

RURAL
CAP



Partners for Progress
with Alaska's Communities

RurAL Alaska Community Action Program, Inc.

MAILING ADDRESS: DRAWER 412 ECB

TELEPHONE 279-2441

ANCHORAGE, ALASKA 99501

December 29, 1975

William C. McConkey, Chairman
Rural Energy Task Force
Alaska Energy Office
338 Denali Street - MacKay Bldg.
Anchorage, Alaska 99501

Dear Mr. McConkey:

During the December 11th Task Force meeting, several major areas were discussed. The most important issue that will influence energy in rural Alaska is the \$2,000,000 Energy Research & Development Administration (ERDA) funds that will be administered by the AEO, if funded.

These would be long range development research plans to test the feasibility of alternative energy sources in the state. The State of Alaska is prime now for this kind of research, since we already know that our world fossil fuels are limited. It appears that the crude fuels "taken" from Alaska will not be primarily used in this state. We have got to have some alternative source.

Where the funds are to be used should be carefully analyzed. This is where a permanent Energy Commission for the state would play a major role for future Alaska. If alternative sources of energy were proved feasible in certain areas, these would become primary industrial sites. The future development of Alaska will ride on the more feasible sites (geothermal, hydro-power, tidal, etc.).

The Energy Commission would be appointed by the Governor and should be representative of both rural and urban Alaska. We already know that alternative energy sources are feasible, but special attention would be paid to the type of specialized equipment involved; for instance, modifications would have to be made on wind generators to fit rural Alaskan situations, and icing conditions. Again, I will say that a more permanent Task Force or Energy Commission is necessary for the development of Alaska. Three meetings is not enough time to discuss, review, and research the rural energy problems and to make a well thought out plan for the problems we are faced with.

The proposed energy legislation for the establishment of a revolving "matching" fuel fund bothers me a great deal. It creates a burden on the village, especially those that do not have the management capability, and most of all the other two-thirds funding. The small village will be hurt the most.

Mr. McConkey
December 29, 1975

These "problem" villages need the loans the most, and these communities should be given planning and technical assistance. A fuel management training program should be required with the loans. They need full financing from somewhere. One must be established through the state. The village corporations (in shortage problem situations) usually do not have a great deal of Alaska Native Claims annual allotments. I know, because I worked with the Calista Corporation with 10 communities in the Bethel area in 1974. They had barely enough money to invest for staff and expenditures required by law (audit, financial reports, etc.).

The high cost of setting up bulk storage tanks for villages requires planning, training and some grant (RDA) help. I would rather see a revolving loan fund with two-thirds or full financing depending on the village situation. Every area is different (transportation, communications, distance from distributors, economic, etc.). As I have stated before, and will state again, it is important to our rural villages.

The problem villages should be assisted first. These are usually the communities with no storage. In other words, a set of strict criteria should be set. The permanent task force would have some say on the criteria and type of financing and assistance they need. Along the lines of fuel management training, the community colleges (University of Alaska) would be cooperative in setting up courses that would pertain to fuel. An ongoing "energy consciousness" program should be taught at these colleges and also in high school.

There is an ongoing fuel data gathering program by several agencies at this time. A central information center should be set up at the Alaska Energy Office. There is enough information for a good start.

The recommendation to create regional supply centers is good. This should be pursued now. The non-profit and profit corporations should be made aware of the importance of energy planning, both in terms of short and long range.

I have often felt that the state should purchase fuels locally, and that they should encourage villages to work closely with the State Operated Schools and BIA in planning for fuel orders so as to ensure that fuel is delivered at one time, or in some cases twice a year to fill those fuel needs. The village with transportation problems should coordinate efforts with agencies that order fuel and insist that those fuels are delivered as promised.

I would not have to expound on the recommendation of village and regional corporations assuming responsibility in providing the capital necessary to establish energy systems. I support the recommendation to read "recommends that private and industrial corporations", etc., instead of village and regional corporations.

A recommendation was made to encourage private and industrial corporations to study the possibility of entering the fuel transportation business on a "private" profit making basis, and I support it.

Mr. McConkey
December 29, 1975

The enclosed summary was the action taken at the Legislative Conference held in Anchorage on December 5-7, 1975. There were representatives from both rural and urban Alaska who participated in the sessions. The recommendations were made formally and were passed by motion unanimously. I urge you to read those recommendations.

I wish to go on record stating that I feel very strongly about the statements that I have made to the Rural Energy Task Force members and hope that they will consider my comments. Having worked with fuel problem situations for the past year has made me realize there is financial and technical assistance (education in fuel management and planning) needed very badly in the bush.

