of funds to supplement an original authorization is to seek the Governor's authority to reallocate funds from projects within a bond issue which have been awarded for less than the budget authorized to them. An example was the award of Kongiganak School by use of excess funds from four other projects. Generally, however, with present bidding techniques used by the Department of Public Works, there are more funds in the overrun column than in the excess column. We estimate that the schools with asterisks will need additional funds, but the actual amounts may be different from the negotiated amounts. Also, we may be able to cover some of the overruns with excess funds from other projects yet to be bid under Chapter 142.

<u>School</u>	<u>Construction Budget</u>	<u>Low Base Bid Award (No Alternates)</u>	<u>Amount Negotiated</u>	<u>Amount to Complete Program As Designed</u>
-Already Bid & Awarded-				
Kivalina	1,796,000	1,869,500	73,500	
*Shungnak	2,188,000	2,225,000	37,000	
*Shishmaref	1,946,000	2,078,000	132,000	
Kongiganak	1,720,000	2,034,400	314,400	
Fort Yukon	666,500	691,600	25,100	
*Tanana	339,000	396,000	57,000	
Dot Lake	388,000	327,044	60,956	
Tri-Valley (Healy)	1,122,000	1,235,000	113,000	
Delta	1,017,000	1,322,092	305,092	
*Angoon	562,000	621,000	59,000	
Mentasta Lake	198,500	211,651	13,151	
*Prince of Wales (Craig)	793,000	829,000	36,000	642,573
*Hydaburg	446,790	433,565	-0-	436,900
-To be Bid-				
*Kipnuk	767,000			
*Akiak	508,000			
*Gambell	1,092,200			
*Savoonga	1,249,000			
*Manokovak	304,000			

upon the 150 square feet and other standard design features would then be developed in each prioritized village, and the final budget would be established at the time of construction contract award. In this way, each school would be adequate and yet not "gold plated," as can happen if excess funds are allocated to a specific project.

A multiplier per REAA is being developed which can help to reduce the area differentials, but the other factors listed above will have a significant effect on how much of a facility will be provided at each location. I fear that many villages will be coming back to the state in 1978 with requests to make their schools adequate based upon what the villages in other REAA's received. An example may be that all the projects in one REAA are large, with foundation problems and the need for complete utility systems, which results in an overall lower number of square feet per student. With 21 REAA's, it will be difficult to average the cost of various site situations over the smaller regions which have only a couple of projects to average.

A village will expect to receive whatever an architect designs. The State-Operated Schools System encountered difficult problems by allowing the architects freedom to design much more space than the budget would cover. We hope that the REAA's or the Department of Public Works will have sufficient professional staff to control the development of the building programs, rather than face the difficulties which SOS and the North Slope Borough have faced recently in their school building programs. It seems that everyone would be happier if the control was on the program space rather than on the budget per project. The cost of a project cannot be adequately estimated until a complete program, site selection, utility inventory, and bidding techniques are established. We feel that the decisions should be made locally, but the Legislature must make the overall decision of the funding level for a specific budget year, and therefore must ultimately decide which schools will be built. It seems that the Department of Education is best equipped to recommend the priorities from the total requested by the REAA's. REAA priority lists should not be altered. We do feel, however, that the REAA's should follow guidelines as to the emergency, health and safety projects, plus the amount of space and quality of that space (not the budget), which will qualify for state funding. It should be realized that this method of space rather than fund allocation must face at least one program review, as the facility could be designed to virtually eliminate operating expense by increasing the construction cost. Since we are dealing with state-financed and state-owned facilities, we feel that the funds must be wisely spent for facilities to house educational programs on an equitable basis.

cc: Glen K. Vernon

Many other projects are undoubtedly under funded. The architects sometimes realized this and simply reduced the program space to meet the budget. Such schools will be over crowded and will not be able to offer complete curricula. Some villages will be vocal and request or demand more space, while others will silently suffer the results of such inequity, with nothing to which to compare their school.

The amount of funds needed to complete a project is difficult to estimate. A contractor will seldom hold his bid prices for longer than 30 days, which indicates his uncertainty as to future material and labor costs. Also, with no clear guidelines of program to evaluate, it is difficult to support or disagree with the amount of space in the architect's design. We do not have sufficient information in this office to determine the cost of the space or equipment which may be needed to provide adequate space at each project location.

It should be noted that in the next bond issue, funds are currently allocated by site or REAA. However, the figure of \$200 per square foot was proposed by the Department of Education as a statewide average cost of construction using the present bidding system over the 1977-1978 construction seasons. Each project will vary significantly in square foot costs, depending upon the following factors:

1. Location of and transportation to the site.
2. Size of the project.
3. Amount of specialized space such as science space, kitchens, water safety (swimming) tanks.
4. Need for utility systems--Does the village have a sewage disposal system, water system, electrical power, or will the school supply the village.
5. Remodeling existing space can be much less costly.
6. Bidding techniques can vary the costs of construction in excess of 30%.

The Department of Education assumed the construction function of state-operated schools in July 1975. There was not sufficient time to estimate the individual project costs for over 100 villages for the FY 1977 budget, so we proposed a grant fund based on the total number of unhoused secondary students, multiplied by 150 square feet per student, multiplied by \$200 per square foot. Programs based