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**83**

*(File 2)*

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**FILE**

# MEMORANDUM

State of Alaska  
Community & Regional Affairs

TO: Annalee McConnell, Director  
Office of Management and Budget

DATE: February 9, 1998

FILE NO:

TELEPHONE: 465-4700

*pk*  
FROM: Remond Henderson, Director  
Administrative Services Division

SUBJECT: FY 98 Supplemental Request

The purpose of this memorandum is to convey the Department of Community and Regional Affairs' official request for supplemental appropriations in FY 98, as set forth below:

Project	GF	Fed	Other	Total
Power Cost Equalization	\$ -	\$ -	\$ 1,700,000	\$ 1,700,000
Bristol Bay/Kuskokwim Economic Disaster	\$ 1,875,000	\$ 7,000,000	\$ -	\$ 8,875,000
Head Start Quality, Health, and Safety	\$ 500,000	\$ -	\$ -	\$ 500,000
<b>Total 98 Supplemental</b>	<b>\$ 2,375,000</b>	<b>\$ 7,000,000</b>	<b>\$ 1,700,000</b>	<b>\$ 11,075,000</b>

4(a)  
4(b)

1(b)

12(d)(1)

Attached are backup documents providing detailed information for each supplemental request.

cc: Traci Carpenter, Budget Analyst, DAS

1(b)

**Bristol Bay/Kuskokwim River Drainages Economic Disaster  
Project Cost Information**

A grant application is being prepared to submit to the U.S. Department of Commerce, National Oceanic and Atmospheric Administration. The federal funds available are from the Magnusson Stevens Act.

Total Project Cost: \$9,333,333

Cost by Fund Source:

Federal:	\$7,000,000
State GF (Hard Match):	1,875,000
<u>State &amp; Local (In-Kind Match):</u>	<u>458,333</u>
<u>Total Project Cost:</u>	<u>\$9,333,333</u>

Match Requirement = 25% of Total Project Costs

Calculation:

$\$9,333,333 \times .25 = \$2,333,333 = \text{State \& Local Match}$

$\$9,333,333 \times .75 = \$7,000,000 = \text{Federal Contribution}$

1(b)

1-10-91 3-30PM

DECLARATION OF ECONOMIC DISASTER  
IN BRISTOL BAY AND IN THE  
KUSKOKWIM RIVER DRAINAGES

*bill*  
*98*  
*supplemental*  
*request*

WHEREAS, certain communities in Bristol Bay and in the Kuskokwim river drainages are facing a period of extreme economic hardship due to distressed salmon runs, limited commercial fishing opportunities, and low market prices; and,

WHEREAS, while the salmon industry has been depressed statewide, and individuals throughout the state have suffered the effects, the economic impact in Bristol Bay and in the Kuskokwim river drainages has been on entire communities. The economic base of these communities in Bristol Bay and in the Kuskokwim river drainages is totally dependent on the proceeds of the salmon harvest. These communities do not have the economic diversity found in communities elsewhere to withstand the disastrous economic impact of extremely low salmon runs coupled with low prices for the salmon that are harvested. The summer chum run in the Kuskokwim river drainages is one of the lowest recorded commercial runs; and,

WHEREAS, there are existing state and federal assistance and planning programs potentially available to assist communities in Bristol Bay and in the Kuskokwim river drainages to cope with the economic disaster they are facing, researching and evaluating available programs can be difficult and time consuming for members of the public; and,

WHEREAS, there is a Coordinated Response Partnership that includes local, state, and federal member agencies working cooperatively to respond to local needs and to provide information on existing programs.

NOW THEREFORE, on this 18th day of July, 1997, based on information I have received from the Department of Community and Regional Affairs and other state agencies, I declare the following:

1. As a result of the low salmon harvest and depressed prices, municipalities in Bristol Bay and Kuskokwim river drainages have suffered a severe reduction in anticipated fish tax revenue. I intend to seek a supplemental legislative appropriation to assist those municipalities.
2. It is appropriate for the Coordinated Response Partnership (CRP) to assist communities in Bristol Bay and in the Kuskokwim river drainages which are impacted by this economic crisis. The

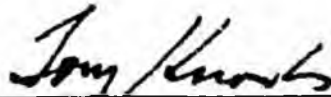
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DEPARTMENT OF  
COMMUNITY AND REGIONAL AFFAIRS

**Declaration of Economic Disaster in Bristol Bay  
and in the Kuskokwim River Drainages, cont.**

Department of Community and Regional Affairs shall take the lead, through the CRP, to organize state agency response to the economic disaster in Bristol Bay and in the Kuskokwim river drainages.

3. The CRP will provide accurate and comprehensive information to communities on programs and technical expertise currently available from state and federal agencies. The CRP will assist individuals in accessing existing programs.
4. State agencies will act, through the CRP, and consistent with their existing statutory authority, to assist in restoring the economic health and stability in Bristol Bay and in the Kuskokwim river drainages and to assist communities in these areas to develop goals and strategies for future economic development.



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Tony Knowles  
Governor

# MEMORANDUM

***State of Alaska***  
**Community and Regional Affairs**  
**Commissioner's Office**

TO: Honorable Tony Knowles

DATE: July 18, 1997

FROM: Mike Irwin, Commissioner

PHONE NO: 465-4700

SUBJECT: Bristol Bay Salmon Situation

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Commercial fishermen throughout the state are experiencing low prices for salmon this year. In particular, fishermen in the Bristol Bay region are experiencing a 'double jeopardy' with record-low catch rates combined with recurring low salmon prices. There is substantial evidence that these low catch rates, coupled with low prices, are having a significant impact on the regional economy, affecting individuals, families and communities alike. The Bristol sockeye run is the state's single largest fishery, and the economy of the region is heavily dependent on that one fishery. A similar situation may exist in the Kuskokwim River region as well; however, it is too early to make a conclusive determination until more is known about the coho run. The Department has completed an initial analysis of the effects on the region, and the results of that analysis present an emerging picture of economic distress and dislocation. Based on our analysis, and with our knowledge of the region's communities and the regional economy, I believe it is appropriate to move forward with a coordinated state response.

Some of the anticipated effects of the current situation are listed below. These projections are based on catch rate and price information provided by the Department of Fish and Game, and provide an illustrative 'snapshot' of the resulting socio-economic conditions.

- The harvest value of the Bristol Bay Sockeye fishery will be 25% of the past five-year average -- an expected loss of \$135 million in gross earnings of permit-holders.
- 1,731 Alaskan permit-holders fishing this run are anticipated to lose \$80.3 million in income; 900 of these are resident Bristol Bay fishermen, who will lose \$32.8 million.

- In addition, the region's cities and boroughs are expected to lose \$4.6 million in local tax revenues, and an additional \$3.9 million in State Shared Fish Business Taxes.
- 40% of the direct employment in the Bristol Bay Region is in fisheries, not including indirect industries such as transportation, retail, services, and the public sector. The loss of income in this region will severely affect the majority of households.

As you can see, residents of the region will encounter both immediate as well as longer-term effects. While we cannot replace lost income, state resources can be organized, in partnership with other agencies and organizations, to offer timely and comprehensive assistance.

I am available at any time to discuss this matter with you further.

Bristol Bay Region Permit-Holders

Borough/Area	Population	Incorp Type	Permit-Holders	% of Pop.
Bristol Bay Borough	1,254	2nd Class Borough	223	17.8%
Lake & Peninsula Borough	1,852	Home Rule Borough	243	13.1%
Dillingham Census Area	4,462	Unorganized	802	18.0%
<b>Region Total</b>	<b>7,568</b>		<b>1,268</b>	<b>16.8%</b>

City/Community	Borough/Area	Population	Incorp Type	Permit-Holders	% of Pop.
King Salmon	Bristol Bay	467	Unincorporated	44	9.4%
Naknek	Bristol Bay	627	Unincorporated	132	21.1%
South Naknek	Bristol Bay	157	Unincorporated	47	29.9%
Aleknagik	Dillingham	219	2nd Class City	39	17.8%
Clark's Point	Dillingham	66	2nd Class City	23	34.8%
Dillingham	Dillingham	2,226	1st Class City	296	13.3%
Ekuk	Dillingham	3	Unincorporated	0	0.0%
Ekwok	Dillingham	118	2nd Class City	5	4.2%
Koliganek	Dillingham	210	Unincorporated	20	9.5%
Manokotak	Dillingham	396	2nd Class City	108	27.3%
New Stuyahok	Dillingham	442	2nd Class City	45	10.2%
Portage Creek	Dillingham	6	Unincorporated	0	0.0%
Togiak	Dillingham	740	2nd Class City	255	34.5%
Twin Hills	Dillingham	67	Unincorporated	11	16.4%
Chignik	Lake & Peninsula	128	2nd Class City	14	10.9%
Chignik Lagoon	Lake & Peninsula	80	Unincorporated	20	25.0%
Chignik Lake	Lake & Peninsula	152	Unincorporated	10	6.6%
Egegik	Lake & Peninsula	139	2nd Class City	55	39.6%
Igiugig	Lake & Peninsula	48	Unincorporated	4	8.3%
Iliamna	Lake & Peninsula	103	Unincorporated	22	21.4%
Ivanof Bay	Lake & Peninsula	28	Unincorporated	3	10.7%
Kokhanok	Lake & Peninsula	166	Unincorporated	8	4.8%
Levelock	Lake & Peninsula	111	Unincorporated	14	12.6%
Newhalen	Lake & Peninsula	175	2nd Class City	4	2.3%
Nondalton	Lake & Peninsula	237	2nd Class City	16	6.8%
Pedro Bay	Lake & Peninsula	45	Unincorporated	5	11.1%
Perryville	Lake & Peninsula	101	Unincorporated	10	9.9%
Pilot Point	Lake & Peninsula	80	2nd Class City	26	32.5%
Port Alsworth	Lake & Peninsula	64	Unincorporated	4	6.3%
Port Heiden	Lake & Peninsula	147	2nd Class City	25	17.0%
Ugashik	Lake & Peninsula	5	Unincorporated	3	60.0%
				<b>1,268</b>	

Bristol Bay Resident Permit-Holders fishing Drift Gillnet Salmon	459
Bristol Bay Resident Permit-Holders fishing Set Net Salmon	441
	<b>900</b>

From Alaska Economic Trends, July 1997.  
 "A Trends Profile - The Bristol Bay Region."  
 Department of Labor, Research & Analysis

**Impacts to Local Municipal Fish Tax Revenues in Bristol Bay and Kuskokwim Fisheries**

**Bristol Bay Sockeye Fishery:**

<u>Municipality</u>	<u>FY</u>	<u>Tax Revenues</u>	
Bristol Bay Borough	1996	\$2,762,509	
Togiak	1995	\$131,484	
Clark's Point	1996	\$30,000	
Lake & Peninsula Borough	1996	\$1,801,601	
Chignik	1994	\$160,248	
Egegik	1996	\$520,037	
Pilot Point	1995	\$729,017	
		<u>\$6,134,896</u>	<b>95/96 actual Municipal fish tax revenues</b>
		<u>\$1,533,724</u>	Est. 97 tax revenues, at 25% of 5-year average value
		<b>(\$4,601,172)</b>	<b>Local municipal tax loss in BB Sockeye Fishery</b>

**Kuskokwim Chum Fishery:**

<u>Municipality</u>	<u>FY</u>	<u>Tax Revenues</u>	
Bethel	1995	\$85,000	Portion of sales tax collected from fish processing
		<u>\$31,450</u>	Est. 97 tax revenues, at 37% of 5-year average value
		<b>(\$53,550)</b>	<b>Local municipal tax loss in Kuskokwim Chum Fishery</b>

**Assumptions:**

Past 5-year average: \$180 million annual value of BB Sockeye Fishery to fishermen  
 This year, estimated \$45 million value, or 25% of the 5-year annual average  
**75% loss in value to fishermen and local municipal governments**

**NOT INCLUDED:** State Shared Fish Tax, Shared Fisheries Business Tax, reduction to State Revenue Sharing due to lost local revenues.

Estimated by Research & Analysis Section, DCRA, MRAD, from Municipal financial records, 7/15/97

**ALASKA DEPARTMENT OF REVENUE  
INCOME AND EXCISE AUDIT DIVISION**

**Draft Shared Fish Business Taxes Comparison for FY96 - FY98  
For the Kuskokwim and Bristol Bay Areas**

	FY 96*	FY 97**	Difference FY97-FY96	Percent FY97 of FY96	FY 97**	FY98***	Difference FY97-FY98	Percent FY98 of FY97
<b>Borough</b>								
Bristol Bay	\$2,939,568	\$1,995,575	(\$943,993)	-32.1%	\$1,995,575	\$765,000	(\$1,230,575)	-61.7%
Lake and Peninsula	\$365,151	\$235,528	(\$129,623)	-35.5%	\$235,528			
Total Boroughs BB and KK	\$3,304,719	\$2,231,103	(\$1,073,616)	-32.5%	\$2,231,103			
Total Outside BB and KK	\$3,918,013	\$3,028,829	(\$889,184)	-22.7%	\$3,028,829			
<b>Total Boroughs</b>	<b>\$7,222,732</b>	<b>\$5,259,932</b>	<b>(\$1,962,800)</b>	<b>-27.2%</b>	<b>\$5,259,932</b>			
<b>City</b>								
Aleknagik	\$0	\$0	\$0		\$0			
Aniak	\$3,862	\$0	(\$3,862)	-100.0%	\$0			
Bethel K	\$3,271	\$24,402	\$21,131	646.0%	\$24,402			
B Chignik	\$99,758	\$86,081	(\$13,677)	-13.7%	\$86,081			
B Clark's Point	\$165,732	\$94,363	(\$71,369)	-43.1%	\$94,363			
B Dillingham	\$268,745	\$272,555	\$3,810	1.4%	\$272,555			
B Egegik	\$125,184	\$75,375	(\$49,809)	-39.8%	\$75,375			
Goodnews Bay	\$3,310	\$3	(\$3,307)	-99.9%	\$3			
Kasigluk	\$0	\$0	\$0		\$0			
Manokotak	\$0	\$0	\$0		\$0			
Mekoryuk	\$15,598	\$0	(\$15,598)	-100.0%	\$0			
New Stuyahok	\$0	\$0	\$0		\$0			
Newhalen	\$0	\$0	\$0		\$0			
Nondalton	\$0	\$0	\$0		\$0			
Nunapitchuk	\$0	\$0	\$0		\$0			
B Pilot Point	\$39,550	\$73,614	\$34,064	86.1%	\$73,614			
B Togiak	\$407,464	\$342,788	(\$64,676)	-15.9%	\$342,788			
Toksook Bay	\$1,236	\$531	(\$705)	-57.1%	\$531			
Tununak	\$2,776	\$0	(\$2,776)	-100.0%	\$0			
Upper Kalskag	\$0	\$0	\$0		\$0			
Total Cities BB and KK	\$1,136,486	\$969,710	(\$166,776)	-14.7%	\$969,710			
Total Outside BB and KK	\$9,677,453	\$6,817,104	(\$2,860,349)	-29.6%	\$6,817,104			
<b>Total Cities</b>	<b>\$10,813,939</b>	<b>\$7,786,814</b>	<b>(\$3,027,125)</b>	<b>-28.0%</b>	<b>\$7,786,814</b>			

→ x.75  
\$ 3,944,949  
1055  
(3,245,378)

\* Revenue has been shared to communities.  
\*\* Draft revenue has not been shared to communities.  
\*\*\* Revenue estimate provided by the Department of Commerce. No validation by the Department of Revenue

(9)

**Bristol Bay Sockeye  
Past 5 Years:**

	Catch	Avg Wgt	Price	Value
1992	31,900,000	5.70	\$1.12	\$203,649,600
1993	40,500,000	6.00	\$0.68	\$165,240,000
1994	35,600,000	5.55	\$0.99	\$195,604,200
1995	44,400,000	5.50	\$0.77	\$188,034,000
1996	29,700,000	6.26	\$0.80	\$148,737,600
<b>5-year Average</b>	<b>36,420,000</b>	<b>5.80</b>	<b>\$0.87</b>	<b>\$180,253,080</b>

**1997 Harvest Estimates:**

	Catch	Avg Wgt	Price	Value	Percentage
Low Price	13,000,000	5.80	\$0.50	\$37,713,000	20.92% of 5-year average
Mid Price	13,000,000	5.80	\$0.60	\$45,255,600	25.11% of 5-year average*** will use this
High Price	13,000,000	5.80	\$0.70	\$52,798,200	29.29% of 5-year average

**Loss to Commercial Fishermen in BB Sockeye Fishery:**

(\$142,540,080) low loss

**(\$134,997,480) mid loss**

(\$127,454,880) high loss

**BB Salmon Set Net Permits**

	Permits	Avg Gross			
Residents	758	\$23,685	441 are BB Residents	\$10,445,085	43.28% BB residents
Non-Residents	253	\$23,685			
Interim Use Permits	8	\$23,685			
<b>Total (93.7% fished)</b>	<b>1,019</b>	<b>\$23,685</b>			5-year average

**BB Salmon Drift Gill Net**

	Permits	Avg Gross			
Residents	973	\$82,286	459 are BB Residents	\$37,769,274	\$48,214,359 \$53,572 Avg income
Non-Residents	915	\$82,286			
<b>Total (99.4% Fished)</b>	<b>1,888</b>	<b>\$82,286</b>		<b>\$48,214,359</b>	<b>24.31%</b> BB residents
	59.5% Alaskans				
	1,731 Alaskans		900 total BB Residents		

**Value of BB Red Fishery to Alaskan Fishermen:**

Alaska Residents	\$107,250,583	59.5%
Non-Resident	\$73,002,497	40.5%
<b>Avg Value</b>	<b>\$180,253,080</b>	

**Loss to Alaskan Permit-Holders**

\$84,813,761 at 20%	
<b>\$80,319,961 at 25%</b>	60%
\$75,836,887 at 30%	

Bristol Bay Residents \$43,819,524 24.3%

**Loss to BB Region's Permit-Holders**

\$34,652,479 at 20%
<b>\$32,816,441 at 25%</b>
\$30,984,785 at 30%

(9)1

## MEMORANDUM

TO: Annalee McConnell, Director  
Office of Management and Budget

DATE: February 10, 1998

THRU: *Dwayne B Peeples*FROM: Dwayne Peeples, Director  
Division of Administrative Services

SUBJECT: FY98 Supplemental Request

The Department of Corrections request the following items be considered for supplemental funding in FY98.

**Supplemental #1**

Inmate Health Care: \$2,500.0 GF 5 (c)

Inmate Health Care currently has considerable medical cases beyond the norm, with bills estimated at \$1,984.0 as of January 28, 1998. Final bills for some of these cases have not been received and other cases, which are not yet closed, are estimated. A few very current cases were not calculated in these totals, therefore, the best total estimate through year-end is \$2,500.0.

**Supplemental #2**

Institutions: (Correctional Facilities) \$661.0 GF 5 (c)  
\$ 60.0 GF/PR  
\$721.0

The supplemental need for Institutions is being driven by several factors, primarily due to overcrowding. Overtime is high due to overcrowding, inmate medical transports and hospital coverage, and shift coverage for Correctional Officer 1 s attending the Correctional Academy for six weeks.

The projected deficit in the personal services line for all twelve institutions is \$1,485.0. This projected deficit is being reduced to \$1,166.0 by holding the line on expenditures in non-personal services lines. The DOC is further reducing the deficit by processing revised programs to move funding from the Division of Community Corrections to the Division of Institutions.

The legislature appropriated \$650.0 in Federal Funds and \$65.0 in General Fund Match for a total of \$715.0 in FY98 to the Office of the Commissioner in anticipation of receiving funds from a Federal Truth in Sentencing program. The Department was notified that the State of Alaska does not qualify for the Federal Truth in Sentencing program and will not receive a federal grant. The Department proposes that the \$65.0 General Fund Match appropriated to the project be used to partially offset the Institutions supplemental need.

The DOC Institutions collect \$2.00 per meal from anyone eating a meal prepared and served by the Institution. These funds are collected primarily from DOC staff. Historically these funds have been deposited into the general fund. A program receipt supplemental for \$60.0 of these funds would assist with the requested supplemental.

#### Supplemental #4

Transportation and Classification \$240.0 GF 5 (d)

The increased prisoner population for FY98, averaging about 20% above Cleary Emergency capacity, has required significant prisoner transports be accomplished by the five (5) Prisoner Transportation Officers in the Transportation and Classification Section, both in-state and out-of-state. Accomplishing this involves heavy overtime usage and increased transport expenses. To make it through the fiscal year, an addition of \$120.0 personal services is required to cover the costs of premium pay for the prisoner transportation officers and an additional \$120.0 of travel funds are necessary to cover the transportation needs of moving these huge numbers of prisoners. As one aspect of the Department's plan for handling these increased prisoner levels, an additional 120 prisoners will be moved to our Central Arizona contract facility by the end of March. The Department needs these supplemental funds to accomplish this out-of-state action and to continue to meet ongoing in-state prisoner transport needs for the remainder of the fiscal year.