It has been a pleasure to serve on the Task Force, and I would definitely like to be involved in the future for any Alaskan energy development.

We must take energy conservation measures if we are to succeed as an energy efficient state. How much of the Alaskan fossil fuel will the rural Alaskans see and be able to enjoy at a reasonable cost?

Sincerely,



Mary M. Stachelrodt
Director, Rural Energy

MMS/so

Enclosure

cc: Task Force Members

12/23/75

RURAL CAP EMERGENCY FUEL LOAN FUND

In order for a village, corporation, or an individual to receive a no-interest loan they must:

1. Demonstrate that they intend to repay the loan before they are actually loaned the money.
2. That RurAL CAP comes up with a repayment plan according to village needs.
3. Loans can be made to individuals, in concurrence with the village council.
4. That no more than \$3,000 per community be loaned out at any one time.
5. That the village has demonstrated that they have tried other funding sources.

A total to date of \$20,000 is available for rural emergency fuel loans at no interest.

The RurAL CAP bulk storage fuel loans have been allocated to date. No other funds have been proposed by RurAL CAP for bulk storage. However, if such monies are made available, RurAL CAP will make a grant proposal.

Mary

December 7, 1975

SB 392 - This bill to create within the Department of Commerce, a rural needs energy revolving loan fund.

It was given a very high priority by the Committee and to amend Sec. 44.33.140 to read "Powers and duties of the department @ the department may:

"(1) Make loans to a qualified entity for purposes of construction, equipping, and operating fuel storage facilities and for fuel purchases, including fuel for resale, and for emergency energy requirements such as electrical generation."

We felt that the Bill was a little too broad, it included loans for "other energy requirements including but not limited to electrical utilities, geothermal, hydroelectrical, or wind-power energy production, or for natural gas lines construction; etc."

Sec. 44.33.150 (a) to read the same.

The administration is proposing legislation for a matching loan fund for rural energy needs similar to SB391-392 but ideas surrounding this legislation are:

1. That loans be funded by the State at no more than 1/3 total project cost.
2. At the prevailing interest rate and ³ that the State would be paid back first.

The committee rejected these 3 conditions, for the following reasons:

1. The 1/3 State matching by 2/3 other is unrealistic. It is hard enough for a village to find financing for a bulk storage facility at approximately .85-\$1.50 per gallon capacity for amortization costs.
2. At this 1/3 matching loan to be at the prevailing interest rate, the community might as well go to a bank. Only communities over 3,000 population such as Bethel, Kotzebue would be able to afford the loans under these conditions.
3. For the State to be paid back 1st. I guess the idea behind that is so that the loan is paid due the State.

Another proposed piece of legislation by the administration is a winterization bill. The Committee is in favor of the proposal if it is geared toward winterization in urban and un-capped areas, such as Anchorage, Fairbanks, Juneau, Ketchikan.

Another strong recommendation is for the Conference to support any effort in establishing a building design and building standard code for energy efficiency structures in Alaska.

The committee recommends to support the Alaska Energy Office in their endeavor in upgrading the Alaska State building code, to

implement energy conservation measures in all future construction of State owned facilities and support of their decisions made under the A95 review process.

A-95 is set-up as a clearing house for certain federal-funded projects, such as a HUD project.

Another recommendation was made in support of the Energy office to review, and approve or disapprove, any HUD development plans to insure that the fuel needs are met.

LAST YEAR THE ALASKA STATE LEGISLATURE PASSED A BILL APPROPRIATING \$281,000 TO PROVIDE MATCHING FUNDS FOR HEAD START AND PARENT CHILD CENTER PROGRAMS. THIS YEAR THE GOVERNOR'S BUDGET ADVISORY COMMITTEE HAS CUT IN HALF THE AMOUNT OF STATE MATCHING FUNDS REQUESTED BY C & RA.

IF THE STATE DOES NOT WISH THE \$281,000 TO BE A CONTINUING APPROPRIATION, THERE ARE 2 ALTERNATIVES:

1. PASSING AN AUTHORIZATION BILL, DIRECTING THE ADMINISTRATION TO ANNUALLY INCLUDE IN ITS BUDGET REQUEST 25% MATCHING FUNDS FOR FEDERALLY FUNDED CHILD DEVELOPMENT PROGRAMS IN THE STATE.
2. PASSING AN APPROPRIATION BILL ANNUALLY.

IF THE GOVERNOR'S PRESENT BUDGET PASSES THE LEGISLATURE, WITH THE PRESENT LEVEL OF STATE FUNDING FOR HEAD START, AT LEAST FOUR PROGRAMS PRESENTLY FUNDED UNDER STATE FUNDS WILL END.