#### Supplemental #5

Existing Community Residential Centers	\$886.0	1 (c)
Supplemental GF/PR Auth. (25% Wages)	\$600.0	GF/PR
Supplemental GF/PR Auth. (DWI Collections)	\$ 50.0	GF/PR
Supplemental GF	<u>\$236.0</u>	GF
Supplemental Request	\$886.0	

The Department started the fiscal year with 586 general funded Community Residential Center (CRC) beds at eight contract facilities. Five of the providers base contracts expired on November 30, 1997 and had to be resolicited. This resolicitation has resulted in an overall cost increase of \$886.0, which requires a supplemental. In addition, as part of the agreement to spend newly appropriated Federal Funds toward new CRC beds, the Department was obligated to maintain the original 586 beds. To reduce the impact of the supplemental, however, we estimate that \$650.0 of this need could be funded by increasing the general fund/program receipt authority and allowing the DOC to utilize collections in excess of our current authorization for DWI cost of care and Inmate 25% Wages cost of care reimbursement. This supplemental request is time sensitive due to the expiration dates of existing contracts. Some contracts will expire March 31, 1998. The DOC can not implement contracts to continue these beds if funding is not available at that time.

#### Supplemental #6

Alaska Board of Parole \$50.0 GF 5 (c)

The workload of the Alaska Board of Parole has increased significantly as prisoner populations have expanded across the entire State of Alaska. To process discretionary and mandatory parole hearings, parole revocation hearings, preliminary hearings, etc., on a timely basis, additional travel, transportation, and contractual service funds are required. Maintaining parole board activities to return eligible parolees to the community will free up institutional beds.

1 (c)

**Supplemental #7**

**Kids Package**

\$100.0 GF 12 (d)(17)

This request is for capital funds to purchase vehicles and life safety equipment necessary to implement the Sexual Predators program.

cc. Margaret Pugh, Commissioner  
Joseph Reeves, Deputy Director, Administrative Services  
Sharleen Griffin, Program Budget Analyst

**Inmate Health Care  
Supplemental  
(as of 1/28/98)**

<b>Date</b>	<b>Medical Condition - Diagnosis</b>	<b>Actual Cost to Date</b>	<b>Additional Projected Cost</b>	<b>Total Projected Cost</b>
07/01/97	Crush injury, knees	40,826	0	40,826
07/09/97	Stroke	125,390	0	125,390
07/10/97	Blood Clot	16,781	0	16,781
07/21/97	Blood Clot	34,621	0	34,621
07/22/97	Ulcerative Colitis led to ruptured bowel	181,031	0	181,031
07/29/97	Drug induced seizures	43,588	0	43,588
07/31/97	Dissecting aorta required open heart surgery	147,622	0	147,622
08/05/97	Gallbladder surgery - pneumonia	22,391	0	22,391
08/16/97	Suicide attempt	23,834	0	23,834
09/12/97	Kidney failure	27,474	15,726	43,200
09/20/97	Massive coronary	52,952	0	52,952
09/22/97	Malignant tumor of the throat	32,444	217,556	250,000
10/07/97	Malignant orbital tumor - Sinuses - eye removed	11,725	0	11,725
10/09/97	Aortic Valve replacement	174,128	0	174,128
10/09/97	Mallory-Weiss tear - gastrointestinal bleeding	15,685	0	15,685
10/29/97	Coronary angiogram	91,496	38,504	130,000
11/11/97	Tripod fracture with a subdural	99,268	8,732	108,000
11/11/97	Abscess of large bowel	26,384	23,616	50,000
11/16/97	Cirrhosis of the liver - bulimia - renal failure	32,618	27,382	60,000
12/07/97	Ulcerative Colitis - Remove large intestine	41,886	78,114	120,000
01/05/98	Infection of fatty tissue & muscle of buttocks	326	39,674	40,000
01/05/98	Perforated duodenum - developed abscess	180	74,820	75,000
01/12/98	Stroke	2,190	UTE	2,190
01/13/98	Malignant abdominal mass	3,289	116,711	120,000
	Hemophiliac with aids (hospitalized)	5,000	UTE	5,000
	Monthly medications for hemophiliac with aids	15,000	75,000	90,000
	<b>TOTAL</b>	<b>1,268,129</b>	<b>715,835</b>	<b>1,983,964</b>

\*UTE NOTE: Unable to Estimate costs

**Specialty Clinics**

<u>Component</u>	<u>FY98 Auth</u>	<u>Change</u>	<u>Revised</u>
Maternal Child & Family Health	9,022.2	100.0	9,122.2

1(d)

<u>Component</u>	<u>Federal</u>	<u>GF/PR</u>	<u>GF/MH</u>	<u>GF</u>
Maternal Child & Family Health		100.0		

The Department is requesting a supplemental for FY98 in the amount of \$100.0 GF/PR for the Specialty Clinics, Genetics and Birth Defects Clinics. These clinics are offered throughout Alaska and provide services to 600+ clients annually. Clinics include Cleft Lip and Palate, Cardiology, Neurodevelopment, and Genetics and Birth Defects. Clinics are offered in Anchorage, Barrow, Bethel, Dillingham, Fairbanks, Juneau, Ketchikan, Kotzebue and Sitka (schedule attached).

Cleft Lip and Palate, Cardiology and Neurodevelopment Clinics are available to clients, age 0-21 years, with special needs. Clinics are multi-disciplinary, and offer comprehensive, in-depth care which would otherwise be unavailable in most communities. It is more cost effective for the state, and less disruptive to families, to arrange Specialty Clinics to evaluate clients in a number of targeted communities instead of transporting ALL clients and families into one community (Anchorage) for evaluations and follow-up.

Genetics and Birth Defects Clinics are available to clients of all ages. Services are indicated for the purposes of establishing a diagnosis and providing families with information and counseling concerning prognosis, cause, reproductive risk, treatment, referrals, etc. There are no board certified pediatric geneticists in Alaska. Without Genetics and Birth Defects Clinics, all clients would have to travel to the Lower 48 for these services.

With increased billing on behalf of clients through third party payers and Medicaid, additional program receipts have been collected above the \$41.0 in authorization. We have collected to date \$84.0 from third parties. The ability to expend the increased receipts enables the division to offer more clinics to those individuals who are uninsured or underinsured.

The specialty clinics are multi-funded through the MCH block grant, the Alaska Mental Health Trust Authority, and through billings to third parties including Medicaid, Insurance, Champus, Indian Health Service, and self-pay on a sliding scale. Each funding source targets a different group of children. Without this supplemental, the number of children seen at these clinics will not increase, and, in the future additional clinics will not be added to the schedule.

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# Schedule of Specialty Clinics

## State of Alaska Specialty Clinics

For more information contact:  
 Section of Maternal, Child, and Family Health  
 31 Gambell St.

Anchorage, AK 99501-4627  
 Phone: (907) 269-3460 or  
 (800) 799-7570  
 Fax: (907) 269-3465



### CLINIC SCHEDULE 1997 - 1998

#### Cardiac Clinic

August 26, 1997	Barrow
October 15-16, 1997	Bethel
Spring 1998	Nome
Spring 1998	Kotzebue
<del>_____</del> April 15, 16	Bethel
<del>_____</del> May 11, 12	Ketchikan
<del>_____</del> May 14, 15	Juneau
<del>_____</del> May 13	Sitka

#### Neurodevelopmental Clinic

October 30-31, 1997	Fairbanks
November 18-19, 1997	Ketchikan
November 20-21, 1997	Juneau
Spring 1998	Fairbanks

#### Cleft Lip and Palate Clinic

July 9, 1997	Fairbanks
October 8, 1997	Fairbanks
October 31, 1997	Anchorage
December 5, 1997	Anchorage
January 14, 1998	Fairbanks
February 6, 1998	Anchorage
<del>_____</del> XCLD	Juneau
Spring 1998	Anchorage
April 3, 1998	Fairbanks
April 8, 1998	Fairbanks
May 15, 1998	Anchorage

### CLINIC COORDINATORS

Anchorage	Sharon Bezek	269-3460
Barrow	Mary Messner, PHN	852-0270
Bethel	Janet Strom, PHN	543-6530
Fairbanks	Kathy Colling, PHN	452-1776
	Sherae Dohner, PHN	452-1776
Juneau	Colleen See, PHN	465-3353
Ketchikan	Dep Jepsen, PHNA	225-4350
Kotzebue	Jean Rabern	442-7152
Nome	Terry Romenesko, PHN	443-3221
Sitka	Georgina Kitka	966-8483

## Alaska Genetics & Birth Defects Clinic

Section of Maternal, Child, and Family Health  
 1231 Gambell St., #407  
 Anchorage, AK 99501-4627  
 Phone: 269-3430 Fax: 269-3465  
 (800) 799-7570



### CLINIC SCHEDULE 1997-1998

July 22-23	Anchorage
July 24-25	Fairbanks
September 30-October 1	Anchorage
October 2	Juneau
<del>_____</del> XCLD	<del>_____</del>
(PKU/Metabolic Genetics)	
October 6	Juneau
October 7-8	Anchorage
November 18-19	Anchorage
November 20	Fairbanks
January 27 - 28	Anchorage
January 29	Bethel
March 24-25	Anchorage
March 26	Fairbanks
March 27	Dillingham
(PKU/Metabolic Genetics)	
April 13-14	Anchorage
April 15	Fairbanks
May 26 -27	Anchorage
May 28	Juneau
May 29	Ketchikan

### Clinic Coordinators

Anchorage	Christy LeBlond, MS	269-3430
Bethel	Janet Strom, PHN	543-6530
Dillingham	Jean Timmerman, PHN	842-5981
Fairbanks	Dorothy Stella, PHN	451-1637
Juneau	Paula Rohrbacher, PHNA	465-3353
Ketchikan	Susan Newburn-Medel, PHN	225-4350
Sitka	Nancy Cavanaugh, PHN	747-3255

Medical Director: Louanne Hudgins, MD

(206) 526-2056

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# MEMORANDUM

# STATE OF ALASKA


Department of Military & Veterans Affairs    Administrative Services Division

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TO:            Annalee McConnell, Director  
                 Office of Management & Budget  
                 Office of the Governor

DATE:           February 9, 1998

TELEPHONE:    465-4730

FROM:             
                 Carol Carroll  
                 Director

SUBJECT:        FY98 Budget  
                 Supplemental  
                 Poker Flats

The Department of Military & Veterans Affairs requests the following time critical supplemental for FY98:

**1. Upgrade and modernize the University of Alaska, Fairbanks - Poker Flats Project - \$20.0 million federal funds**

This is a capital project to extend over approximately 5 years, in which the Alaska National Guard (ANG) has the authority to administer the cooperative agreement between the Department of Defense (DOD) and the University of Alaska's Geophysical Institute, Poker Flats Research Range project. The timing of this project is important, as in order to start construction this season the DOD would like to transfer the first \$7.0 million to the State this spring. The DOD is constrained from dealing directly with universities and as a result, the ANG is requesting this federal appropriation to be included in its regular federal cooperative agreement. The ANG will pass on this funding to the University of Alaska. See attached back-up material.

We appreciate your consideration. If you have any further questions feel free to contact me, or our budget contact Nico Bus, at 465-2406.

Attachments

cc:            Roger Schnell  
                 Juno Chance  
                 Nico Bus  
                 Bob Heavilin

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*Suzanne L. Ryherd*  
420-6187



DEPT OF DEFENSE  
 ATTENTION: PFO

**DEPARTMENTS OF THE ARMY AND THE AIR FORCE**

OFFICE OF THE U.S. PROPERTY AND FISCAL OFFICER, ALASKA  
 P O BOX 8, CAMP DENALI  
 FORT RICHTERSON, ALASKA 99503-2610

AKNG-AG-PFO

12 January 1998

MEMORANDUM FOR Department of Military and Veterans Affairs, DMVA-DAS,  
 ATTN: Carol Carroll, P.O. Box 110900, Juneau, AK 99811-0900

SUBJECT: Big Crow Research Center/University of Alaska Fairbanks, Poker Flats Project

1. The U.S. Army Big Crow Research Center, Kirtland AFB, NM has asked the Alaska National Guard's assistance in to provide funds for the construction of a Range Control Center, Upper Range Road, Lidar facility, upgrader to backup electrical service, instrumentation laboratory, and expansion of the magnetic network for the University of Alaska's Geophysical Institute, Poker Flats. Current Grant authority regulations make it extremely difficult for the Department of Defense to deal directly with the University. The reason for Big Crow using the Alaska National Guard for this purpose is (first), the Alaska National Guard already has a grant/cooperative agreement relationship with the Department of Military and Veteran Affairs (DMVA), we (Alaska National Guard) are in a position to assist the State by working through the DMVA to the University, (second), The Alaska National Guard has the existing authority to administer cooperative agreements, (third), administering and conducting the construction in-state will maximize efficiency, (fourth), the methods were evaluated and the Alaska National Guard can most effectively meet the time constraints imposed, (fifth), and this method would be more efficient.

2. Request your office explore the fiscal and legal issues surrounding this request and assess the possibility and willingness to move forward with the necessary agreements and funding transfers. The funds for this project are expected to extend over approximately 5 years and the funding would be in the amount of \$20,000,000.00 total.

3. We would appreciate any assistance with this matter. If there is any information or documentation you require from us we will provide it to you. Point of contact is Susan Ryherd, 420-6187.

*FAX 420-6191*

FOR THE NATIONAL GUARD BUREAU:

DAVID P. HAGAMAN  
 Lieutenant Colonel, NGB  
 United States Property  
 and Fiscal Officer

CF:  
 DMVA-COS, Mr. Schnell  
 PFO-CA, Susan Ryherd,  
 Mr. Unruh, Big Crow

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**MEMORANDUM**  
**MANAGEMENT & BUDGET**

FEB 10 1998


State of Alaska

Department of Transportation & Public Facilities

TO: Annalee McConnell  
Director  
Office of Management and Budget

DATE: February 10, 1998

TEXT NO: (907) 465-3652  
FAX NO: (907) 586-8365  
TELEPHONE NO: (907) 465-3900

  
FROM: Joseph L. Perkins, P.E.  
Commissioner

SUBJECT: FY98 Supplemental

The Department of Transportation and Public Facilities requests \$1,741,199 in additional funding for the FY98 operating budget and \$12,100,000 for capital needs. The operating appropriation is to cover actual costs and lost revenues incurred as a result of the blockade of the *M/V Malaspina*. The capital funds are needed to match federal funds for three harbor projects and to provide federal authority for one highway project. 18 (a)

As a result of the *Malaspina* being barred from departing Prince Rupert on July 19, 1997 until July 21, 1997, the department incurred extraordinary costs related to the staffing of the vessel, re deploying of other vessels and legal costs related to damage recovery. The total amount expended is \$548,800 but is reduced by \$30,700 due to anticipated lease cost savings as a result of the settlement now reached with the Canadian government. Attached is a breakdown of those costs. Also, the department lost \$1,223,099 in revenues when ticketed passengers were unable to ride on the vessels or chose not to due to the uncertainty of the situation and their own safety. Our total request is \$1,741,199 in general funds to the Marine Highway Stabilization Fund.

The department is also requesting \$3,600,000 in general funds to match Corps. of Engineer's harbor projects appropriated by Congress. The general fund match requirements for those additional projects are as follows: \$2,000,000 for St. Paul Harbor improvements, \$1,000,000 for Chignik small boat harbor breakwater construction, and \$600,000 for King Cove outer harbor construction projects. The Legislature did not appropriate these projects to the department in FY98 as they had not been included in the President's FY98 budget. Sen. Stevens added them as it had been hoped. 18 (b)

Finally, the department is requesting \$8,500,000 in federal receipt and expenditure authority for rehabilitation of the Glennallen to Tok Interstate 1 (f)

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Highway. This project will provide spot repairs from mile 0 to 124 excluding 30 - 38 where a federal aide project is now underway. Smoothing the surface of the roadway is necessary to deal with unsafe road conditions. This is an emergency repair project that has become a priority due to the worsening condition of the road over the past year. This project could be ready to advertise in April and completed hopefully by August.

Please contact Nancy Slagle at 465-3911 should you have any questions about this request. Thank you.

**Attachment**

cc: Nancy J. Slagle, Director, Division of Administrative Services  
Kurt Parkan, Deputy Commissioner  
Dianna Blair, Budget Analyst, Division of Administrative Services

**Department of Transportation & Public Facilities  
Alaska Marine Highways**

FY 98 Supplemental Request  
for Costs and Lost Revenue Associated with the Prince Rupert Blockade

Updated February 10, 1998

**Additional Expenditures Resulting from Blockade**

	Actual as of 1/21/98	Projected	<u>TOTAL</u>
Personal Services	\$ 127,500		127,500
Travel	29,300		29,300
Other			
Contract with Dept. of Law	112,800	212,200	325,000
Other contracts	52,400	0	52,400
Supplies	500		500
Capital Expense	14,100		14,100
<b>Less: FY 98 lease payment reduction at Prince Rupert resulting from settlement</b>		-30,700	-30,700
	<u>\$ 336,600</u>	<u>\$ 181,500</u>	<u>\$ 518,100</u>

**Revenue Lost as a Result of Blockade**

Tickets to and from Prince Rupert that were refunded as a result of the blockade. Passengers cancelled travel plans or took alternate means of transportation. **\$ 1,223,099**

**TOTAL GENERAL FUND SUPPLEMENTAL REQUEST** **\$ 1,741,199**

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**Department of Transportation & Public Facilities**  
**Alaska Marine Highways**  
FY 98 Supplemental Request

**Detail - Expenditures Resulting from Blockade**

Updated February 10, 1998

**Total of \$518,100**

**Personal Services - \$127,500**

Overtime / guarantee pay / recall pay for crew and port personnel - \$98,500  
Unanticipated travel time pay for crew - \$7,000  
Benefits associated with above personal services costs - \$22,000

**Travel - \$29,300**

Travel costs for replacement crews and staff to attend to blockade - \$29,300

**Other - \$377,400**

RSA to Department of Law for legal services associated with the blockade and subsequent lawsuit against Canadian fisherman who perpetrated the blockade. Currently estimated to be \$325,000.

Additional costs for longshoring at Bellingham port due to increased number of port calls - \$20,600.

Additional phone costs associated with re-routing travelers in Prince Rupert and maintaining communications during blockade period - 11,000.

Advertising expenses to notify the public of the Prince Rupert closure - \$11,000.

Special contracts to document the blockade - \$8,500

**Supplies - \$500**

Miscellaneous including camera, film, and developing to document blockade.

**Capital Expense - \$14,100**

Cost of Zodiac purchased to serve legal papers to the fishermen in blockade - \$9,100.  
Cost of satellite cellular phone to maintain emergency communications - \$5,000

**Reduced Lease Cost Payments to the City of Prince Rupert - (\$30,700)**

The terms of the settlement agreement provide for a reduction in terminal lease costs paid to the City of Prince Rupert beginning March 1, 1998. The \$11,666.67 (Canadian) reduction called for in the agreement converts at current exchange rate to approximately \$7,675 (American). Therefore, during the remaining four months of FY 98 there will be reduced payments of 4 X \$7,675, or \$30,700.

# STATE OF ALASKA

## DEPARTMENT OF FISH AND GAME DIVISION OF ADMINISTRATION

TONY KNOWLES, GOVERNOR

P.O. BOX 25526  
JUNEAU, AK 99802-5526  
PHONE: (907) 465-5999  
FAX: (907) 465-6078

### MEMORANDUM

TO: Annalee McConnel  
Director  
Office of Management and Budget

FROM: Kevin Brooks *kb*  
Director

DATE: February 11, 1998

SUBJECT: FY98 Subsistence Supplemental—Federal Receipts

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The Department of Fish and Game, Division of Subsistence requests approval of a supplemental appropriation for \$120.6 in federal funds. The division has five separate projects with the federal government to collect subsistence harvest data. Each of these is detailed in the attached backup. Two of the projects will be completed in FY98 and three will be completed in FY99 and are included in the division's FY99 request.

This request is time sensitive because the contracts are in process and it is necessary to proceed with planned activities. Waiting until passage of a supplemental bill late in the session will not allow adequate time to meet work schedules and complete the contracts.

If you have any questions or require additional information, please contact me.

Attachments

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**Department of Fish and Game**  
**Division of Subsistence, Special Projects and Division of Administration**

Subject of RPL: **Subsistence Harvest Data**  
Amount requested: **\$120.6**  
Funding source: **Federal Receipts**

ADN/RPL #  
Appropriation Authority: **Ch 98 SLA 97 Sec 39 pg 29 ln 24**  
Statutory Authority: **AS 16.95.050(13)**

**SUMMARY**

These projects will fund subsistence harvest research in several regions of the state. Data from the research information will be used by different federal agencies in determining more accurate regulations and guidelines for resource use.

**FUNDING INFORMATION**

- This request has no general fund impact.
- No funding sources other than federal funds are involved.
- The projects fund salary and benefit costs, travel and support costs for existing positions.
- The division had no excess receipt authority in FY98.
- The contracts end dates vary between September 30, 1998 and January 31, 2000. The division's FY99 budget submittal includes carryforward amounts and future budget submittals will reflect carryforward amounts.
- All contracts and modifications are subject to indirect cost recovery under ADF&G's federally negotiated indirect cost agreement.
- The contracts were unknown at the time of the FY98 budget submittal.
- Information provided by the division will assist the state and federal agencies in making more accurate, complete, and up-to-date estimates of wildlife use at the species level.

**PROGRAM INFORMATION**

This request covers several projects:

- 1) US Forest Service will fund subsistence harvest surveys in three communities of Prince of Wales Island. The study will update comprehensive subsistence harvest and use information that was collected in 1987 in three communities. Information will be provided to the US Forest Service, state agencies, AK Board of Fisheries and Game, and other organizations. Attached is a memorandum from Stewart Allen, USDA Forest Service, identifying \$70.0 for this project.
- 2) US Fish and Wildlife Service funds will [a] maintain the Community Profile Database (CPDB). Subsistence harvest survey data compiled during the period will be added to the comprehensive, searchable database. The CPDB will be updated with results from community baseline subsistence harvest surveys and specialized surveys such as those for freshwater fish with are completed during the performance period; and [b] fund liaison activities and staff support for the Federal subsistence management program. The funding will facilitate coordination of State/Federal regulatory processes and information exchange in the review of State and Federal hunting and fishing regulations, regulation proposals or special actions for consistency and/or potential conflicts; subsistence salmon harvests; and large land mammal harvest assessments. US Fish and Wildlife has

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given funds annually since 1990 for similar activities. This request is for \$20.0 for FY98. Attached is a copy of the draft project list identifying services to be provided by the Department of Fish and Game, Division of Subsistence.

- 3) US Fish and Wildlife Service funding enables the division to provide estimates of subsistence harvest of migratory birds in Alaska at the species and regional levels using recent harvest survey information, including surveys in northern SE Alaska, the Bristol Bay-AK Peninsula area, Aleutian Islands, the Yukon-Kuskokwim Delta, Norton Sound, St Lawrence Island, and the NW Arctic. Attached is a signed copy of Cooperative Agreement #98-035 for \$9.5.
- 4) National Park Service awarded the division funding to provide an ethnographic overview and assessment to summarize and evaluate existing ethnographic information regarding contemporary and historic cultural systems associated with the Denali Park area. The division's federal receipt authority lacks \$6.1 for completion of the FY98 portion of the project. A copy of the signed cooperative agreement #98-021 is attached.
- 5) National Park Service and the US Air Force will fund a study to determine the effectiveness of the Alaska Military Operations Areas (MOA) environmental impact statement mitigation plan on human users (including recreation and subsistence users). Information will be provided to the US Air Force, state agencies (Department of Fish and Game, Department of Natural Resources) and federal agencies (National Park Service, Bureau of Land Management, and US Fish and Wildlife Service). This study was approved for funding by the Air Force MOA Resource Protection/Mitigation Council, and a contract (see attached) is being developed by the National Park Service. \$15.0 is anticipated to be spent in FY98.

\$ 70.0



United States  
Department of  
Agriculture

Forest  
Service

Pacific  
Northwest  
Research  
Station

Forestry Sciences Laboratory  
2770 Sherwood Lane, Suite 2A  
Juneau Alaska 99801-8545

(907) 586 8811 • FAX (907) 586-7848

Memorandum

To: Bob Shroeder, Subsistence Division, Alaska Department of Fish and Game  
From: Stewart Allen, USDA Forest Service, Forestry Sciences Lab SA  
Subject: Proposed funding support for subsistence information  
Date: November 12, 1997

In its revised plan for managing the Tongass National Forest, signed in May 1997, the Forest Service identified ten priority information needs to support planning and management activities. One of the top three needs was for updated information on subsistence use patterns in southeast Alaska. We are proposing to meet this need in part by providing funding to the Subsistence Division for your ongoing studies designed to provide the State, Forest Service, and others with information on current use of natural resources for subsistence by southeast Alaska communities.

Specifically, we have identified \$70,000 for the 1998 Federal fiscal year that we intend to provide for this purpose. I am currently proceeding with the paperwork necessary. Please keep us informed as you proceed with obtaining approval to accept this Federal funding. I will update you on progress within the next few days and look forward to continuing to work with you.



Caring for the Land and Serving People

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Reference No. (FS)R10-96-2

## APPENDIX B

PROPOSED CONTRACT FOR ADVISORY AND ASSISTANCE SERVICES

1. Name, agency, office address, and telephone number of person to contact about the proposed procurement.

Dr. Stewart D. Allen  
Forestry Sciences Laboratory  
Pacific Northwest Research Station  
2770 Sherwood Lane, Suite 2A  
Juneau, AK 99801-8545  
Telephone: (907) 568-8811 ext. 240

2. Describe the services to be performed, including any deliverables to be provided. Attach a copy of the statement of work, if one has been prepared.

The Alaska Department of Fish and Game, Subsistence Division, will provide a draft report updating subsistence use patterns on Prince of Wales Island and surrounding areas.

3. What is the total amount of time for completion of the project?

The project completion is estimated to be no later than September, 1998.

4. What is the total estimated cost of the project (including cost of options or out years)?

Estimated cost is \$70,000.

5. Is funding available for this requirement? Please provide documentation showing that funds are available for the initial period of the requirement. If funds have not yet been made available for the requirement, explain how the proposed contract will be funded.

Approximately \$70,000 of FY98 funds are currently available for this requirement in management code 083093 managed by the Juneau FSL, PNW (Shirley Dalton, AO).

6. Why can't the required services be performed by government personnel?

The Subsistence Division instituted a project to update subsistence use information during calendar year 1996, and is preparing a report based on those studies. The proposed contract would allow the State to continue this effort in another portion of southeast Alaska. Because of its recent work, the State is in a much better position to efficiently provide a report that extends the geographic coverage of subsistence use information.

7. What program objectives will be served by award of the proposed contract?

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The proposed contract will accomplish the objective of gaining a better understanding of current subsistence use of natural resources located in part on the Tongass National Forest. This information will provide a scientific basis for the Forest to carry out its subsistence management responsibilities. The recently completed revised Tongass Land Management Plan was forced to rely on 10-year old information on subsistence activities that affect management of the Tongass. Obtaining current information was listed as one of the top three information needs in the revised Plan.

What negative consequences are anticipated if the proposed contract is not awarded?

The Forest Service would continue using admittedly outdated information for its subsistence management activities. Information provided by the State from its initial studies have suggested that subsistence uses have changed in their intensity and distribution over the past 10 years. Forest Service decisions that were based on outdated information would be less supportable and more open to appeals and lawsuits.

8. If similar or related work has been performed previously for the same project or program, please describe the services performed and the relationship to the current request.

Similar or related work was performed roughly 10 years ago; the similar work conducted by the State mentioned above was not done with Forest Service funding or other support.

9. Is it intended that the contract is to be awarded on a sole-source basis? If so, please justify why the contract must be awarded sole source.

Yes. The State Department of Fish and Game, Subsistence Division, has already undertaken an update of subsistence use information for some portions of southeast Alaska. They have developed the methodology and infrastructure to efficiently collect and provide such information. The Division also has extensive expertise in the area and sound credibility. Anyone else attempting to continue the study would begin without this sound basis, which would require additional time and money while not guaranteeing the same quality product.

10. If the answer to question 9 is "No," have you identified a particular company or individual whom you are recommending to provide the services?

N/A

11. If the answer to either question 9 or question 10 is "Yes" -

a. Please provide the name and business address of the individual or company (the vendor).

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Bob Schroeder  
Regional Program Manager, Subsistence Division  
Alaska Department of Fish and Game  
PO Box 240020  
802 3rd St.  
Douglas, AK 99824

- b. Please describe any contacts which have occurred between the vendor and USDA employees concerning the proposed contract. Such contacts include correspondence received from the vendor as well as discussions or correspondence between the vendor and the agency or mission area.

Contact between the vendor and USDA employees has consisted of one discussion regarding to assess the vendor's interest and ability to undertake the proposed contract

- c. Has the vendor already done any work on the project, such as drafting a description of the requirement? If so, please describe the vendor's current involvement with the project.

The vendor has not conducted any work on the project.

12. If subcontracts are anticipated, will the prime contractor be required to direct work to a particular individual or company? Directed subcontracts are not favored because they restrict competition, may interfere with the prime contractor's independent judgment, and may increase the Government's risk from a business standpoint. If you nevertheless intend to direct subcontract work to a particular source or sources, please justify why you intend to do so.

No subcontracts are anticipated.

13. Is there any possibility of the appearance of a personal or organizational conflict of interest if award is made to the recommended individual or company? If so, please explain. An organizational conflict of interest "means that because of other activities or relationships with other persons, a person is unable or potentially unable to render impartial assistance or advice to the Government, or the person's objectivity in performing the contract work is or might be otherwise impaired, or a person has an unfair competitive advantage." (Federal Acquisition Regulation (FAR) 9.501)

No.

14. If the proposed contract or requirement was not submitted within the schedule for quarterly review, please also explain why this requirement was not included in the list of advisory and assistance services contracts submitted for this fiscal quarter.

NA

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ATTACHMENT A

SERVICES TO BE PROVIDED BY THE ALASKA DEPARTMENT OF FISH AND GAME IN SUPPORT OF SUBSISTENCE MANAGEMENT ON FEDERAL PUBLIC LANDS

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Services and projects funded from October 1, 1997 through September 30, 1998. Funding levels expressed in thousands of dollars. Indirect administrative costs are included in project costs.

Department Staff Support	\$44.0
Division of Subsistence	\$86.0
Division of Wildlife Conservation	\$13.5
TOTAL	\$143.5

20.0 in fy 98

Products and Services Reporting Requirements

Service funds given to the Department will be provided on a cost-reimbursable basis for the purpose of acquiring specific products and/or services in support of the Federal subsistence program. Insofar as funding may be needed to initiate certain projects, funds may be obtained by the Department through advance billings. Specific products and/or services are detailed in the individual project descriptions.

In addition to the specific products and services identified for each project included in this agreement, the Department shall submit a summary report by September 30, 1998, summarizing the expenditure of funds, the services performed, and the results achieved for each project during the period October 1, 1997, through September 30, 1998.

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Departmental Liaison and Staff Support \$44.0

Funds are provided by the Service in partial support of Department liaison activities for the Federal subsistence management program. This funding is to facilitate coordination of State/Federal regulatory processes and information exchange in the following areas: the review of State and Federal hunting and fishing regulations, regulation proposals, or special actions for consistency and/or potential conflicts; providing notification of State actions potentially affecting the Federal subsistence program; providing responses to specific data requests; assisting in the design of cooperative studies; and otherwise assisting in minimizing conflicts between State and Federal fish, wildlife, and subsistence management programs. As appropriate, coordinators shall attend Federal Subsistence Board meetings as Department representatives, and Department field staff shall attend and provide information for Federal Subsistence Regional Advisory Council meetings.

Division of Subsistence

Total ANILCA related services	\$86.0
1. Community Profile Database (CPDB) Update	\$9.6

The Service will provide funding in partial support of Division of Subsistence

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salary costs to update the existing CPDB with new information from subsistence harvest surveys conducted in 4 Prince of Wales Island communities and 11 middle Yukon River communities during 1997/98. The updated CPDB will be provided to the Service in electronic format by September 30, 1998.

2. Ninilchik and Homer Rural Area Subsistence Harvest Survey Planning \$5.7

Funding will be provided by the Service to support the Division of Subsistence salary and operational costs for pre-survey planning of baseline subsistence harvest surveys of the Homer rural area and Ninilchik. The Division of Subsistence will also assist in planning for a related collaborative project with the Ninilchik Traditional Council to collect oral histories of customary and traditional subsistence uses by long-established Ninilchik residents.

For pre-survey planning of the baseline harvest surveys, the Division of Subsistence will review available demographic information and visit the communities/areas proposed for baseline surveys as necessary to develop a survey sampling design. The division will also conduct community scoping meetings as appropriate to inform residents of the survey objectives and to identify concerns area residents may have with the research. Subsistence Division staff will prepare and submit a funding proposal and draft operational plan for inclusion in the FY99 cooperative funding agreement. The operational plan will identify the scope of the proposed fieldwork; a time frame for the project; sampling design; cost estimates; and the roles and responsibilities of Subsistence Division staff, Federal Subsistence Office staff, and other entities that may be involved in the project.

For the oral history project, the Division of Subsistence will meet with the Ninilchik Traditional Council to assist the NTC in developing research objectives, interview protocols and other data-gathering instruments, and an operational plan in which NTC representatives will collect and interpret oral histories. A goal will be to coordinate topical coverage between the systematic household surveys and the oral history research. The NTC will be responsible for pre-project planning/community contacts and preparing an operational plan and funding proposal to conduct the oral history interviews in FY99.

3. Lower Y-K Delta Subsistence Harvest Baseline Survey Scoping \$10.0

This project will fund staff and travel costs for Subsistence Division staff to hold meetings with residents of Kipnuk, Cheforak, Nightmute, Toksook Bay, Tununak, Newtok, and Akiakchak to describe and solicit local support for baseline subsistence harvest surveys of the six communities. These scoping meetings should also involve representatives of the Yukon Delta National Wildlife Refuge and the Service's Office of Subsistence Management, as appropriate. If the proposed project is endorsed locally, a funding proposal and draft operational plan will be prepared by Subsistence Division staff and submitted for inclusion in the FY99 cooperative funding agreement. The operational plan will identify the scope of the proposed fieldwork; a time frame for the project; sampling design; cost estimates; and the roles and responsibilities of Subsistence Division staff, Yukon Delta Refuge staff, Subsistence Office staff, Regional Council representatives and other local residents.

4. Digitized Community Subsistence Use Area Maps \$60.7

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The Service will provide funds in partial support of Division of Subsistence salary and operational costs to update the Division's Subsistence Map Catalog to include all subsistence use area maps prepared through calendar year 1997, and to digitize subsistence use area maps into ArcInfo community coverages for the communities listed below. Digitization is to be done at 1:63000 scale if existing mapped information permits, otherwise at 1:250,000 scale. If source map scale is smaller than 1:250,000, digitization may be done at source map scale following consultation with Office of Subsistence Management staff.

Community coverages will consist of digitized community subsistence use areas for black bear, brown bear, caribou, deer, elk, goat, moose, sheep, salmon, and freshwater fish, if use of these species or species groups by the communities has been mapped. Multiple species use areas may be digitized if individual species use areas were not depicted on source maps. ArcInfo community coverages which have already been digitized by the Department will be included with the newly-digitized maps into the ArcInfo database prepared for the Service. Digitized ArcInfo data will be delivered on 8mm tape in Unix TAR format, or by other mutually agreed-upon data transfer mode by September 30, 1998. This data will be accompanied by text files documenting the source (author, report number, date), species mapped, source map scale, and relevant notation regarding the accuracy and limitations of mapped information and other existing digitized coverages for the community, if any.

Community coverages to be completed during FY98:

Chenega Bay Port Graham	Tatitlek Upper Yentna	Nanwalek Cantwell
Kodiak City	Kodiak Coast Guard	Kodiak Road System
Ivanoff Bay Cold Bay	Perryville False Pass	Belkovski/King Cove Nelson Lagoon
Aleknagik Ekwok New Stuyahok Twin Hills	Clark's Point Koliganek Portage Creek	Dillingham Manokotak Togiak
Unalakleet	Nome	

Division of Wildlife Conservation

Total ANILCA Related Services	\$13.5
1. Management of the Fortymile, Nelchina, and Mentasta Caribou Hunts	\$11.0

The purpose of this project is to ensure that these caribou herds are adequately monitored so that harvest objectives are met without negatively

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affecting the herd status. Funds will be provided in partial support of efforts to monitor herd movements and distribution in relation to hunting pressure, to monitor hunter success and harvest levels by user groups, and to determine whether harvest allocation goals are being met. Funds will be used to defray aircraft expenses for regular radio-tracking flights during periods of greatest hunter concentration, to operate check stations, and to monitor access restrictions when and where appropriate.

2. Fortymile Caribou Herd Management Plan

\$2.5

Funding is provided in partial support of planning team meeting costs associated with implementation of the Fortymile Caribou Herd Management Plan. Participation in ongoing planning activities by the Department, the Service, the National Park Service, the Bureau of Land Management, and representatives of various public interests is intended to continue cooperative management on all lands within the range of the FCH. Implementation of the management plan harvest quota will ensure that adequate opportunities are provided for subsistence harvest.

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ADF&G Agreement No. COOP 98-035  
Agreement No. 1448-70181-98-J085  
DCN # 70181-8-J085  
Charge Code: 72130-1230  
Amount: \$9,500.00

COOPERATIVE AGREEMENT  
between the  
U.S. FISH AND WILDLIFE SERVICE  
DEPARTMENT OF INTERIOR  
and  
ALASKA DEPARTMENT OF FISH AND GAME

I. COOPERATIVE AGREEMENT RECIPIENT:

Alaska Department of Fish and Game  
P.O. Box 25526  
Juneau, Alaska 99802-5526  
(907) 465-4147

Recipient Class: State Government, CFDA # \_\_\_\_\_

II. AUTHORITY:

This cooperative agreement between the U.S. Fish and Wildlife Service, hereinafter referred to as the "Service," and the Alaska Department of Fish and Game, Division of Subsistence, hereinafter referred to as "ADF&G", is entered into under the authority of the Fish and Wildlife Act of 1956 (70 Stat.1119), the Fish and Wildlife Coordination Act (16 USC 661-667 (e) (1970), and the Migratory Bird Treaty Act (MBTA, 16 USC 703). ADF&G authority is in AS 36.30.850(c) and AS 16.05.050 (13).

III. PURPOSE:

The purpose of this cooperative agreement between ADF&G and the Service is to cooperate in the gathering and exchange of technical information related to subsistence management activities and migratory bird management in Alaska. Specifically, this project will provide estimates of subsistence harvests of migratory birds in Alaska at the species and regional levels. The project will use the harvest survey data set found

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in Paige and Wolfe (1997) and all recent harvest survey information collected by the Division of Subsistence and the U.S. Fish and Wildlife Service Migratory Bird Program, including surveys in northern southeast Alaska, the Bristol Bay-Alaska Peninsula area, Aleutian Islands (Nikolski, Akutan, Nelson Lagoon, King Cove), the Yukon-Kuskokwim Delta, Norton Sound, St. Lawrence Island, and the Northwest Arctic.

In 1997, the ADF&G Division of Subsistence produced an updated statewide estimate of subsistence migratory bird harvest in Alaska, under Coop Agreement #1448-0007-95-7735 (A.W. Paige and Wolfe, R.J. 1997. The Subsistence Harvest of Migratory Birds in Alaska - Compendium and 1995 Update. Alaska Dept. of Fish and Game. Division of Subsistence. Technical Paper Series. Juneau.) The analysis provides subsistence bird harvest estimates for general bird categories (geese, ducks, cranes, swans, shorebirds, seabirds, total migratory birds) by surveyed community, region, and all rural areas combined. One important data gap has been bird harvest estimates at the species level, expanded to region and all rural areas. To date, species-level subsistence bird harvest estimates by region and for Alaska have never been produced. Prior to the early 1990s, survey methodology did not allow for species-level estimates by region and state, because most household surveys collected information at the general bird category level. Since then, most bird harvest surveys have collected information at the species level. Because of more complete survey coverage of communities, it is now possible to statistically expand data from surveyed communities to unsurveyed communities, to produce subsistence harvest estimates at the species level for most regions.

#### IV. BACKGROUND:

ADF&G's Division of Subsistence spends approximately \$2.0 million a year to collect subsistence information throughout the State of Alaska. For more than 15 years the Division of Subsistence has been assimilating a comprehensive data base on subsistence resource activities throughout the State. Data provided by the Division of Subsistence are used extensively by Federal and State fish and wildlife managing agencies and regulatory/advisory bodies. As provided for by ANILCA, Section 809, the Federal government has provided partial funding to ADF&G for its technical support to the Federal subsistence management program.

Although subsistence taking of fish and game in Alaska is addressed in Title VIII of ANILCA, an exception for migratory birds is contained in section 815 of that Title. Specifically, Section 815 (4) says that nothing in Title VIII shall be construed as modifying or repealing the provisions of any Federal law governing conservation or protection of fish and wildlife. ANILCA specifically identifies the Migratory Bird Treaty Act (MBTA) as one of several Federal laws, the provision of which are not

modified or repealed by the provisions of Title VIII. Thus, the provisions of the MBTA and the migratory bird treaties would govern subsistence hunting of migratory birds.

The U.S. is signatory to four international agreements on migratory bird conservation and protection in North America. These are with Great Britain (for Canada), Mexico, Japan and Russia. The Migratory Bird Treaty of 1916 between the U.S. and Canada is the earliest and most restrictive agreement on subsistence hunting: it prohibits harvest of most migratory birds between March 10 and September 1 of each year. In order to address the subsistence needs of people in Alaska and Canada, the Service and the Canadian Wildlife Service have developed an agreement to amend the subsistence hunting provisions of the 1916 Treaty. Amending this treaty will allow for legal, regulated harvest by Alaska Natives and other qualified residents residing in designated eligibility areas during traditional hunting periods. A regulated harvest will insure conservation of the migratory bird resource.

The subsistence harvest of migratory birds has been poorly documented in the past. Determining current levels of subsistence harvest supports the process of amending the Canadian treaty and will facilitate the development of implementing regulations. Harvest information is also needed to determine the impact of subsistence hunting on waterfowl and other bird populations. With this information, the relative contribution of the subsistence harvest to the total annual migratory bird take can be assessed, helping make continental management more accurate. Compiling this information and using it to make regional and statewide estimates by species will shed further light on the nature and extent of subsistence use of migratory birds in Alaska.