Rural Alaska

February 6, 1976

Community Action Program, Inc.

Senator Frank Ferguson
Pouch V
Juneau, AK 99811

Dear Senator Ferguson:

As you know, the Alaska State Legislature last year passed a bill appropriating \$281,000 to the Dept. of Community & Regional Affairs to provide matching funds for Head Start and Parent Child Center programs throughout the State of Alaska.

Enclosed is our first quarterly report to Eric Lee in the Dept. of Community & Regional Affairs. You will notice that all of the funds were used in new programs, and to provide training and technical assistance to those seven new rural programs and one additional classroom in Anchorage. In addition, programs in Fairbanks, Chugiak and Metlakatla were expanded to include more children.

We feel that given the time and constraints, that these programs have been enormously successful and have provided much needed services to handicapped and normal pre-school children throughout the State.

However, I have recently learned some disturbing news: The Governor's Budget Advisory Committee has cut in half the amount of State matching funds requested by the Dept. of Community & Regional Affairs for Fiscal Year 1977.

It was, I believe, the intent of the Legislature that the \$281,000 appropriation be a continuing appropriation. It was also, in my contact with legislators, the intent of both the House and the Senate, to allow expansion of the Head Start program as far as an additional 25% matching would allow that expansion.

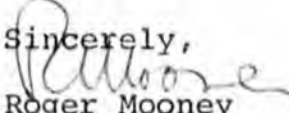
If, however, the State administration does not see Head Start as a priority, then the Legislature may wish to consider the following:

1. Passing an authorization bill, directing the administration to annually include in its budget request 25% matching funds for Federally funded Child Development programs in the State.
2. An annual appropriation, based on the current level of funding for Head Start program operators from the Office of Child Development. The alternative, of course, simply passing an appropriation bill annually.

If the Governor's present budget passes the Legislature, with the present level of State funding for Head Start, it will mean closure of at least four of the programs presently funded under the State funds.

If you have any questions, please don't hesitate to call.

Sincerely,


Roger Mooney
Director of Child Development

Child Development • P.O. Box 3908, Anchorage, Alaska 99501 • (907) 279-2441

RM/vh

NARRATIVE

I OPENING OF PROGRAMS

State funding was used to open eight new Child Development programs:

Head Start programs were opened in Galena, Huslia, Haines, Ketchikan, Kotlik, Newtok and an additional classroom in Anchorage.

A unique program combining Head Start and a Parent Child Center was opened in Tok. The program in Tok is a classroom-based program for 20 children from Tok and Tanacross, and also provides outreach services to five villages in the Upper Tanana Region. These services include information and training in early childhood development, health services, and activities for young children. Staff from the Parent Child Center will assist local communities to start volunteer programs.

A total of 33 staff have been hired in the eight programs, with backgrounds ranging from a high school education to a Master's Degree in Special Education.

II ENROLLMENT

The eight programs have an enrollment of 142 children and an additional 30 are being served by the outreach Parent Child Center in Tok. Of this number of children, 21 are handicapped.

III COMMUNITY SUPPORT

Volunteer participation and the enthusiasm for the program has been overwhelming. In Haines, for example, a full-time Director of the center, which includes both Head Start and non-Head Start children, works entirely without pay. In addition, the people of Haines totally renovated a building and raised enough money to pay for most of the cost of renovation.

Parents volunteer in the center in Haines on a regular basis.

In Ketchikan, a local church provides space free to Head Start, and parents of the Head Start children have painted the entire building.

In all of the rural programs, no State funds are used for rental of buildings. The communities have provided space for Head Start free of charge.

narrative/2

In Anchorage, the Head Start program is located in Fairview Elementary School, and the space is free to the Head Start program. This donation of space and volunteer effort represents a substantial "in-kind" contribution to the program.

IV HEALTH SERVICES

Most of the children in all of the communities have been examined by health professionals, and plans are underway to ensure that all children receive a complete physical exam and a dental examination. Attached is a trip report by a consulting pediatrician who visited Nevlok. The report is not only an illustration of the kinds of services that the Head Start program provides in health, early education etc., but is a vivid example of the need for programs like Head Start in communities like Nevlok.

V TRAINING

Staff in all centers with the exception of Kotlik and Nevlok, which opened late, were involved in accredited training delivered through Sheldon Jackson College, the University of Alaska and Kuskokwim Community College. The training program established by Rural CAP and the University of Alaska, will lead to a two-year Associate of Arts degree in Pre-primary Education.