V. SCOPE:

A. Specifically, the Service will:

1. Provide funds to ADF&G's Division of Subsistence for production of species level estimates of migratory bird harvests in Alaska, by region and statewide.
2. Provide ADF&G, Division of Subsistence with 1996 subsistence bird harvest figures for the Yukon-Kuskokwim Delta, Stebbins, St. Michael, and the Bristol Bay - Alaska Peninsula areas.
3. Share a mutual responsibility with ADF&G to maintain coordination of the activities provided for in this Cooperative Agreement. Either party may initiate consultation at any time during the course of the project. Both parties share responsibility to provide timely notice of any factors which might interfere with

or delay accomplishment of the goals and undertakings of this Cooperative Agreement..

B. Specifically, ADF&G will:

1. Produce species-level estimates of migratory bird harvests in Alaska, by region and statewide. The product will be hard copy tables of species-level harvests by region and revised statewide harvest estimates released in an update of Paige and Wolfe (1997).
2. Share a mutual responsibility with the Service to maintain coordination of the activities provided for in this Cooperative Agreement. Either party may initiate consultation at any time during the course of the project. Both parties share responsibility to provide timely notice of any factors which might interfere with or delay accomplishment of the goals and undertakings of this Cooperative Agreement..

B. The Activity is described as follows:

Produce estimates of subsistence bird harvests by species and region using the harvest data data set found in Paige and Wolfe (1997), and all additional harvest survey information collected by the Division of Subsistence and the U.S. Fish and Wildlife Service Migratory Bird program, including surveys in northern southeast Alaska, the Bristol Bay-Alaska Peninsula area, Aleutian Islands (Nikolski, Akutan, Nelson Lagoon, King Cove), the Yukon-Kuskokwim Delta, Norton Sound, St. Lawrence Island, and the Northwest Arctic. Including these additional data sets will help produce more accurate, complete, and up-to-date estimates of bird harvests at the species level by region than the data set in Paige and Wolfe (1997). The product will be hard-copy tables of species-levels by region and revised statewide harvest estimates released in an update of Paige and Wolfe (1997).

VI. PERIOD OF PERFORMANCE:

The period of performance for this agreement is from November 1, 1997 through April 30, 1998.

VII. AWARD AMOUNT:

- A. Total Amount: \$ 9,500.00
- B. Total Amount Funded to Date: \$ 9,500.00
- C. Funded Period: November 1, 1997 through April 30, 1998

VIII. APPROPRIATION DATA: 72130-1230: \$9,500.00

IX. PAYMENT PROVISIONS:

- A. Upon acceptance of the terms and conditions of this agreement, the recipient may submit requests for payment, either an invoice or a Standard Form 270, Request for Advance or Reimbursement, no more frequently than monthly. Electronic Fund Transfer (EFT) may be used in lieu of SF-270 if available.
- B. The original and two copies of each payment request (SF-270) shall be submitted to the Service Administrative Officer identified in Article X of this agreement.
- C. Should the recipient be unable to complete the provisions of this agreement, all monies provided by the Service which prove to be cancelable obligations or unallowable in accordance with OMB Circular A-187 ("Cost Principles for State and Local Government) or the approved budget, shall be refunded to the Service.
- D. This agreement is intended to support a particular project for a specific period of time. Any portion of funds not expended at the completion of the period of performance of this agreement shall be returned to the Service, along with any interest earned on that amount.

X. Administrative Officer

The Service Administrative Officer for this agreement is:

Sheri Della Silva  
Contracting Officer  
U.S. Fish and Wildlife Service  
1011 E. Tudor Road  
Anchorage, Alaska 99503  
(907) 786-3436

XI. Project Officers

- A. The Service project officer, identified below, is responsible for maintaining coordination with all parties to this agreement, and reviewing and recommending approval of invoices submitted by ADF&G. The project officer also is responsible for reviewing and recommending acceptance of any and all reports and products required by this agreement.

Cynthia Wentworth  
Migratory Bird Management  
U.S. Fish and Wildlife Service  
1011 E. Tudor Road  
Anchorage, AK 99503  
(907) 786-3478

- B. The ADF&G project officer identified below is responsible for meeting the technical requirements of the scope of work and submitting invoices for payment.

Robert J. Wolfe, Research Director  
Division of Subsistence  
Alaska Department of Fish and Game  
P.O. Box 25526  
Anchorage, Alaska 99802-5526  
(907) 465-4148

XII. Reports

- A. The ADF&G project officer identified in this Agreement shall submit the following to the Service:
1. By November 30, 1997, a progress report on the project.
  2. A draft report on harvest estimates by species and by region, by January 15, 1998. Service comments will be returned to the Division within 15 days of receipt of the draft report, and a final report will be prepared by February 28, 1998.
- B. Within 90 days after completion of this award the ADF&G shall submit to the Administrative Officer a final financial status report (Standard Form 269).

XIII. TERMS AND CONDITIONS

- A. CERTIFICATIONS. The following certifications are required: the DI-2010, Certification Regarding Debarment, Suspension and Other Responsibility Matters, and Drug-Free Workplace Requirements and Lobbying. These certifications must be signed, by an authorized representative of ADF&G prior to award of this agreement.
- B. APPLICABLE ADMINISTRATIVE AND AUDIT REQUIREMENTS -
1. If the recipient is a State, local, or Indian tribal government, 43 CFR Part 12, Administrative and Audit Requirements and Cost Principles for Assistance Programs, are applicable to this agreement and are incorporated by reference with the same force and effect as if they were given in full text. Upon request, the Service's Division of Contracting and General Services (907 786-3436) will make the full text available.
  2. General Provisions applicable to recipients that are State or Local Government are defined in OMB Circular No. A-102.

XIV. MODIFICATIONS:

Modifications or renewals may be proposed at any time during the period of performance by either party and shall become effective upon approval by both parties. This Cooperative Agreement, unless otherwise modified or renewed, is scheduled for completion on April 30, 1998.

XV. SPECIAL PROVISIONS:

It is mutually agreed that:

1. Each party agrees that it will be responsible for its own acts and omissions and the results thereof, and shall not be responsible for the acts or omissions of the other party of the result thereof. Each party therefore agrees that it will assume all risk and liability to itself, its agents or employees, for any injury to persons or property resulting in any manner from the conduct of its own operations, and the operations of its agent or employees, under this agreement, and for any loss, cost, damage or expense resulting at any time from any and all causes due to proper precautions, of or by itself or its own agents or employees, while occupying or visiting the premises under and pursuant to this agreement. The Service's liability shall be governed by the provisions of the Federal Tort Claims Act (28 USC 2671-80 [1976]).
2. Nothing in this agreement shall obligate any party in the expenditure of funds, or for future payments of money, in excess of appropriations authorized by law.
3. No member of Congress, or the commissioner, shall be admitted to any share or part of the agreement or to any benefit that may arise therefrom.
4. Each party will comply with all applicable laws, regulations, and executive orders relative to Equal Employment Opportunity.
5. Nothing herein is intended to conflict with Federal, State, or local laws or regulations. If there are conflicts, this agreement will be amended as required.
6. Policy and position announcements relating specifically to this cooperative program may be made only by mutual consent of the parties.
7. This agreement may be terminated by either party upon written notification to the other party 60 days in advance of the proposed effective date of the termination.
8. ADF&G and the Service will cooperate to assure that the final products of this cooperative agreement are of a professional standard that reflects favorably on all parties involved.

IN WITNESS WHEREOF, the parties hereto have caused this Cooperative Agreement to be executed as of the date therein written.

For the U.S. Fish and Wildlife Service

For Department of Fish and Game

*Sheri Della Silva*  
Sheri Della Silva  
Contracting Officer

12/16/97  
Date

*Kevin Brooks*  
Kevin Brooks  
Director, Division of Administration

12-4-97  
Date

*Pat Stuedeman for Mary C. Pete*  
Mary C. Pete  
Director, Division of Subsistence

12/1/97  
Date

#6.1 in  
FY 98

**COOPERATIVE AGREEMENT**

between

**DEPARTMENT OF THE INTERIOR  
NATIONAL PARK SERVICE  
DENALI NATIONAL PARK AND PRESERVE**

and

**THE ALASKA DEPARTMENT OF FISH AND GAME  
DIVISION OF SUBSISTENCE**

for

**RESEARCHING AND WRITING AN ETHNOGRAPHIC OVERVIEW  
AND ASSESSMENT OF THE ALASKA NATIVE GROUPS ASSOCIATED  
WITH DENALI NATIONAL PARK AND PRESERVE**

**Article I. Background and Objectives**

This Cooperative Agreement is entered into by and between the National Park Service, Denali National Park and Preserve (DENA), and the Alaska Department of Fish and Game, Division of Subsistence (ADF&G), for researching and writing an ethnographic overview and assessment of the Alaska Native groups associated with Denali National Park and Preserve. DENA and ADF&G have a mutual interest in producing a report documenting the past and present relationship of Alaska Native peoples to park and preserve lands and the changes and continuities that have occurred since contact with Euroamerican culture.

This Cooperative Agreement between DENA and ADF&G, is entered into under the following authority:

**WHEREAS**, the National Park Service (NPS), by authority of the NPS Organic Act of August 25, 1916, (39 Stat. 535), National Historic Preservation Act of 1966, as amended in 1992 ( PL 102-575), Alaska National Interest Lands Conservation Act of 1980 (PL 96-487), executive orders, and regulations of the U.S. Department of the Interior is responsible for the management of NPS lands in Alaska and preservation of the cultural and natural resources of these lands; and

**WHEREAS**, Denali National Park and Preserve, through the Alaska National Interest Lands Conservation Act of 1980, (PL 96-487), is mandated to provide an opportunity for rural residents engaged in a subsistence way of life to continue to do so. Subsistence uses by local residents is permitted in Denali National Park and Preserve additions where such uses are traditional in accordance with the provisions of Title VIII.

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**WHEREAS**, the NPS, through the Historic Sites Act of 1935 (40 Stat 666; 16 USC 461), is authorized to engage in cooperative agreements for the purpose of cultural resource site protection and identification: and

**WHEREAS**, NPS Management Policies, 1988, Chapter 5:1,2,3,5,9 and 10 state that

- \* The NPS will identify and evaluate the cultural resources of each park area as required parts of the park's information base...for park planning and specific cultural resource management proposals...and for compliance with legal requirements
- \* The NPS will promote cooperative relationships with recognized educational and scientific institutions and qualified individuals...; and

**WHEREAS**, the Resources Management Plan for DENA, Cultural Resources Project Statements DENA-C-410 and DENA-S-100, state the necessity of documenting and preserving traditional life ways and historic and contemporary activities of Alaska Native peoples associated with the park and preserve, and identifying and protecting cultural resources associated with the park and preserve; and

**WHEREAS**, DENA and ADF&G are mutually interested in and desire to cooperate in conducting a project related to historic and contemporary native culture; and

**WHEREAS**, this project will provide valuable documentation of native culture and history to park associated native groups for use in education and preservation of their traditions; and

**WHEREAS**, ADF&G's Division of Subsistence includes professional anthropologists who have conducted research on Alaska Native subsistence and culture. A number of the staff have worked in the Upper Kuskokwim, Lower Tanana, Koyukon, Tanaina and Ahtna areas over the last two decades and have gained an in-depth knowledge of the region, the people, their culture and history. ADF&G has the interest and expertise to join into a cooperative agreement for the purpose of completing this project; and

**WHEREAS**, ADF&G's authority to enter into this agreement is in AS36.30.850(c) and AS16.05.050(13), and

**WHEREAS**, it appears advantageous to both parties to enter into an agreement in order to facilitate the desired project, and

**WHEREAS**, funds have been allocated to the fulfillment of this project through the Special Ethnography program,

**NOW THEREFORE**, in consideration of the above premises and in the interest of the mutual advantages in attainment of common objectives, the parties hereto desire to cooperate and mutually agree to enter into this cooperative agreement.

**BACKGROUND:**

Athabaskans are the traditional native culture in the Denali National Park and Preserve area. The Athabaskan groups known to have historical and/or contemporary associations with park and preserve lands are the Ahtna, Koyukon, Lower Tanana, Tanana (Dena'ina), and Upper Kuskokwim (Kolchan). In the past, the Denali area was important both as a source of resources for native groups, and as a dominant landscape defined by the Alaska Range which served both as a barrier and a funnel dictating travel and trade routes and interactions among native groups. The connections and associations among these Athabaskan groups and among local villages in the Denali area has not been documented and assessed from the perspective of the park and/or the area's significance to the local people. Presently, the Denali area continues to provide important subsistence resources to both Alaska Native and non-native subsistence users from many local villages and communities.

Denali National Park seeks an initial Ethnographic Overview and Assessment to summarize and evaluate existing ethnographic information regarding contemporary and historic cultural systems associated with the area. The purposes of the overall project are to (1) familiarize park staff with historic and contemporary Athabaskan culture as related to Denali, (2) to educate park staff about the interrelationships, associations, interactions and cultural changes among the Athabaskan groups associated with Denali, (3) provide community histories which are of interest to present and future village members, (4) create a collaborative process which stimulates consultation between the NPS and local Alaska Native groups.

Park management desires to establish a forum for building cooperation and trust between the park and tribal organizations, other agencies, local communities and subsistence users. This Overview and Assessment will enhance contacts and communications between village councils, Alaska Native organizations, other agencies and park management. It will be useful to incorporate Alaska Native interests and concerns in park planning and development.

**OBJECTIVES:**

To document all existing information on contemporary and historic native cultures associated with the Denali National Park and Preserve region. To provide NPS personnel and interested public with a synthesis of existing information chronicling the cultural history of the park and preserve associated with the five Alaska Native groups and their use of park lands and resources through time. To evaluate existing information and identify areas and topics which need further research or study.

To develop a written report for park managers and staff who require information about cultural history and Alaska Native associations with park and preserve lands. To organize and prepare existing ethnographic information in a meaningful and understandable format for park managers, interested public and local users.

To document and evaluate the interrelationships between the northern villages of Tanana, Nenana, Nikolai, and Telida; detailing their historical and contemporary use, kinships and linkages among the villages, the trade relationships, their traditional use areas, and the significance of the park area to the native groups both individually and in concert.

To establish communication and consultation with representatives from the villages associated with the park and preserve to obtain their input into planning, research, and reviewing the written products developed as part of this agreement. To determine if any of the villages are interested in entering into contracts to support their collaboration in researching and writing histories of their communities. This task may be undertaken directly by community members or contracted to a researcher selected and hired by the community.

To better understand each village's history, settlement patterns, traditional use areas, subsistence practice and environmental knowledge, traditional religious beliefs and practices, social organization, changes in native culture and subsistence patterns through the past century, identify long term effects or impacts of regulations upon the community, and other information the villages feel is important to discuss.

## **Article II. Statement of Work**

The following multi-component project will document Alaska Native heritages, village histories and traditional territory, and the contemporary tribal organization and consultative relationship between Denali National Park and Preserve and the federally recognized village councils:

### **Component A.**

Will be the production of an Ethnographic Overview and Assessment that provides a broad synthesis of Athabaskan cultural histories, traditional territories, socio-political organization, and cultural change since Euroamerican contact for the five Alaska Native groups associated with Denali. Data sources will include archival and published ethnohistorical and anthropological literature, historical narratives and folklore, and oral history interviews. Ethnographic interviews may be conducted to address specific areas of concern. This overview will synthesize prior ethnographic information into a narrative which is readable by park managers and interested public. The summary will set the historical context for each group, locating it geographically and indicating its resource use traditions and associations with other groups. The overview will also include an annotated bibliography which critically evaluates significant sources of information about local Athabaskan culture and history.

### **Component B.**

Will be preparation of village and or band histories for the communities of Cantwell, Tanana, Nikolai and Telida. The village histories will provide a broad overview of what is known about each villages identity and social organization, cultural behaviors and beliefs, traditional subsistence use patterns, narratives (folklore and oral history), information on group affiliations with the park, and cultural changes

stimulated by Euroamerican influences. The community histories will help to document the territories of each village, the history of the band, and will record events and discuss issues important to residents. Historic photographs will be identified and, when possible, copied and used to illustrate the village history.

As a condition of this funding agreement, ADF&G will subcontract with the Native Village of Cantwell, the Native Village of Nikolai, the Native Village of Telida, and the Native Village of Tanana to produce the village histories, as well as collaborate in writing the village histories. The appropriate responsibilities for the villages in producing the village histories will be developed through these subcontracts. In conducting the work on the histories, each village will be expected to coordinate its activities with ADF&G researchers who will provide technical assistance to these villages. By amendment to this agreement, ADF&G anthropologists will assume full responsibility for the histories of villages not interested in participating directly in researching or producing their own. NPS cultural staff will produce Lake Minchumina's community history. ADF&G and NPS staff will review reports and documents regarding Nenana's village history to evaluate if they sufficiently address use and associations with the Denali Park and Preserve area.

#### Component C.

This component will include information regarding proper protocols for consultation between local Alaska Native groups, neighboring federally recognized tribes, village councils and Denali National Park and Preserve. Information identifying who, when, and how, and the proper protocols for consultations with the local Alaska Native groups will be documented. The consultation report, which will be written by NPS staff, with information provided by Alaska Native groups and ADF&G will describe the structure of the tribal organizations and groups, special concerns they may have regarding consultation, timing of consultations or contacts, and/or consultation constraints.

#### A. ADF&G agrees to:

1. Meet with Denali National Park and Alaska System Support Office (AKSO) staff and representatives of the native villages of Cantwell, Nenana, Nikolai, Tanana and Telida to discuss the project prior to the beginning of field research. These meetings will take place prior to February 1, 1998.
2. Meet with DENA staff to discuss content and an outline for the manuscript. This meeting will take place prior to February 28, 1998.
3. Review and analyze ethnographic, ethnohistorical and archival data (including photographic collections) available in Alaska. ADF&G staff will review published and unpublished ethnographic and related documents to 3. Reprovide a detailed portrait of historic native culture and subsistence patterns. A bibliography of consulted ethnographic and ethnohistorical sources will be provided to NPS staff prior to June 30, 1998. The bibliography will be in Procite database format with keyword search capabilities.

4. Conduct ethnographic interviews with cultural respondents identified as knowledgeable persons by community officials and collect oral traditions, oral histories, and narratives of personal experiences which document historical and contemporary culture and subsistence patterns. A research protocol will be developed by ADF&G to guide interviewing and insure consistency between research staff. ADF&G staff will notify the DENA office in Fairbanks prior to beginning fieldwork in the villages.

5. Subcontract with the Native Village of Cantwell, the Native Village of Nikolai, the Native Village of Telida, and the Native Village of Tanana to produce the village histories, as a condition of this agreement. Administer contractual funding of village histories and provide technical assistance.

6. Submit a rough draft of the report to DENA Cultural Resource Specialist by December 31, 1998. NPS staff will have thirty days after receipt to review the draft and present their consolidated comments to ADF&G.

7. Submit a final copy, and an electronic copy of the report to DENA by March 31, 1999. The report will include the village histories in addition to the overview and assessment. The outline of the manuscript will include but not be limited to these four sections and will be developed with DENA staff prior to December 1, 1997 as noted above.

- a) Introductory discussion and issues
- b) Non-technical summary and interpretation of the report
- c) Main text - historic and contemporary ethnography of the various native groups associated with the park.
- d) End notes, references, and index.

**B. DENA agrees to:**

1. Provide financial support up to \$68,978 in Federal FY 1997 and \$35,000 in Federal FY 1998 for the salary and allied costs necessary for ADF&G staff to research and produce the report;

2. Assist in the planning of research, coordination with Alaska Native Village councils, groups and organizations, provide logistics of research staff to villages and communities, and report development;

3. Provide NPS staff to meet with village residents, native village councils, and/or Alaska Native groups to determine who will be responsible for each village history;

4. Provide cultural staff to produce the community history for Lake Minchumina.

5. Write the consultation report identified in Component C .
6. Review drafts of the reports, solicit review from appropriate staff in the Alaska System Support Office, consolidate NPS comments and suggest revisions.
7. Distribute copies of the report to participating villages, libraries, and other interested venues.

**C. DENA and ADF&G both agree to:**

Contact Alaska Native groups through the appropriate representative bodies in the beginning phases of the project to discuss the research, solicit their participation in preparing the village histories, and arrive at consensus on who will take responsibility for each village. Community members will be consulted about the timing and logistics of research, and delivery of research results back to the community. ADF&G researchers will conduct research during convenient periods for respondents. In addition, to minimize burdens on community residents and on local officials, the ADF&G researchers must have a detailed familiarity with previous and ongoing research to avoid unnecessary research requests. Both agencies will work cooperatively with local native organizations in collecting historical, cultural, and subsistence information in the study communities.

**Article III. Term of Agreement**

This Cooperative Agreement shall remain in effect from September 1, 1997 until January 31, 2000.

**Article IV. Key Officials**

The Key Officials representing the NPS will be the Alaska System Office (AKSO) Contracting Officer, located in Anchorage, Alaska; and the Superintendent and Cultural Resource Specialist (GTR) of Denali National Park and Preserve located in Denali National Park, Alaska.

The Key Officials representing ADF&G will be the Director, Division of Subsistence and the Director, Division of Administration located in Juneau, Alaska.

**Article V. Financial Award**

NPS funding commitment is limited to and shall not exceed \$68978.00 during FY1997; \$35,000.00 for FY 1998. Funding for subsequent years is contingent on renewal of the agreement and approval by NPS management and availability of funding

DENA funding commitment to ADF&G is limited to and shall not exceed \$103,978 during the term of this Agreement. Billings shall occur at one month or greater intervals. Partial payment approvals shall be based upon meeting all provisions of this Agreement, including the following factors: (1) receipt and acceptance of proper invoices itemizing expenditures deemed appropriate by the Contracting Officer and the GTR, (2) periodic progress reports to the GTR, (3) receipt and

acceptance by the GTR of the bibliography and report required in Article II, and receipt and acceptance by the Contracting Officer of financial reports required in Article VII.

Up to \$5000 may be shifted between budget categories listed in the appended Budget (Attachment 1) in order to allow flexibility in meeting study objectives.

Invoice requirements are as follows. Invoices shall be submitted in original and duplicate to the following address: National Park Service, Alaska Field Area, Attention: Agreements Specialist, 2525 Gambell Street, Room 107, Anchorage, Alaska 99503-2892. To constitute a proper invoice, the invoice must include ADF&G's name, federal tax identification number, the Cooperative Agreement number, date, and an itemized description of costs incurred corresponding to the same budget categories in the appended Budget (Attachment 1).

Should the recipient be unable to complete the provisions of this agreement, all monies provided by the Service which prove to be cancelable obligations or unallowable in accordance with OMB Circular A-122 (Cost Principles for Non-profit Organizations) or the approved budget, shall be refunded to the NPS.

This agreement is intended to support a particular project for a specified period of time.

#### **Article VI. Prior Approval**

Any amendments, extensions, changes, or additions to this Agreement must be in writing and be approved and signed by either the original signature authority of both parties or the Contracting Officer, depending upon the nature and extent of the proposed modification.

#### **Article VII. Reports**

Division of Subsistence (ADF&G) shall provide a rough draft of the report to DENA Cultural Resource Specialist by December 31, 1998. NPS staff will have thirty days after receipt to review the draft and present their consolidated comments to ADF&G.

Division of Subsistence (ADF&G) shall provide a final report, entitled "Denali National Park and Preserve Ethnographic Overview and Assessment@, and a "community history" for each of the villages of Cantwell, Lake Minchumina (history to be provided by NPS), Nikolai, Nenana (using existing information), Tanana and Telida which will include:

- a) all elements of component A as describe above and incorporating the comments from the NPS review;
- b) additional information as may become available in subsequent research and/or original interviews;

c) a community history for each village, which provides documentation on the historic territory of Cantwell, Lake Minchumina, Nenana, Nikolai, Tanana and Telida as far back in time as elders memories and written records permit. The document will discuss how band histories helped shape today's village and associations between villages. The village or community history will discuss how lifestyles have changed (or remained much the same) through time. And the history will document and reflect upon special events and issues of importance to village members, for example, schools, mining and miners, roads, etc. The history will be written from the perspective of what the community thinks is important for the NPS to know and understand about the people of each community.

d) the final report is to be fully edited, paginated, and include all references used. The report will contain a statement on the title page acknowledging the sponsorship and financial assistance of the NPS in conducting the study.

e) two unbound copies of the final report, an electronic copy of the final report, including all appendices, in WordPerfect 5.1, or Microsoft Word 6.0 will be presented to the NPS on or before March 31, 1999.

f) Financial Status Reports: ADF&G will submit a financial status report upon the close of the Government's fiscal year (October 1, 1998 and October 1, 1999). NPS will forward a blank financial status report form to be completed by ADF&G. The financial status report will be submitted to the address listed in Article V, Attention: Contracting Officer.

#### **Article VIII. Property Utilization and Disposition**

ADF&G will maintain a property inventory of all major and minor non-consumable property items purchased through this Agreement and upon completion of this Agreement will submit the property inventory to the Contracting Officer for deposition of the property by the Government.

#### **Article IX. Special Provisions**

These are the special provisions required by the State of Alaska.

1. Nothing in this agreement shall obligate any party in the expenditure of funds, or for future payments of money, in excess of appropriations authorized by law. Each part agrees to follow the attached payment schedule for data collection.
2. No member of Congress, or the commissioner, shall be admitted to a share or part of the agreement or to any benefit that may arise therefrom.
3. Each party will comply with all applicable laws, regulations, and executive orders relative to Equal Employment Opportunity.

4. Nothing herein is intended to conflict with Federal, State, or local laws or regulations. If there are conflicts, this agreement will be amended as required.

5. Policy and position announcements relating specifically to this cooperative program may be made only by mutual consent of the parties.

6. The State and NPS will cooperate to assure that the final products of this cooperative agreement are of professional standard that reflects favorably on all parties involved.

**Article X. Termination**

The Agreement will be terminated by either party by providing sixty (60) days written notice.

**Article XI. Authorizing Signatures**

The undersigned agree to the provisions of this Cooperative Agreement:

**FOR: NATIONAL PARK SERVICE**

*N/A* *WJG*  
Superintendent, Denali National Park and Preserve Date

*Don Kucinski*  
Contracting Officer, Alaska Systems Support Office 9-18-97  
Date

**FOR: THE STATE OF ALASKA, ALASKA DEPARTMENT OF FISH AND GAME:**

*for* *Elizabeth Andrews* 9-8-97  
Director, Division of Subsistence, ADF&G Date

*Kevin Brooks* 9.11.97  
Director, Division of Administration, ADF&G *KS* Date

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Attachment 1

Denali Ethnographic Assessment  
Federal FY-1997 Budget

Description	Quantity	Unit	Unit Cost	Item Cost	Total Cost
Line 100: Personnel Salary, Benefits	6.0 months			Subsistence Resource Specialist II	\$35,300 \$ 4,000
Line 200: Travel					\$ 7,000
Line 300: Contractual				Cantwell Village History Nikolai and Telida Village Histories Tanana Village History	\$ 9,000 \$ 7,000
Subtotal of Line 300					\$23,000
Line 400: Supplies					\$ 478
Line 500: Phone, copying, fax					\$ 2,000
Project Subtotal					\$64,788
Indirect Cost					\$ 4,200
FY-1 Project Total					\$68,978

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Attachment 2

Denali Ethnographic Assessment

Federal FY-1998 Budget

Description	Quantity	Unit	Unit Cost	Item Cost	Total Cost
Line 100: Personnel Salary, Benefits	4.0 months		Subsistence Resource Specialist II		\$27,400
Line 200: Travel					\$ 2,000
Line 300: Photo reproduction					\$ 1,000
Line 400: Supplies					\$ 500
Line 500: Phones, copying, fax					\$ 1,000
Line 600: Report layout and design					\$ 1,000
Project Subtotal					\$32,900
Indirect Cost				KS 6%	\$ 2,100
FY-2 Project Total					\$35,000

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FY98

COOPERATIVE AGREEMENT  
BETWEEN  
THE NATIONAL PARK SERVICE  
YUKON-CHARLEY RIVERS NATIONAL PRESERVE  
AND  
THE STATE OF ALASKA  
ALASKA DEPARTMENT OF FISH AND GAME  
TO

OBTAIN INFORMATION ON THE IMPACTS OF MILITARY OVERFLIGHT ACTIVITY  
ON HUMAN USERS (PRIMARILY SUBSISTENCE/SPORT FISH AND WILDLIFE USERS)  
IN MILITARY OPERATION AREAS  
INCLUDING YUKON-CHARLEY RIVERS NATIONAL PRESERVE.

**ARTICLE I. Background and Objectives.**

This Cooperative Agreement is made and entered into by and between the National Park Service, Yukon-Charley Rivers National Preserve (hereinafter referred to as NPS) and the State of Alaska, Alaska Department of Fish and Game (hereinafter referred to as ADF&G).

The goal of this study is to identify and evaluate impacts of current military jet activity on human use within the Alaskan MOAs.

**ARTICLE II. Statements of work.**

**A. ADF&G agrees to:**

1. Assign Terry Haynes, Statewide Subsistence Coordinator, as Co-Principal Investigator for the work outlined in this Cooperative Agreement, with responsibility for written summaries mentioned therein.
2. Compile available fish and wildlife harvest data and estimated number of users for selected areas within the Alaska Military Operations Areas;
3. Collect and review pertinent literature and information on the effects of military overflights and aerial exercises on human hunting and fishing activities.
4. Prepare written summaries of the above information to be incorporated into the overall summary report described for Phase I of the attached Proposal.
5. Assist in preparation of and planning for the detailed scope of work for Phase II of the attached Proposal.

**B. NPS-YUCH agrees to:**

1. Provide up to \$26,000 in financial support in Federal Fiscal Year 1998 to ADF&G for work performed as outlined in this Cooperative Agreement.
2. Prepare the overall summary report for Phase I of the attached Proposal, incorporating information summarized and provided by ADF&G in accordance with this Cooperative Agreement.
3. Assign Shelli Swanson, Yukon-Charley Wildlife Biologist, as the Government Technical Representative (GTR) for the administration of this Cooperative Agreement.

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4. Prepare and submit (with ADF&G's input) the detailed scope of work for Phase II of the attached Proposal.

C. NPS and ADF&G mutually agree to:

1. Work cooperatively to complete the overall report for Phase I and Scope of Work for Phase II of the attached Proposal.

#### **ARTICLE III. Term of Agreement.**

This Cooperative Agreement shall remain in effect from the date of last signature for a period of one year unless terminated earlier according to ARTICLE IX of the Agreement.

#### **ARTICLE IV. Key Officials.**

Key officials representing NPS will be the Yukon-Charley Rivers NP Superintendent, Regional Contracting Officer, and Yukon-Charley Wildlife Biologist (Co-Principal Investigator).

Key officials representing ADF&G will be the Director, Division of Subsistence; Director, Division of Administration, and Statewide Subsistence Coordinator (Co-Principal Investigator).

#### **ARTICLE V. Financial Award.**

NPS funding commitment to ADF&G is limited to and shall not exceed \$26,000 during FY98. Partial payments shall be based upon approved billings at one month or greater intervals. Partial payment approvals shall be based upon meeting all provisions of this Agreement, including the following factors: 1) receipt and acceptance of proper invoices itemizing expenditures deemed appropriate by the Contracting Officer and the GTR, 2) periodic field inspection of program progress by the GTR, 3) receipt and acceptance by the GTR of the written summaries required in ARTICLE VII, and 4) receipt and acceptance by the Contracting Officer of financial reports required in ARTICLE VII.

Up to \$5,000 may be shifted between budget categories listed in the Proposal (Attachment 1) in order to allow flexibility in meeting study objectives.

Invoice requirements are as follows. Invoices shall be submitted in original and duplicate to the following address: National Park Service, Alaska Regional Office, Attention: Contracting Officer, 2525 Gambell Street, Room 107, Anchorage, Alaska 99503-2892. To constitute a proper invoice, the invoice must include ADF&G's name, the Cooperative Agreement number, date, and an itemized description of costs incurred corresponding to the budget categories in the appended Proposal.

#### **ARTICLE VI. Prior Approval.**

Any amendments, extensions, changes, or additions to this Agreement must be in writing and be approved and signed by either the original signature authority or the Contracting Officer, depending upon the nature and extent of the proposed modification.

#### **ARTICLE VII. Reports.**

Both written summaries and financial status reports shall be required from ADF&G to fulfill this Agreement.

##### **A. Written summaries.**

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A summary of available fish and wildlife harvest data and estimated number of users for selected areas within the Alaska Military Operations Areas as outlined in the attached Proposal and a summary of the pertinent literature and information on the effects of military overflights and aerial exercises on human hunting and fishing activities shall be submitted by 1 August 1998. Summaries will be suitable for direct incorporation into the overall report for Phase I of the attached Proposal, which NPS will complete by December 1998.

B. Financial Status Report.

ADF&G shall submit a financial status report upon the close of the Government's fiscal year (1 October 1996). NPS shall forward a blank financial status report form to be completed by ADF&G.

Financial status reports shall be submitted to the address listed in ARTICLE V, Attention: Contracting Officer.

ARTICLE VII. Termination.

The Agreement may be terminated by either party by providing sixty (60) days written notice to the other party.

Attachment 1—Proposal.

Attachment 2—ADF&G Budget.

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Attachment 1. Proposal.

**HUMAN RESPONSE TO MITIGATED MILITARY OVERFLIGHT ACTIVITY ON MILITARY OPERATIONS AREAS (MOAs) IN ALASKA.**

**RPMC Priority Number 1.** Determine effectiveness of mitigation plan on human users.

**Funding Source:** Record of Decision Mitigation Monitoring Funds

**Submitted By:**

Shelli Swanson. National Park Service. 201 First Ave. Fairbanks, AK 99701.  
Phone: (907)456-0497. Email: Shelli\_Swanson@nps.gov

Terry Haynes. Alaska Department of Fish and Game, Subsistence Division.  
1300 College Rd, Fairbanks, AK 99701. Phone: (907)459-7256.  
Email: Thaynes@fishgame.state.ak.us

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**Introduction**

As part of the Alaska Military Operations Area Environmental Impact Statement (MOA EIS; 1995) and Record of Decision (1997), the Secretary of the Air Force agreed to establish a Resource Protection Council with committees for Resource Protection/Mitigation, Public Information, and Research and Monitoring. These committees are charged with monitoring the effectiveness of mitigation measures established in the Record of Decision. The Resource Protection/Mitigation Committee created a prioritized list of monitoring issues, which were then to be developed into research proposals by the Research and Monitoring Committee. The highest priority issue on this list was to determine the effectiveness of the Record of Decision mitigation measures on human users within the Military Operations Areas (MOAs).

The MOA EIS and Record of Decision identified the following potential impacts on human users resulting from increased military activity in the MOAs: (1) increased sound/noise levels; (2) increased supersonic activity; (3) increased use of chaff, flares, and munitions; and (4) conflicts between civilian and non-Department of Defense aircraft activities. These impacts may result in decreased quality of life and affect recreational experience, trapping, hunting, and fishing. This project is designed to determine the effectiveness of the mitigation measures for minimizing these impacts to human users within selected MOAs.

**Goals and Objectives**

The goal of this study is to identify and evaluate impacts of current military jet activity on human use within the Alaskan MOAs. To accomplish this goal, the following objectives were devised:

1. To determine current and past levels of human use in selected locations within Alaska MOAs;
2. To determine current and past levels and types of Air Force activity within these selected areas;
3. To collect information pertaining to Air Force activity and its impact on their activities/experiences from persons using these selected areas;

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4. To determine people's expectations when using these selected areas; and
5. To evaluate current mitigation efforts and determine their effectiveness for human users in these areas.

The project is divided into two phases. The first phase will consist primarily of data collection from existing sources and addresses objectives 1 and 2. The second phase addresses objectives 3 and 4. During Phase II, a scoping process will be initiated with select human use focus groups. Through the scoping process, information pertaining to Air Force overflight activity and impacts on experiences and expectations will be collected. This information will be used to design a survey instrument and strategy to reach a much larger subset of each focus group. Findings from the scoping interviews and surveys will be used to address objective 5.

### **Study Area**

This project will initially focus on the following MOAs: Buffalo, Birch, Fox, Yukon 2, Yukon 3, Yukon 4, and Yukon 6 (Fig. 1). These MOAs were selected because of the high volume of overflight activity proposed in the Record of Decision (86-201 major flying exercise training days per year). Specific areas of interest will be targeted within these MOAs (Table 1). With the exception of the Pinnel Mountain Trail and the Chena State Recreation Area, the targeted areas were identified in the Record of Decision as being subject to Level II (adverse) or Level III (significant adverse) impacts resulting from military activity; Level III is the highest level of concern. Yukon 1 and Yukon 5 MOAs also are projected to receive high volume overflight activity, but were not chosen as potential study sites because human activity levels are low in these areas. Other MOAs were not chosen because the level of proposed overflight activity was low (Stoney A and B, Naknek 1 and 2, Susitna) or they possessed similar characteristics to nearby MOAs (Yukon 6, Eielson).

### **Methods**

Phase I will involve collecting and synthesizing data on visitor use; fish and wildlife harvest and numbers of users; and military overflights from existing data sources for each MOA and specific area of interest (Table 1). Sources of information will include visitor registration logs and permits, Alaska Department of Fish and Game (ADF&G) harvest and subsistence data bases, and military documents. Background information in published sources on the effects of military overflights on human users will also be reviewed. During Phase I, a principal investigator will be identified to conduct Phase II.

During Phase II human use focus groups will be defined for the study area. Focus groups may include recreationists, subsistence users, sport hunters and fishermen, trappers, civilian aircraft operators, and local residents. Scoping interviews will be conducted with representatives of each focus group. Information from the scoping interviews will be used to formulate survey procedures targeting a much larger segment of the identified focus groups. Data collection instruments will be developed, tested, and implemented. To the extent feasible, data collection will occur in the target areas and villages of interest (Table 1). Data collected will then be tabulated and analyzed. Findings will be presented in interim reports and recommendations will be made to the Air Force regarding the effectiveness of the mitigation measures established in the Record of Decision.

### **Schedule**

This project consists of one year of background data compilation (FY98) followed by two years of sampling scheme development, field data collection, and synthesis (FY99-00). Specific tasks and approximate time needed to complete them are located in Table 2. Phase I will be conducted by

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ADF&G and the National Park Service, while Phase II will be contracted out and overseen by the National Park Service.

### **Products/Results**

A minimum of 3 reports will be completed: a compilation/summary of the data gathering effort in Phase I (due by December 31, 1998), an interim report for year 2 (due by December 31, 1999), and a final report with project findings (due by December 31, 2000). In addition to the interim and final reports, several intermediate products will be completed. During Phase I spread sheet type data bases will be established to store data collected for harvest statistics (1990-1998), recreational use statistics for selected areas of interest (1990-1998), and military overflight statistics (1990-1998). These data bases will be updated in 1999 and 2000 during Phase II of the study. A list of references reviewed and specialists interviewed during the pertinent literature review process will be prepared. These intermediate products are expected to be available in December 1998.

Intermediate products from Phase II include materials from the scoping process and survey procedures. Notes from the scoping process will be summarized and available in hard copy. Survey instruments in final form will be completed by March 1999. A computerized data base will be developed to store, tabulate, and analyze study data obtained from survey procedures. Hard copies of all information collected will be filed and made available for future reference. These intermediate products will be available as soon as field data collection begins but will not be in finished form until completion of the project by December 31, 2000.

### **References**

Department of the Air Force. 1997. Final Environmental Impact Statement Alaska Military Operations Areas—Record of Decision. 11<sup>th</sup> Air Force, Elmendorf AFB, Alaska. 42 pp.

Department of the Air Force. 1995. Final Environmental Impact Statement, Alaska Military Operations Areas, Vol. I-IV. 11<sup>th</sup> Air Force, Elmendorf AFB, Alaska.

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## Budget

Following is the detailed budget for Phase I of this project. The scope of work and budget required for Phase II cannot be determined prior to the analysis of data collected in Phase I. Consequently a scope of work and funding request for FY99-FY00 (Phase II of this project) will be submitted to the Air Force in July 1998.

<u>Phase I</u>	<u>FY98</u>	<u>FY99</u>	<u>FY00</u>
<b>Equipment and Supplies</b>			
Project computer and software	5,000		
Report printing	200		
<b>Personnel</b>			
Overhead (10%; NPS)	3,900		
Overhead (10%; ADF&G)	2,600		
NPS Oversight (GS11, 1 month)	3,000		
Bid recruitment (NPS, 1.5 months)	4,500		
NPS term appoint. (GS9, 6 months)	20,000		
ADF&G (3 months)	20,000		
<b>Travel and Per Diem</b>			
NPS	2,400		
ADF&G	3,400		
<u>Total FY98</u>	<u>65,000</u>		

### Administrative Contacts:

#### Contracting

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2525 Gambell St.  
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#### Budget

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Figure 1. Location of Military Operations Areas (MOAs) in Interior Alaska, 1997. MOAs to be examined in Phase I of this project include: Birch, Buffalo, Fox, Yukon 2, Yukon 3, Yukon 4, and Yukon 6.

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Table 1. Military operations areas (MOA), specific areas of interest, and primary type of human use to be evaluated to determine mitigation plan effectiveness for human users.

MOA	Specific Areas of Interest (Primary type of human use)
Buffalo	Dot Lake (Subsistence) Healy Lake (Subsistence)
Birch	Harding Lake State Recreation Area (Recreation, Local Residents) Birch Lake State Recreation Area (Recreation, Local Residents)
Fox	Tangle Lakes (Recreation) Gulkana and Delta National Wild Rivers (Recreation) Denali Highway (Recreation, Hunting/fishing)
Yukon 2	Yukon-Charley Rivers National Preserve (Recreation, Hunting/fishing) Birch Creek/Steese National Conservation Area (Recreation) Circle (Subsistence, Aircraft operators) Central (Subsistence, Aircraft operators) Pinnel Mountain Trail (Recreation)
Yukon 3	Yukon-Charley Rivers National Preserve (Recreation, Hunting/fishing) Eagle Village (Subsistence) Eagle City (Subsistence, Aircraft operators) Chicken (Subsistence)
Yukon 4	Yukon-Charley Rivers National Preserve (Recreation, Hunting/fishing)
Yukon 6	Chena State Recreation Area (Recreation, Hunting/fishing)

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Table 2. List of tasks to be completed under each phase of the project and estimated time needed to accomplish each task.

Task	Estimated time required for completion
PHASE I (FY98)	
A. Contact recreational land managers and organizations to obtain estimates of visitor use numbers for selected MOAs, 1990-1997.	1.5 months
B. Compile available fish and wildlife harvest data and estimated number of users for selected MOAs, 1990-1997.	1.5 months
C. Obtain data from Air Force on aircraft employed, frequency of overflights, and types of flying exercises in selected MOAs, 1990-1997.	1.5 month
D. Collect and review pertinent literature and information on effects of military overflights and exercises on human experiences.	2 months
E. Prepare written summary of information gathered in tasks A-D above.	2 months
F. Prepare scope of work for Phase II and select principal investigator(s)	1.5 months
Phase II (FY99-Fy00)	
A. Conduct scoping process with identified human use focus groups.	2.5 months
B. Develop survey instruments and sampling procedures.	2 months
C. Field test survey instruments and make adjustments	0.5 month
D. Collect data.	13 months
E. Update visitor use, harvest, and overflight data bases	1 month
E. Tabulate and analyze data.	2 months
F. Prepare interim report and final report with project findings and recommendations to the Air Force.	3 months

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A.1. To what extent was competition considered or sought for this purpose.

None. NPS and ADF&G were assigned responsibility for developing this proposal and conducting the work involved. I took on oversight and project administration to get the project moving forward. The military has funded the project and will be transferring the money to NPS.

A.2. why was this cooperator selected?

Because ADF&G, Subsistence Division has extensive experience working with subsistence and sport hunters/fishermen, as well as access to past harvest records and information on the number of users of fish and wildlife resources. This cooperator also has extensive experience in developing questionnaires, interviewing, and designing sociological studies, an expertise missing in NPS.

B.1. Explain the nature of the anticipated substantial involvement.

The recipient expects NPS to collaborate and participate in project management. NPS has selected the key recipient personnel for ADF&G. Direct NPS operation participation during the activity is anticipated to ensure the product meets the specifications of the proposal. ADF&G activities described in this Agreement must directly feed into the NPS final product for Phase I of the project without much modification—we will work together to ensure compatibility.

B.2. Why is the substantial involvement considered to be necessary?

NPS is conducting the recreational data collection for the project while ADF&G is collecting the subsistence/sport fish and wildlife use data. NPS does not have time to conduct all the research for this project, and requires the assistance and expertise of ADF&G to meet project deadlines as approved by the Military.

C.1. Explain why the project or activity entails a relationship of assistance rather than one of ordinary procurement?

Specifications for summary format and statistics will be worked out during the data collection process. Once the data is collected and summarized, NPS and ADF&G will be working together to develop a scope of work for Phase II of the attached Proposal. Data collected in Phase I will determine where efforts are focused in Phase II of the Project; this will require back and forth dialog not feasible with a procurement order.

C.2. What is the public purpose of support or stimulation?

Determining whether mitigation efforts established by the military for their Military Operations Areas effectively minimize military jet overflight impacts to human users of these areas.

C.3. Which law or laws authorize granting of assistance for performance of this project or activity?

Good question. NPS—Organic Act of 1916 (16 U.S.C. 1) and Alaska National Interest Lands Conservation Act of 1980 (ANILCA, Sec. 101). ADF&G—AS36.30.85( c) and AS16.05.050(13)

D.1. How was the determination made that the costs proposed are accurate and proper? Provide breakdown of costs and rationale for determining they are acceptable.

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The proposal went through two review boards where other scientists and land managers peer-reviewed the budget and made adjustments where necessary. It also passed the standards for the funding agency (US Air Force). See above Proposal budget for breakdown of costs.

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**MEMORANDUM**

**STATE OF ALASKA**  
**DEPARTMENT OF LABOR**  
Administrative Services Division

**OFFICE OF  
MANAGEMENT & BUDGET**  
FEB 11 1998

Anndree McConnell, Director  
Office of Management & Budget

DATE: February 10, 1998

FILE: SUPLREQ.BUD

THRU: Tom Cashen, Commissioner *Ed*  
*AW* Department of Labor

PHONE: 465-2720

FROM: Arbe Williams, Director *AW*

SUBJECT: Supplemental Request for AK  
Disaster Assistance Program

This memo transmits the Department of Labor's request for a supplemental appropriation in FY 98 to establish the Alaska Disaster Assistance Program (ADAP). The cost of ADAP would be \$3,000.0 of general funds. Attached are backup documents providing detailed information for the request.

cc: Danith Watts, OMB  
Denise Olmsted, ASD

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## ALASKA DISASTER ASSISTANCE PROGRAM

### INTRODUCTION:

Due to the unusual marine environmental conditions that saw abnormally high temperatures in the Bering Sea in 1997, salmon returns to Bristol Bay and Kuskokwim River drainages were substantially below what would have been expected given natural cyclic run fluctuations of the last 20 years.

On July 18, 1997 a Declaration of Economic Disaster in the Bristol Bay and Kuskokwim River drainages was declared.

The economic base of entire communities in Bristol Bay and Kuskokwim River drainage areas is totally dependent on the proceeds of the salmon harvest. These communities do not have the economic diversity found in communities elsewhere to withstand the disastrous economic impact of extremely low salmon runs coupled with low prices for the salmon that are harvested.

The Alaska Disaster Assistance Program (ADAP) is intended to pay a one-time, retroactive, lump sum cash payment to eligible applicants of the affected areas, who as a result of this disaster, have lost primary income they would normally have received in anticipated fish revenue during the 1997 salmon harvesting season.

### ELIGIBILITY:

An individual is eligible for a lump sum retroactive payment not to exceed \$1,400 if:

- They (potential eligible claimants include permit holders, licensed crew members, and seasonal workers in the salmon fishing industry who rely on work from this area as a principal source of income) are unemployed as a direct result of the disaster. The disaster is defined as occurring during a two month period, between June 1, 1997 and July 31, 1997.
- They filed a timely application (attested by signature, a statement of self-employment or loss, due to the disaster; documentation to substantiate their business which would be a copy of their license, crew permit, or wage statements showing their attachment to work in directly related industries, such as boat repair, fuel dock, cold storage, and/or canneries) within the application period.
- They have not refused a bona fide offer of suitable work (attested by signature on application).
- They are not eligible for compensation or waiting week credit under any other Federal or State law; they are monetarily ineligible for Unemployment Insurance (UI) benefits.
- Eligibility is limited to those individuals whose annual household income does not exceed 185% of the federal 1997 Poverty Guidelines for Alaska.

- They are not recipients of Alaska Temporary Assistance Program (ATAP) during the disaster period.
- They have historically within two prior years derived their principal source of income from commercial fishing or work in closely related industries (such as, boat repair, fuel dock, cold storage, canneries, etc.) in these areas.

#### UNEMPLOYMENT DUE TO THE DISASTER:

Unemployment due to the disaster means the following:

- They were unable to start a prospective job due to the disaster - or -
- Their income was substantially diminished due to the lack of fishing opportunities, a result of the disaster.

#### DEFINITIONS:

- INCIDENT PERIOD

a). The incident period or the time during which the disaster occurred is defined as June 1, 1997 to July 31, 1997.

- APPLICATION PERIOD

b). The application period is 21 calendar days, commencing two weeks from the effective date of legislation.

- AREA OF DISASTER

c). Bristol Bay and Kuskokwim River drainage areas.

- ENTITLEMENT AMOUNT

d). The estimated lump sum retroactive payment is not to exceed \$1,400 (based on assumptions of benefits paid at the average weekly benefit amount of \$176 and eight weeks duration according to federal Disaster Unemployment Assistance guidelines).

- APPLICATION CERTIFICATION

e). Applicant will certify that the information on application is correct and provided only for the administration of this disaster assistance program; information provided will be kept in confidence according to AS 23.20.110.

- APPEALS

f). An appeal from a determination under this program may be made to the Alaska Department of Labor (AKDOL) lower appeal tribunal within 15 calendar days from the date the determination was mailed.

g). Recovery of improper payments will be made under AS 23.20.390.

h). A disqualification for a false statement or misrepresentation will be made under AS 23.20.387.

Source: Alaska Department of Labor, Employment Security Division  
Contact: Rebecca Gamez, 465-5933

Marylou Burton  
Director  
Statewide Budget Development  
211B Butrovich Building  
P.O. Box 755380  
Fairbanks, Alaska 99775-5380  
(907) 474-6490  
(907) 474-5140 FAX



University of Alaska  
Statewide System of Higher Education

## Memorandum

DATE: February 11, 1998

TO: Annalee McConnell, Director  
Office of Management and Budget

FROM: *AMB* Marylou Burton, Director  
University Statewide Budget Development

RE: Capital Supplemental for UAF Poker Flats  
Research Range Improvements

The University of Alaska, in conjunction with the Alaska Department of Military and Veterans Affairs (DMVA), requests that capital authority to receive and expend up to \$20 million in federal funds for UAF Poker Flats Research Range Improvements be included in the Governors FY98 "fast-track" supplemental bill.

As noted in my previous correspondence, this project came about as a result of a recently negotiated cooperative agreement between the UAF Geophysical Institute and the U.S. Army Big Crow Program to upgrade and modernize the UAF Poker Flats Research Range (PFRR). Under the terms of that agreement, the federal government will fully fund certain improvements to the PFRR, the first phase of which is outlined on the attached pages. Please note that the agreement calls for work to begin as soon as possible this Spring to take full advantage of Fairbanks' short construction season. This timing is critical as the total project is expected to take two years to complete and the federal funding source is "two-year money". It is also critical because the project will affect ongoing and planned research, and moreover is expected to generate additional federal research dollars as different elements are completed.

One slightly complicating factor is that the coordinating U.S. Property and Fiscal Officer apparently can only deal directly with the DMVA, who in turn will RSA the funds to the university. Therefore, we are requesting that \$20 million (which is the total amount expected to be made available for this project) in federal authority be established for the DMVA and that a corresponding \$20 million in University Receipts authority (the funding source under which the university records RSA revenues) be established for the university. (i)

cc: Carol Carroll, Director, Admin. Services and Support Division, DMVA  
Wendy Redman, Vice President for University Relations

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002/003



DEPARTMENTS OF THE ARMY AND THE AIR FORCE  
NATIONAL GUARD BUREAU  
3108 LEESBORO PIKE, FALLS CHURCH, VIRGINIA 22041-3201

NGB-AQA (5-8a)

5 November 1997

MEMORANDUM FOR USFFO FOR ALASKA, ATTN: LTC David P. Hagerman

FAX: (907) 428-6100

SUBJECT: Poker Flat Research Range Cooperative Agreement

1. Approval is granted to use NGB General Purpose Agreement format for a Cooperative Agreement. The following information is provided for this specific agreement:

- a. Cooperative Agreement number: DAHA51-98-2-3039.
- b. Cooperative Agreement title: Poker Flat Research Range Cooperative Agreement.
- c. Article I, Section 104 "Authority". Following should be included:

(1) Title 32 U.S.C. 106 and 107.

(2) Congress, through Pub. L. No. 104-208, (Conf) H.Rpt 104-863, (1997), appropriated funds and has authorized the Department of Defense to do certain construction and refurbishment activities, as specified in this CA, at Poker Flat Research Range.

2. Please provide electronic copy of your draft agreement prior to submitting it to Air Force Space and Missile Systems Center for their review and execution. LAW NGR 5-1/ANGI 63-101, paragraph 2-6a(1) please provide copy of executed cooperative agreement for our review. If you have any questions please give me a call at DSN: 761-0654.

FOR THE CHIEF NATIONAL GUARD BUREAU:

*Colin G. Molzen*  
COLIN G. MOLZEN  
Acting Chief, Office of Grants and  
Cooperative Agreements

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FAX NO.

P. 04

STEWS-DT (Big Crow Program Office)

9 October 1997

MEMORANDUM FOR NG-USPFO

ATTENTION: MS. SUSAN RYHERD

SUBJECT: Data exchange for Cooperative Agreement with the Geophysical Institute-University of Alaska Fairbanks

- Pursuant to our telecon this date the following data is provided to facilitate an expedient Cooperative Agreement with the subject Institute:

Organizations

US Army Big Crow Program Office (BCPO)  
 STEWS-DT-C  
 3710 Trestle Road  
 Kirtland AFB, NM 87117

Geophysical Institute (GI)  
 University of Alaska Fairbanks  
 PO Box 757320  
 903 Koyukuk Drive  
 Fairbanks, AK 99775-7320

POC'S

Name: Milton Boutte  
 Title: Director, BCPO  
 Ph: (505) 846-8494 ext. 140, DSN 246-  
 Fax: (505) 846-0345  
 e-mail: mboutte@tccmri.jcte.jcs.mil

Name: David Bureman  
 Title: Project Manager  
 Ph: (505) 846-0444 ext. 134, DSN 246-  
 Fax: (505) 846-7785  
 e-mail: cwabcpo@aol.com

Name: Ronald (Ron) Unruh  
 Title: Senior Contracts Advisor  
 Ph: (505) 846-0178 ext. 129, DSN 246-  
 Fax: (505) 846-0345  
 e-mail: rkunruh@aol.com

- As we have been tasked by the ODUSD (SPACE) to ensure the Geophysical Institute accomplishes the effort outlined in the attached Statement of Work, it is our intent to provide the technical oversight, monitoring, reporting, etc. Our expertise lies in electronic emissions, data gathering, data reduction, etc. which is similar to that of the GI and especially the Poker Flats Research Range. We envision your involvement as primarily to provide the vehicle (i.e. cooperative agreement with the GI so that they can improve and modernize their Poker Flats Research Range. There is approximately \$6.075M to accomplish the effort specified in the Brief Statements of Tasks. The funding is FY97 RDT&E money, 2-year money, and is therefore garnishing congressional interest.

\$20 M  
 total

\* 3

- As the season for performing outside work is greatly constrained due to weather around Fairbanks it is critical that the GI receive the funding in a most expedient manner. They need this time to perform

(i)

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the appropriate analysis, planning, release of applicable Requests For Proposals and/or Quotes, evaluations, etc. to ensure an early spring start.

4. If you could provide me with a copy of a current MOU I can start crafting an applicable document for this effort. The attached Brief Statement of Tasks is exactly what we received from ODUSD and can be cleaned up. As I mentioned on the phone, we expect the money no later than the 17<sup>th</sup> of October.
5. Your help in ensuring a timely cooperative agreement with GI is greatly appreciated.

RONALD K. UNRUH  
Senior Contracts Advisor  
Big Crow Program Office

Attachments:  
Statement of Tasks

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**Brief Statements for Tasks  
6 September 1997**

**1. Construction, Refurbishment Activities**

**1.1 Upper Range Road**

This task entails the design and construction of roughly one mile of new, gravel road terminating just east of the telemetry and tracking facilities at upper range.

**1.2 Lidar Building**

This new 3,500 square foot (-325 sq. meter) building (built to optical laboratory standards) is to house a research lidar. The lidar building will be located on upper range adjacent to, but protected optically from, the telemetry facility, and approximately one mile from the Davis Science Center optical observatory.

**1.3 Backup Electric Service**

This task will provide stand-by electric power to operate the telemetry tracking and data collection activities associated with rocket launch and other missions. Additionally, satellite command, control and data collection operations will also be supported by this service. This installation is planned to be located at upper range adjacent to the 34,500 volt high transmission power line south of the telemetry facility.

**1.4 Instrumentation Laboratory in the GI**

Laboratory space within the GI is presently inadequate for the assembly, test and calibration of instrumentation for rocket and space flight. This 16'x 60' space will be refurbished and divided into three work areas (vacuum test facility, flight instrumentation area, and open work area) to provide secure work areas with environmental controls adequate to support development and handling of contemporary electronics and localized clean environments required for optical and high-voltage systems used in instruments.

**1.5 Other Costs**

All management and University Planning and Project Services costs specifically directed to the construction and refurbishment activities.

**2. Technology Activities and Support for the MSX Mission**

**2.0 Project Management**

The GI is a research institute in an academic environment, with most of its research carried out by faculty members funded by state and national agencies (e.g., NASA, NSF, NOAA, etc.), and for which there is a minimum of technical management other

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than that exercised by the individual faculty members, who are the principal investigators for the grants and contracts. This program, however, is of sufficient magnitude and scope that a more explicit management format is required.

## 2.2 The Science Operations Center

The Science Operations Center is the laboratory of Poker Flat Research Range and its sole purpose is to provide the space and opportunity necessary for research in this polar region. It was designed and constructed primarily for research using optical instrumentation such as photometers, spectrometers, alisky cameras, etc., but also houses riometers, magnetometers, and room for visiting instruments.

## 2.3 The MSX Mission ( Continuation of activities)

The four tasks are associated with the collaborative APL?GI activities begun last fiscal year to enhance the scientific work of APL's MSX mission. The objective is to provide simultaneous, coordinated measurements from the ground at the PFRR>

### 2.3.1 Radiation Background

The MSX mission aims to characterize the radiation background that might be a disturbance to observation of distant signatures of aerospace launch activity. The observations to be made here are in the 1-1.5 micron range, which samples the same atmospheric regions as observed from the MSX satellites during overpasse3s and also to provide continuity between passes by continuing the observations during the whole night period. The visible region of the spectrum contains many lines and bands which are irregularly enhanced due to the aurora. This investigation will also provide calibrated spectral time histories along the geomagnetic meridian for certain emissions which characterize the spatial and temporal behavior of the aurora and airglow.

### 2.3.2 Doppler Imaging of the Mesospheric Wind Field

The objective is to image gravity wave fields near 85 km altitude using mesospheric OH emissions observed by the MSX UVISI instruments. Wave activity should be observable by MSX in both temperature and brightness fields.

### 2.3.3 Mesospheric Density Lidar

Density lidar techniques provide an effective high resolution probe of the upper mesosphere and lower thermosphere, the core of the MSX altitude region (70-120 km) under observation. A flexible Nd:YAG pumped dye laser system will allow us to make high-resolution (< 1 min, 500 m) measurements of atmospheric wave and tidal activity in this core region.

### 2.3.4 Cloud Optical Depth

Optical depth is the single most important parameter affecting the transfer of radiation in the atmosphere. Algorithms to determine cloud optical depths from satellite data exist and have been used to provide global maps of cloud properties including optical depth. However, some studies show that there is considerable

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differences between cloud optical depths determined from space and from the ground. MSX data will be used in an attempt to investigate the reasons for this discrepancy.

#### 2.4 Instrumentation Laboratory

The objectives of this task are two fold: to provide the necessary technical infrastructure to (1) construct, assemble and test (e.g., lifetime, thermal stress, mechanical shock) instruments for space flight and to (2) calibrate them in the necessary vacuum environment. The first task requires the purchase of new electronics such as power supplies, oscilloscopes, signal generators, etc., miscellaneous small support parts, material, etc. that are unique to the objectives of this program, etc. and that are not part of or available as part of the routine processes of the GI and its substantial ground-based field operations. The second part includes the purchase, construction, and assembly of the necessary test and calibration vacuum facilities that are required to meet objectives.

#### 2.5 Magnetometer Array

The objective of this task is to enhance a magnetometer array that will provide diagnostics of ionospheric currents in near-real time in the Alaskan sector in order to determine more closely the position of the auroral electrojet.

#### 2.6 Radiative Transfer Modeling

This project is concerned with the development of a radiative transfer code for the vector radiative transfer problem including polarization. Polarized radiative transfer capabilities have relevance for instrument calibration issues, and are true in particular for instruments that are used to measure clear-sky atmospheric intensities and flux.

1(i)

# MEMORANDUM

# STATE OF ALASKA

Department of Military & Veterans Affairs    Administrative Services Division

TO:            Annalee McConnell, Director  
                 Office of Management & Budget  
                 Office of the Governor

DATE:           February 9, 1998

TELEPHONE:    465-4730

FROM:           Carol Carroll  
                 Director

SUBJECT:        FY98 Budget  
                 Supplemental  
                 Youth Corps

The Department of Military & Veterans Affairs requests supplemental of \$608.7 for the Alaska National Guard Youth Corps Challenge Program. The timing for this supplemental is extremely important as our current class will end February 20, 1998, and without a supplemental appropriation we cannot start our next class in March of 1998, and we would be forced to layoff all Youth Corps employees. (3)

**Budget Detail:** Due to a change in the federal program requirements, states are now required to participate in this previously 100% federal youth program. The federal program was changed effective October 1, 1997, and now requires, at a minimum, a 25% State FY 98 funding participation. The Youth Corps Challenge Program did receive \$250.0 in GF for FY98 in the form of a CIP appropriation for operations, which together with an expected \$1.0 million federal grant allowed us to start a class of 60 students in October 1997.

Funding would be utilized to increase the enrollment of the students and commensurate staffing. After the completion of the three year pilot program in September 1997 the funding outlook for this program was uncertain. With the funding available we had to drop the class size to 60 students and keep staff positions vacant. In December 1997 we received a tentative federal approval of \$2.1 million for FFY98. We also changed the classifications of the staff from project employees to regular full time state employees in the exempt service in January 1998.

Supplemental funding would be utilized to fund: Initial clothing and uniform requirements (applicants are now expected to arrive with approximately \$400.00 of clothing and equipment), Cadet stipends for all graduates, Professional counseling resources, improving and expanding self-confidence (adventure) training, individual kitchen skills training (home-econ), Travel expenses for applicants that are not from the Anchorage area (i.e. Southeast, the interior, and the Bush), hot noon meals vs "sack lunches", and hiring staff to fill vacant positions to decrease the Cadet to staff ratio. The first class in SFY98 started with a reduced number of students and staff due to the fact that we only had \$250.0 GF and \$1.0 million in Federal funds. The intent is to have a class of 80 graduates and have a \$1.7 million program per class.

**The Youth Corps Program:** The objective of the Alaska National Guard Challenge Program, the Youth Corps, is to turn young Alaskans, who statistically are headed for a dismal future, into self-confident, contributing citizens of our state and their local communities. Statistics provided to the Youth Corps from other agencies indicate that between 20% to 25% of the freshmen that start high school each (3)

year will not be at graduation due to dropping out, expulsion, or simply not successfully completing sufficient credits to graduate; that 80% of high school drop outs are regular illegal drug users, that unemployment rates for high school drop outs are more than twice those for high school graduates or GED holders, that 88% of female drop outs under age 30 who are head of household live in poverty, and that 85% of the long-term prison inmates do not have a high school diploma or GED.

To accomplish this objective, the Youth Corps uses proven methodology of the United States armed forces. It includes an intense, disciplined, structured, military-style residential phase that is 22-weeks in duration located at Camp Carroll on Fort Richardson, followed by a 12-month post-residential "after-care" phase. Training at the Youth Corps introduces students to health life-coping skills, demanding physical conditioning, leadership and teamwork skills development and successes leading to high self-esteem and pride.

The Youth Corps does not accept all applicants. Those applying for admission to the program must be 16 to 18 years old, not in school, willing to commit to a drug, alcohol and tobacco free life while in the program, free of legal entanglements and physically and mentally capable of completing the military-style training program. Most importantly, all applicants must have a real desire to help themselves and must be volunteers.

The residential portion of the Youth Corps centers on eight "core" components. These include pursuit of educational excellence, basic vocational skills training, life coping skills, responsible citizenship, health, hygiene, nutrition and sex education. They will also learn community involvement through volunteer service to others, leadership and teamwork skill development and physical fitness.

As of August 1997, the Youth Corps has graduated 409 young men and women and returned them to their communities all across Alaska. Nearly 80% of the Youth Corps graduates earned their General Educational Development (GED) certificates at the Youth Corps, and over 10% returned to high school to graduate. Statistically, 55% of the Program graduates are employed, and 30% are in academic or vocational training. None of the graduates counted in these narrow success categories are currently in trouble with the law. This 85% success rate has held constant since the first class; however, the last two classes to graduate had a 92% success rate. This success rate has earned the Alaska Youth Corps a joint award from the USO and Gannet Publishing as the "Best Post-Residential Program in America." The success rate of the Youth Corps is measured by a Department of Defense contractor, Social Consultants International (see National Contacts), The Alaska Youth Corps has also recently been accredited by the Northwest Association of Schools and Colleges (see National Contacts) as a special purpose secondary school.

**The Youth Corps Contact:** COL Gary L. Pederson, Director, 907-428-6667/907-384-6017

I urge you to request a special appropriation at the earliest time possible (February 28, 1998) to avoid the possibility of having to shut down this program and allow for proper notification of staff and students.

If you have any budget questions feel free to contact me, or Nico Bus at 465-2406.

Thank you for your consideration.

# MEMORANDUM

## State of Alaska

*Department of Administration  
Division of Administrative Services*

To: Annalee McConnell  
Director  
Office of Management & Budget

Date: February 10, 1998

From: Sharon Barton  
Director



Phone: 465-5655

Subject: FY98 Supplemental

The Department of Administration is requesting FY98 supplemental appropriations as follows:

EPORS	59,700 GF	2(b)
Office of Public Advocacy	265,400 GF	2(a)(1)
Public Defender	351,000 GF	2(a)(2)
Pioneers' Homes	250,000 GF	(250,000) GF/Pr 2(c)
Leases	1,413,000 GF,	(K) 1,029.4 + 2(a)(3) 343.6
Miscellaneous Claims	26,396 GF	13(a)

**The supplemental funding for Leases will need to be in place by April 23, 1998 in order for the May lease payments to be made timely.**

Detailed request information is attached. If you need additional information, please call.

cc: Mark Boyer  
Alison Elgee  
Dugan Petty  
Brant McGee  
Barbara Brink  
Jim Kohn  
Guy Bell  
Eric Swanson

1(K) 1,029.4

# MEMORANDUM

*State of Alaska*

*Department of Administration*

To: Sharon Barton  
Director  
Division of Administrative Services

Date: February 10, 1998

From: Dugan Petty  
Director  
Division of General Services

Subject: FY98 Supplemental

The Leasing and Facilities BRU, Department of Administration, requests an FY98 supplemental appropriation of \$1,413.0 General Fund. We request this appropriation in two separate allocations as described below.

## **DEC Lab Claim Settlement**

Part I of the request totals \$215.0 GF to defend against a legal claim concerning an issue that arose several years ago relating to the lease of the building that houses the Department of Environmental Conservation lab in Juneau. We received a supplemental appropriation in FY97 of \$75.0 for costs associated with adjudicatory claims relating to the DEC lab, from which mediation and other legal expenses totaling approximately \$36.1 were paid or obligated. The remainder of the appropriation was lapsed. The case continued into FY98 with the administrative hearing held in November. This supplemental request consists of a) \$180.0 for hearing costs from July 1, 1997 through January 9, 1998 which must be reimbursed to the Department of Law, b) \$20.0 for the contracted hearing officer, and c) \$15.0 to the Department of Law to write the post hearing brief.

## **Leasing and Facilities Shortfall**

Part II of the request is \$1,198.0 GF for the estimated leasing obligation shortfall. When the FY 98 leasing budget was prepared, a total lease obligation of \$24,777.7 GF was anticipated. The conference committee adopted the Senate's version of \$23,094.2 GF. We estimate the current need for Leasing and Facilities to be approximately \$24,292.2, resulting in a projected GF shortfall of approximately \$1,198.0. This request is \$485.5 less than the original leasing obligation estimated for FY98, and is the net result of changing conditions since the FY98 budget was prepared over a year ago, i.e. savings in some leases and increased costs in others.

1(k)

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1 (k) 1/22/98

**Cash Flow Problem**

Remaining FY98 monthly lease payments will be in the range of \$2.5 to \$2.8 million. At this rate, supplemental funding will have to be in place by April 23 to make timely payments and avoid penalties.

# MEMORANDUM

## State of Alaska

Department of Administration  
Division of Administrative Services

To: Annalee McConnell  
Director  
Office of Management & Budget

Date: February 10, 1998

From: Sharon Barton  
Director



Phone: 465-5655

Subject: FY98 Supplemental

The Department of Administration is requesting FY98 supplemental appropriations as follows:

EPORS	59,700 GF	2(b)
Office of Public Advocacy	265,400 GF	2(a)(1)
Public Defender	351,000 GF	2(a)(2)
Pioneers' Homes	250,000 GF	(250,000) GF/Pr 2(c)
Leases	1,413,000 GF,	1(k) 223.4 + 2(a)(3) 343.0
Miscellaneous Claims	26,396 GF	1(b)(a)

The supplemental funding for Leases will need to be in place by April 23, 1998 in order for the May lease payments to be made timely.

Detailed request information is attached. If you need additional information, please call.

cc: Mark Boyer  
Alison Elgee  
Dugan Petty  
Brant McGee  
Barbara Brink  
Jim Kohn  
Guy Bell  
Eric Swanson

2(a)(1) - 2(c)

# MEMORANDUM

## State of Alaska

Department of Administration  
Division of Administrative Services

To: Annalee McConnell  
Director  
Office of Management & Budget

Date: February 10, 1998

From: Sharon Bartlett  
Director

Phone: 465-5655

Subject: FY98 Supplemental

The Department of Administration is requesting FY98 supplemental appropriations as follows:

EPORS	59,700 GF	2(b)	
Office of Public Advocacy	265,400 GF	2(a)(1)	
Public Defender	351,000 GF	2(a)(2)	
Pioneers' Homes	250,000 GF	(250,000) GF/Pr	2(c)
Leases	1,413,000 GF,	1(k) 229.00	+ 2(a)(3) 343.00
Miscellaneous Claims	26,396 GF	13(a)	

The supplemental funding for Leases will need to be in place by April 23, 1998 in order for the May lease payments to be made timely.

Detailed request information is attached. If you need additional information, please call.

cc: Mark Boyer  
Alison Elgee  
Dugan Petty  
Brant McGee  
Barbara Brink  
Jim Kohn  
Guy Bell  
Eric Swanson

*This cover memo includes several items in various sections*

# MEMORANDUM

**State of Alaska**

*Department of Administration*

To: Sharon Barton  
Director  
Division of Administrative Services

Date: February 10, 1998

From: Brant McGee  
Director  
Office of Public Advocacy

Subject: FY98 Supplemental

The Office of Public Advocacy (OPA) has recently completed its mid fiscal year analysis of expenditure and caseload trends. Our projections indicate a need for \$265.4 in order to pay the bills of contractors and other court appointed professionals throughout the state. This estimate is down from our initial estimate in June of 1997 (see attached).

Because it cannot control the number and type of appointments it receives, OPA cannot make long-term projections of the costs it will incur in meeting its statutory mandate to provide legal guardian and guardian ad litem representation to over 11,000 Alaskans each year.

Failure to pay billings would mean the violation of a legal obligation and would result in litigation against the state, undue hardship on providers of vital state services, and increased difficulty for OPA in recruiting professionals to provide services.

2(a) (1)

# MEMORANDUM

*State of Alaska*

*Department of Administration*

To: Sharon Barton  
Director  
Division of Administrative Services

Date: June 16, 1997

From: Brant McGee  
Director  
Office of Public Advocacy

Subject: FY98 Supplemental

The Office of Public Advocacy (OPA) estimates its need for an FY 98 supplemental at \$441.1 at this time. This estimate is subject to a potentially substantial revision on September 17, 1997, after the agency has evaluated its FY 97 caseload and cost data. The following information is presented in the order requested:

1. Amount requested in Governor's budget--\$7,726.1.
2. Action by the House--\$7,592.2.
3. Action by the Senate--\$7,676.8.
4. Action by the Conference Committee--\$7,555.6 + \$33.9 (COLA) = \$7,589.5 + \$66.0 (parental consent for abortion fiscal note from SB 24) = \$7,655.5.
5. Cost containment measures during FY 98 will include the following:
  - a. Coordinate with Alaska Court System to implement the recommendations of the Indigent Appointment Committee to limit OPA appointments.
  - b. Assist efforts by private organizations in seeking to enjoin implementation of the parental consent for abortion statute.

2(a)(1)

- c. Continue travel restrictions.
  - d. Expand Court Appointed special Advocate (CASA) recruitment to create more volunteer assistance for both staff and contract guardians ad litem for abused children.
  - e. Continue close scrutiny of legal services billings by at least three staff members.
  - f. Expand staff defense representation in rural areas to save contractual costs.
6. The Office of Public Advocacy's FY 98 supplemental need estimate is based on a shortfall of \$197.4 from the need estimated in November 1996 plus a \$20.0 reduction in the travel budget, a \$50.0 miscellaneous reduction, and a \$98.0 shortfall in the parental consent for abortion (SB 24) fiscal note. The estimate also includes a projected shortfall of \$75.7 in personal services funds, which represents a 3% vacancy factor of our 100 line budget of \$2,524.7. This calculation is essential in order to fully acknowledge that OPA rarely experiences staff turnover and has little realistic opportunity to hold open positions.

# MEMORANDUM

*State of Alaska*

*Department of Administration*

To: Sharon Barton  
Director  
Division of Administrative Services

Date: February 10, 1998

From: Barb Brink  
Director  
Public Defender Agency

Subject: FY98 Supplemental

## **PROBLEM**

The Public Defender Agency has a projected shortfall of \$351.0. While \$351.0 is a marked reduction from the initial \$650.0 anticipated deficit, a supplemental appropriation of \$351.0 is necessary to provide service to the end of FY 98.

## **CAUSE**

FY 97 Actuals were \$8,891.5. Total FY 98 Authorized is only \$8,684.5 and caseload has continued to increase as predicted. In FY 96, 17,623 new cases were assigned to the PDA. In FY 97, 18,463 new cases were assigned, an increase of 4.8%. The half year caseload count for FY 98 projects 19,111 new cases for FY 98, an increase of 3.5%.

While reported crime may be on the decrease, arrests and prosecutions and therefore Public Defender assignments are increasing. Federal dollars continue to support community policing and increases in the Anchorage Police Department, the Alaska State Troopers and the assignment of village public safety officers to rural locations. Additionally, our high levels of population growth, transient population, and subsistence communities, contribute to a high percentage of "indigency" findings by the court. Finally, in the child protection arena, recent policy changes by DFYS have dramatically increased the number of new court cases filed as Child in Need of Aid petitions and again increased Public Defender appointments.

## **CONTAINMENT**

The prospect of a \$650.0 shortfall required PDA to take drastic action in our personal services line as 90% of the Public Defender budget is personal services. Four permanent full time positions have been maintained as vacancies for the entire fiscal year thus far. However, these cost-saving measures are temporary fixes at best and cannot continue.

The four permanent full time positions were an attorney position in Fairbanks, an attorney position in Barrow, an attorney position in Bethel, and an investigator position in Dillingham.

2.(a) (2)  
2. (b) (2)

The Fairbanks position became vacant when one of our long-time Public Defenders retired. The intention had been to move that position to Nome, a single-lawyer office which handles in excess of 750 cases per year. The Nome office has two District Attorneys. That Nome position has not been filled but it is reaching crisis proportions. The Barrow position has been maintained as a vacancy throughout the fiscal year because Barrow had voted itself to go dry, that is to ban possession of any alcohol. However, in November of last year a new vote was taken and Barrow has done "damp". Recent statistics cited by the Barrow police and the Alaska State Troopers indicate that arrests have doubled for November and December. Domestic incidents are up 140%, drunk driving charges are up 140%, criminal trespasses are up 180%.

While Barrow can be and was a one-attorney office when crime plummeted, it again is becoming unmanageable for a single attorney. The Bethel vacancy has been maintained by supplying partial services from Anchorage. An Anchorage attorney travels to Bethel once a week to conduct court business on Thursday and meet with clients, social workers and guardians ad litem on Friday. This was a workable solution when the Attorney General also traveled from Anchorage. However, the Department of Law has placed a full time AG and a full time staff person in Bethel. The caseload has increased and the clients are getting less service than other locations, having to meet their lawyer for the first time in court and conducting much business telephonically. Additionally, a recent policy change at DFYS in Anchorage has resulted in a doubling of the new cases filed per month in Anchorage, making the weekly travel impossible.

Finally, the Dillingham investigator position was designed again to help a single-lawyer office cope with an ever-increasing caseload. Last year the attorney handled over 450 cases with just one receptionist/secretary. Investigative services to interview witnesses, gather information and investigate crime scenes was provided by flying out investigators from Anchorage. Again, these temporary fixes have gotten to the point where they can no longer be maintained.

A ten-year survey of Public Defender caseload and staffing indicates that while the overall caseload has increased 53%, we have experienced only a 23% increase in attorneys. We are approaching the breaking point in terms of cases an attorney can handle per year. The vacancies in these rural court locations must be filled to meet these ever-increasing numbers.

Efforts have also been made in our other lines to reduce costs. For example, efforts have been made to further restrict travel despite the fact that Public Defender attorneys are required to travel to 44 remote court locations to process cases. More and more of these proceedings are being handled telephonically which, while reducing travel costs, has increased our contractual line and has diminished the quality of our service. Further centralization and telephonic communication is inconsistent with local community involvement and effective attorney/client relationships.

#### CONSEQUENCES

Supplemental funds are necessary to pay for personal services and contractual obligations to the Department of Law for discovery, increased telephone charges, and other related services of legal representation. Failure to pay any of these travel, contractual or equipment billings will certainly invite litigation against the state to enforce those valid legal obligations. The agency in the past tried to delay payment to private business providers of essential goods and services. Late charges added to our increased costs, credit was revoked, and the ability to conduct business within the state was severely compromised. Failure to sufficiently fund our personal services line results in

a reduced quality of service, severe delays in processing of cases, increased complaints from prosecutors, victims, witnesses and members of the judiciary, morale problems and ineffective claims and malpractice suits.

Should the supplemental be reduced or not funded our least onerous option will be to shut down the agency in June for as many days as necessary to make up the shortfall. This will profoundly affect the PD staff, clients, criminal and family courts, prosecutors, Department of Corrections, victims, witnesses and the Office of Public Advocacy will all be profoundly affected. Any other approach is even more disruptive to the criminal justice system.

2(a)(2)  
~~2(a)(2)~~

# MEMORANDUM

## State of Alaska

Department of Administration  
Division of Administrative Services

To: Annalee McConnell  
Director  
Office of Management & Budget

Date: February 10, 1998

From: Sharon Barton  
Director



Phone: 465-5655

Subject: FY98 Supplemental

The Department of Administration is requesting FY98 supplemental appropriations as follows:

EPORS	59,700 GF	2(b)	
Office of Public Advocacy	265,400 GF	2(a)(1)	
Public Defender	351,000 GF	2(a)(2)	
Pioneers' Homes	250,000 GF	(250,000) GF/Pr	2(c)
Leases	1,413,000 GF,	1(K) 1,229.7	+ 2(a)(3) 383.6
Miscellaneous Claims	26,396 GF	3(a)	

The supplemental funding for Leases will need to be in place by April 23, 1998 in order for the May lease payments to be made timely.

Detailed request information is attached. If you need additional information, please call.

cc: Mark Boyer  
Alison Elgee  
Dugan Petty  
Brant McGee  
Barbara Brink  
Jim Kohn  
Guy Bell  
Eric Swanson

This item is combined  
with 1(K) for a total  
of 1,413,000

2(a)(3) 383.6

# MEMORANDUM

State of Alaska

Department of Administration

To: Sharon Barton  
Director  
Division of Administrative Services

Date: February 10, 1998

From: Dugan Petty  
Director  
Division of General Services

Subject: FY98 Supplemental

The Leasing and Facilities BRU, Department of Administration, requests an FY98 supplemental appropriation of \$1,413.0 General Fund. We request this appropriation in two separate allocations as described below. 2(a)(3)

## DEC Lab Claim Settlement

Part I of the request totals \$215.0 GF to defend against a legal claim concerning an issue that arose several years ago relating to the lease of the building that houses the Department of Environmental Conservation lab in Juneau. We received a supplemental appropriation in FY97 of \$75.0 for costs associated with adjudicatory claims relating to the DEC lab, from which mediation and other legal expenses totaling approximately \$36.1 were paid or obligated. The remainder of the appropriation was lapsed. The case continued into FY98 with the administrative hearing held in November. This supplemental request consists of a) \$180.0 for hearing costs from July 1, 1997 through January 9, 1998 which must be reimbursed to the Department of Law, b) \$20.0 for the contracted hearing officer, and c) \$15.0 to the Department of Law to write the post hearing brief.

## Leasing and Facilities Shortfall

Part II of the request is \$1,198.0 GF for the estimated leasing obligation shortfall. When the FY 98 leasing budget was prepared, a total lease obligation of \$24,777.7 GF was anticipated. The conference committee adopted the Senate's version of \$23,094.2 GF. We estimate the current need for Leasing and Facilities to be approximately \$24,292.2, resulting in a projected GF shortfall of approximately \$1,198.0. This request is \$485.5 less than the original leasing obligation estimated for FY98, and is the net result of changing conditions since the FY98 budget was prepared over a year ago, i.e. savings in some leases and increased costs in others.

2(a)(3)  
~~2(a)(2) 203.6~~  
~~1(k) 1,029.4~~

**Cash Flow Problem**

Remaining FY98 monthly lease payments will be in the range of \$2.5 to \$2.8 million. At this rate, supplemental funding will have to be in place by April 23 to make timely payments and avoid penalties.

Xtra page?  
no  
duplicated on  
2/10/98 memo from  
D. Petty

# MEMORANDUM

## State of Alaska

Department of Administration  
Division of Administrative Services

To: Annalee McConnell  
Director  
Office of Management & Budget

Date: February 10, 1998

From: Sharon Barton  
Director



Phone: 465-5655

Subject: FY98 Supplemental

The Department of Administration is requesting FY98 supplemental appropriations as follows:

EPORS	59,700 GF	2(b)
Office of Public Advocacy	265,400 GF	2(a)(1)
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Leases	1,413,000 GF,	1(F) 229.1 + 2(a)(3) 383.0
Miscellaneous Claims	26,396 GF	3(a)

The supplemental funding for Leases will need to be in place by April 23, 1998 in order for the May lease payments to be made timely.

Detailed request information is attached. If you need additional information, please call.

cc: Mark Boyer  
Alison Elgee  
Dugan Petty  
Brant McGee  
Barbara Brink  
Jim Kohn  
Guy Bell  
Eric Swanson

2(b)

~~2(b)~~

# MEMORANDUM

**State of Alaska**

*Department of Administration*

To: Sharon Barton  
Director  
Division of Administrative Services

Date: February 10, 1998

From: Guy Bell  
Director  
Division of Retirement & Benefits

Subject: FY98 Supplemental

## **FY98 Supplemental Request for EPORS**

As of January, 1998, the Elected Public Officers Retirement System has 43 members; 33 are currently receiving a monthly pension benefit. Two members retired in FY98. The \$59.7 identified in this supplemental budget request includes all known costs as of January 1, 1998.

General funds must be appropriated to pay benefits to EPORS retirees per AS 39.37.110. A shortfall in the amount of \$59.7 GF is projected for this component for the remainder of FY98. Funds appropriated will be used to pay health insurance premiums and monthly pension benefits to EPORS retirees.

2(b)

2(b)

# MEMORANDUM

*State of Alaska*

*Department of Administration*

To: Sharon Barton  
Director  
Division of Administrative Services

Date: February 10, 1998

From: Jim Kohn  
Director  
Alaska Longevity Programs

Subject: FY98 Supplemental

The Division of Alaska Longevity Programs, Pioneers' Homes component, requests supplemental funding of \$250.0 GF, with an offsetting decrease in GF/Program Receipts, due to an unanticipated GF/Program Receipts revenue shortfall and the necessity to underwrite the creation and operation of a central pharmacy.

## **Background**

In the spring of 1997, after the FY98 budget was completed, the Anchorage Pioneers' Home pharmacy contractor informed the Division of Alaska Longevity Programs (ALP) that it was not interested in renewing the expiring pharmacy contract. This prompted ALP management to begin moving toward a centralized in house pharmacy for all the Pioneers' Homes. The central pharmacy was recommended to ALP management by a geriatric consultant as a way of reducing costs to residents and the state and as a way of providing better medical care. It was also becoming evident that problems with the delivery of medication were putting the patients and the state increasingly at risk. It also became the only alternative in some other locations as contractors began advising the Homes that they were not interested in continuing to provide medication to the Homes.

## **Problem**

At the time the decision was made to move forward with the central pharmacy, it appeared that the additional cost of the pharmacy could be absorbed. Additional costs include purchasing and maintaining the medication inventory of approximately \$100.0, the cost of building the pharmacy in the Anchorage Pioneers' Home which amounted to approximately \$20.0, and the cost of two full-time pharmacists and two full-time clerical positions needed to operate the pharmacy, which amounted to approximately \$130.0. However, an overall under collection of Pioneers' Home rent receipts, currently projected

to be approximately \$261.1, have made absorption of the pharmacy cost impossible.

**Solution**

DOA is requesting a supplemental appropriation of \$250.0 GF with an offsetting reduction of \$250.0 GF Program Receipts.

**Central Pharmacy Results**

Evidence of both cost savings and better care as the result of the central pharmacy are currently being seen. We are now certain that the new pharmacy program has decreased monthly medication costs to individual residents by 45 to 75%. That reduction in medication costs will also have the effect of some increased future rent collections as funds previously used by residents to pay for high cost medications can now be used to pay more rent.

**Epilogue:**

Last week at the Anchorage Home a community spouse of a resident spoke to the Home Administrator, John Vowell, about the new pharmacy program. The lady, the community spouse, is trying to pay the full charges each month for her husband and wondered how the new pharmacy program would effect her ability to continue to pay. John compared her husband's December pharmacy bill from a local pharmacy with the January bill from the division pharmacy and for the same medications the cost was reduced by a full 70%. The lady broke down in tears when she saw the savings and couldn't thank John enough for helping her reduce her husband's medication costs.

MEMORANDUM OFFICE OF MANAGEMENT & BUDGET STATE OF ALASKA

JAN 26 1998

TO: Annalee McConnell, Director  
Office of Management and Budget  
Office of the Governor

DATE: Monday, January 26, 1998

FILE NO.:

FROM: Tom Lawson, Director  
Division of Administrative Services  
Department of Commerce and  
Economic Development

PHONE NO.: 465-2505

SUBJECT: FY 98 Supplemental Request

The Department of Commerce and Economic Development (DCED) requests the following supplemental appropriation for FY 98:

DCED Hearing Examiner Support \$50.3 This supplemental request is for \$50.3, \$28.7 for the Division of Insurance and \$21.6 for the Division of Banking, Securities and Corporations. The Division of Occupational Licensing (DOL) has provided hearing examiner support to the Division of Insurance (DI) and the Division of Banking, Securities and Corporations (DBSC). In FY 96 and FY 97 the amount charged to DI and DBSC was insufficient to cover actual costs. DOL absorbed approximately \$50.3 hearing examiner costs that should have been paid by DI and DBSC. A Division of Legislative Audit audit report on *Occupational Fee Setting Policies and Regulatory Costs* dated October 3, 1997 made the following recommendation:

3(a)  
3(b)

Recommendation No. 2

The directors of the Division of Administrative Services (DAS) and Occupational Licensing (OccLic) must take corrective action for hearing officer costs charged to the wrong appropriation. Further, improved billing procedures must be implemented to ensure future hearing officers' costs are charged to the proper appropriation.

The department's response stated:

The department agrees with this recommendation. Occupational Licensing staff have compiled the FY 96 and FY 97 times sheets for the Hearing Office, and have determined that the combined undercharge to the Division's of Banking, Securities and Corporations (BSC) and Insurance (DOI) is \$50,263. Because both fiscal years have been closed to expenditure transactions, we submit a supplemental budget request to the Office of Management and Budget for consideration during the 1998 legislative session.'

3(a)  
3(b)

Our approach will be to request an FY 98 supplemental appropriation of BSC and DOI general fund/program receipts to the Division of Occupational Licensing, which will offset current OccLic expenditures and allow OccLic to carry forward the equivalent amount of revenue into FY 99. This assumes that the Legislature will allow OccLic to carry revenue and/or authorization forward into FY 99.

To prevent this from occurring in the future, Occupational Licensing staff will ensure that the divisions are appropriately billed (by reimbursable services agreement) for hearing officer services.

This supplemental request, if appropriated, would be offset by a restriction of \$50.3 in the DOL FY 98 operating budget to be supplanted by interagency receipts from DI and DBSC. Your approval is requested to bring this audit exception into compliance.

C.C.: Pat Davidson, CPA, Acting Legislative Auditor  
Division of legislative Audit

3(a)  
3(b)

# MEMORANDUM

State of Alaska

Community & Regional Affairs

TO: Annalee McConnell, Director  
Office of Management and Budget

DATE: February 9, 1998

FILE NO:

TELEPHONE: 465-4700

*pk*  
FROM: Remond Henderson, Director  
Administrative Services Division

SUBJECT: FY 98 Supplemental Request

The purpose of this memorandum is to convey the Department of Community and Regional Affairs' official request for supplemental appropriations in FY 98, as set forth below:

Project	GF	Fed	Other	Total
Power Cost Equalization	\$ -	\$ -	\$ 1,700,000	\$ 1,700,000
Bristol Bay/Kuskokwim Economic Disaster	\$ 1,875,000	\$ 7,000,000	\$ -	\$ 8,875,000
Head Start Quality, Health, and Safety	\$ 500,000	\$ -	\$ -	\$ 500,000
<b>Total 98 Supplemental</b>	<b>\$ 2,375,000</b>	<b>\$ 7,000,000</b>	<b>\$ 1,700,000</b>	<b>\$ 11,075,000</b>

Attached are backup documents providing detailed information for each supplemental request.

cc: Traci Carpenter, Budget Analyst, DAS

4(a)  
4(b) 4 a do)

**POWER COST EQUALIZATION**

**FY98 Supplemental -- \$1.7 Million**

	<u>(\$ Millions)</u>	
FY98 appropriation	\$17.0	
Projected funding requirement (at 85% of formula)	18.7	4 (a)
Supplemental needed to stay at 85%	1.7	4 (b)

The full PCE demand, if paid at the 100% level, would be \$22.0 million. Program statutes, AS 42.45.110 (i), require that if the annual appropriation is not sufficient for payment in full, the amount paid to each utility is reduced on a pro-rata basis.

The 85% pro-rata level is a continuation of the level paid in FY97. This lower payment level was selected to protect the corpus of the Power Cost Equalization and Rural Electric Capitalization Fund ("PCE Fund") that has been the funding source of the PCE program since FY95. The PCE Fund is expected to be depleted by the end of FY99 (see table below). The 85% level was intended to hold down the program funding requirement while solutions are developed to extend the life of PCE past FY99.

If a supplemental appropriation is not forthcoming, the PCE payment level should be reduced below 85% as soon as possible. If the payment level is not reduced, the available funds will run out and zero PCE payments will be issued for the last month of FY98. If the payment level is reduced effective April 1, 1998, PCE would be paid at 54.1% for the remainder of FY98.

Funding the FY98 supplemental from the General Fund or other funding sources would help protect the corpus of the PCE Fund. The table below, however, assumes that the supplemental is appropriated from the PCE Fund.

**PCE PROJECTIONS**  
**(\$ Millions)**

	<u>FY98</u>	<u>FY99</u>
<b>PCE Fund at beginning of fiscal year</b>	<b>\$31.5</b>	<b>\$16.4</b>
<b>Revenue</b>		
PCE Fund investment income	1.5	.7
40% of Four Dam Pool debt svc	2.1	2.0
<b>PCE Fund - Amount Available</b>	<b><u>35.1</u></b>	<b><u>19.1</u></b>
<b>Expenditure</b>		
PCE at 85% of formula	18.7	19.1
<b>PCE Fund at end of fiscal year</b>	<b><u>16.4</u></b>	<b><u>0</u></b>
<b>Amount needed at 100% of formula</b>	<b>22.0</b>	<b>22.6</b>

4 (a)  
4 (b)

FY 99 Options proposed by Division of Energy to reduce formula requirement:

**1) Lowering monthly cap for residential customers. \$3.7 million**

- Residents can now claim PCE credit for up to 700 kWh per month.
- Average usage per PCE eligible resident is 349 kWh per month.
- Lowering cap to 350 kWh per month would cut \$3.7 million from formula.

**2) Remove commercial customers from PCE eligibility \$2.4 million**

- State and federal offices and facilities are already ineligible.
- As a class, commercial customers (excluding schools) are better able than residential customers to absorb cost increases. Given:
  - i) maximum monthly usage under the PCE program of 700 kWh / mo.
  - ii) average PCE subsidy of 14.7 cents / kWh
- a commercial customer would face increased cost of about \$100 / month.
- Also removing schools from eligibility would cut an additional \$0.2 million.

**3) Limit eligibility of community facilities \$1.0 million**

- Limit eligibility to those community facilities that are essential for life, health and safety. These would include water and sewer, public outdoor lighting, washeteria, firehall, health clinic, and village public safety office.
- Savings based on rough estimate of 25% cut in community facilities.

**Total Reduction in Formula Requirement** from these cuts (excluding schools) is therefore estimated to be **\$7.1 million**, reducing the FY99 formula requirement from \$22.6 million to \$15.5 million. If the PCE is prorated to 85% of the reduced formula requirement, the funding level would be \$13.2 million.

4(a)  
4(b)

## MEMORANDUM

TO: Annalee McConnell, Director  
Office of Management and Budget

DATE: February 10, 1998

THRU: *Dwayne B. Peoples*FROM: Dwayne Peoples, Director  
Division of Administrative Services

SUBJECT: FY98 Supplemental Request

The Department of Corrections request the following items be considered for supplemental funding in FY98.

**Supplemental #1**

Inmate Health Care: \$2,500.0 GF 5(c)

Inmate Health Care currently has considerable medical cases beyond the norm, with bills estimated at \$1,984.0 as of January 28, 1998. Final bills for some of these cases have not been received and other cases, which are not yet closed, are estimated. A few very current cases were not calculated in these totals, therefore, the best total estimate through year-end is \$2,500.0.

**Supplemental #2**

Institutions: (Correctional Facilities) \$661.0 GF 5(b)  
\$ 60.0 GF/PR  
\$721.0

The supplemental need for Institutions is being driven by several factors, primarily due to overcrowding. Overtime is high due to overcrowding, inmate medical transports and hospital coverage, and shift coverage for Correctional Officer I's attending the Correctional Academy for six weeks.

The projected deficit in the personal services line for all twelve institutions is \$1,485.0. This projected deficit is being reduced to \$1,166.0 by holding the line on expenditures in non-personal services lines. The DOC is further reducing the deficit by processing revised programs to move funding from the Division of Community Corrections to the Division of Institutions.

The legislature appropriated \$650.0 in Federal Funds and \$65.0 in General Fund Match for a total of \$715.0 in FY98 to the Office of the Commissioner in anticipation of receiving funds from a Federal Truth in Sentencing program. The Department was notified that the State of Alaska does not qualify for the Federal Truth in Sentencing program and will not receive a federal grant. The Department proposes that the \$65.0 General Fund Match appropriated to the project be used to partially offset the Institutions supplemental need.

The DOC Institutions collects \$2.00 per meal from anyone eating a meal prepared and served by the Institution. These funds are collected primarily from DOC staff. Historically these funds have been deposited into the general fund. A program receipt supplemental for \$60.0 of these funds would assist with the requested supplemental.

**Supplemental #4**

Transportation and Classification \$240.0 GF 5(d)

The increased prisoner population for FY98, averaging about 20% above Cleary Emergency capacity, has required significant prisoner transports be accomplished by the five (5) Prisoner Transportation Officers in the Transportation and Classification Section, both in-state and out-of-state. Accomplishing this involves heavy overtime usage and increased transport expenses. To make it through the fiscal year, an addition of \$120.0 personal services is required to cover the costs of premium pay for the prisoner transportation officers and an additional \$120.0 of travel funds are necessary to cover the transportation needs of moving these huge numbers of prisoners. As one aspect of the Department's plan for handling these increased prisoner levels, an additional 120 prisoners will be moved to our Central Arizona contract facility by the end of March. The Department needs these supplemental funds to accomplish this out-of-state action and to continue to meet ongoing in-state prisoner transport needs for the remainder of the fiscal year.

**Supplemental #5**

Existing Community Residential Centers	\$886.0	1 (c)
Supplemental GF/PR Auth. (25% Wages)	\$600.0	GF/PR
Supplemental GF/PR Auth. (DWI Collections)	\$ 50.0	GF/PR
Supplemental GF	\$236.0	GF
Supplemental Request	\$886.0	

The Department started the fiscal year with 586 general funded Community Residential Center (CRC) beds at eight contract facilities. Five of the providers base contracts expired on November 30, 1997 and had to be resolicited. This resolicitation has resulted in an overall cost increase of \$886.0, which requires a supplemental. In addition, as part of the agreement to spend newly appropriated Federal Funds toward new CRC beds, the Department was obligated to maintain the original 586 beds. To reduce the impact of the supplemental, however, we estimate that \$650.0 of this need could be funded by increasing the general fund/program receipt authority and allowing the DOC to utilize collections in excess of our current authorization for DWI cost of care and Inmate 25% Wages cost of care reimbursement. This supplemental request is time sensitive due to the expiration dates of existing contracts. Some contracts will expire March 31, 1998. The DOC can not implement contracts to continue these beds if funding is not available at that time.

**Supplemental #6**

Alaska Board of Parole \$50.0 GF 5(a)

The workload of the Alaska Board of Parole has increased significantly as prisoner populations have expanded across the entire State of Alaska. To process discretionary and mandatory parole hearings, parole revocation hearings, preliminary hearings, etc., on a timely basis, additional travel, transportation, and contractual service funds are required. Maintaining parole board activities to return eligible parolees to the community will free up institutional beds.

5(a)(b)(c)(d)  
5(a)(b)(c)

**Supplemental #7**

Kids Package

\$100.0 GF 12 (d)(17)

This request is for capital funds to purchase vehicles and life safety equipment necessary to implement the Sexual Predators program.

cc: Margaret Pugh, Commissioner  
Joseph Reeves, Deputy Director, Administrative Services  
Sharleen Griffin, Program Budget Analyst

5(a)(b)(c)(d)  
~~5(a)(b)(c)(d)~~

Inmate Health Care  
Supplemental  
(as of 1/28/98)

5(c)

Date	Medical Condition - Diagnosis	Actual Cost to Date	Additional Projected Cost	Total Projected Cost
07/01/97	Crush injury, knees	40,826	0	40,826
07/09/97	Stroke	125,390	0	125,390
07/10/97	Blood Clot	16,781	0	16,781
07/21/97	Blood Clot	34,521	0	34,621
07/22/97	Ulcerative Colitis led to ruptured bowel	181,031	0	181,031
07/29/97	Drug induced seizures	43,588	0	43,588
07/31/97	Dissecting aorta required open heart surgery	147,622	0	147,622
08/05/97	Gallbladder surgery - pneumonia	22,391	0	22,391
08/16/97	Suicide attempt	23,834	0	23,834
09/12/97	Kidney failure	27,474	15,726	43,200
09/20/97	Massive coronary	52,952	0	52,952
09/22/97	Malignant tumor of the throat	32,444	217,556	250,000
10/07/97	Malignant orbital tumor - Sinuses - eye removed	11,725	0	11,725
10/09/97	Aortic Valve replacement	174,128	0	174,128
10/09/97	Mallory-Weiss tear - gastrointestinal bleeding	15,685	0	15,685
10/29/97	Coronary angiogram	91,496	38,504	130,000
11/11/97	Tripod fracture with a subdural	99,268	8,732	108,000
11/11/97	Abscess of large bowel	26,384	23,616	50,000
11/16/97	Cirrhosis of the liver - bulimia - renal failure	32,618	27,382	60,000
12/07/97	Ulcerative Colitis - Remove large intestine	41,886	78,114	120,000
01/05/98	Infection of fatty tissue & muscle of buttocks	326	39,674	40,000
01/05/98	Perforated duodenum - developed abscess	180	74,820	75,000
01/12/98	Stroke	2,190	UTE	2,190
01/13/98	Malignant abdominal mass	3,289	116,711	120,000
	Hemophiliac with aids (hospitalized)	5,000	UTE	5,000
	Monthly medications for hemophiliac with aids	15,000	75,000	90,000
	<b>TOTAL</b>	<b>1,268,129</b>	<b>715,835</b>	<b>1,983,964</b>

\*UTE NOTE: Unable to Estimate costs

(P)(C)(X)(A) 5

# MEMORANDUM


# STATE OF ALASKA

Department of Military & Veterans Affairs    Administrative Services Division

TO:        Annalee McConnell, Director  
            Office of Management & Budget  
            Office of the Governor

DATE:        February 9, 1998

TELEPHONE:    465-4730

FROM:          
            Carol Carroll  
            Director

SUBJECT:        FY98 Budget  
                    Supplemental  
                    DMVA

The Department of Military & Veterans Affairs requests the following supplementals for FY98:

**1. Disaster Relief Fund (DRF) - \$2.0 million general funds**    6

This \$2.0 million supplemental funding to the DRF to capitalize the fund, will allow the DRF to meet its projected obligations for the next 12 months. The cash balance of the fund as of January 20<sup>th</sup> was \$50.0. We have outstanding obligations of \$1.3 million on state disasters, and a projected need for the Shismareff disaster of \$265.2. The balance will be used for future disasters. The average annual state disaster expenditures for the past five years have been \$3.0 million in general funds.

**2. Alaska National Guard Counterdrug Support program - \$100.0 federal funds**    11

The Counterdrug Support Program within the Alaska National Guard (ANG) allows for participation in the U.S. Department of Justice (USDOJ) Forfeiture Program. This federal program's primary purpose is to deter crime by depriving criminals of profits and proceeds from their illegal activities. State expenditure of these funds would be made in the area of technological support supplies and equipment for the ANG. We request that this be set up as a capital project budget as the funding will cross state fiscal years. We expect to receive \$26.0 in the next month or so. The federal guide for spending these funds is available to those interested in receiving a copy. The program and staff are paid for by the federal government to do such functions as aerial surveillance and reconnaissance, cargo inspection, photo reconnaissance, training, ground radar, etc. Any moneys recovered from the sale of forfeiture items are distributed among the participating agencies. The federal government cannot use these funds unless they are appropriated through the state budget process. Additional information is attached.

**3. Youth Corps Facilities Repairs and Upgrades at Camp Carroll - \$230.0 GF**    12 (JK15)

The Youth Corps Program is housed in barracks at Camp Carroll on Fort Richardson. This funding will allow for the replacement of 12 furnaces and 16 roofs, as well as adding siding and insulation. These barracks were intended to be temporary training facilities for the military and are now used on a year-round basis by the Youth Corps. The repairs and upgrades will be used in lieu of rent.

6  
H

Carol Carroll, Director

2/11/98

Page 2

We appreciate your consideration. If you have any further questions feel free to contact me, or our budget contact Nico Bus, at 465-2406.

Attachments

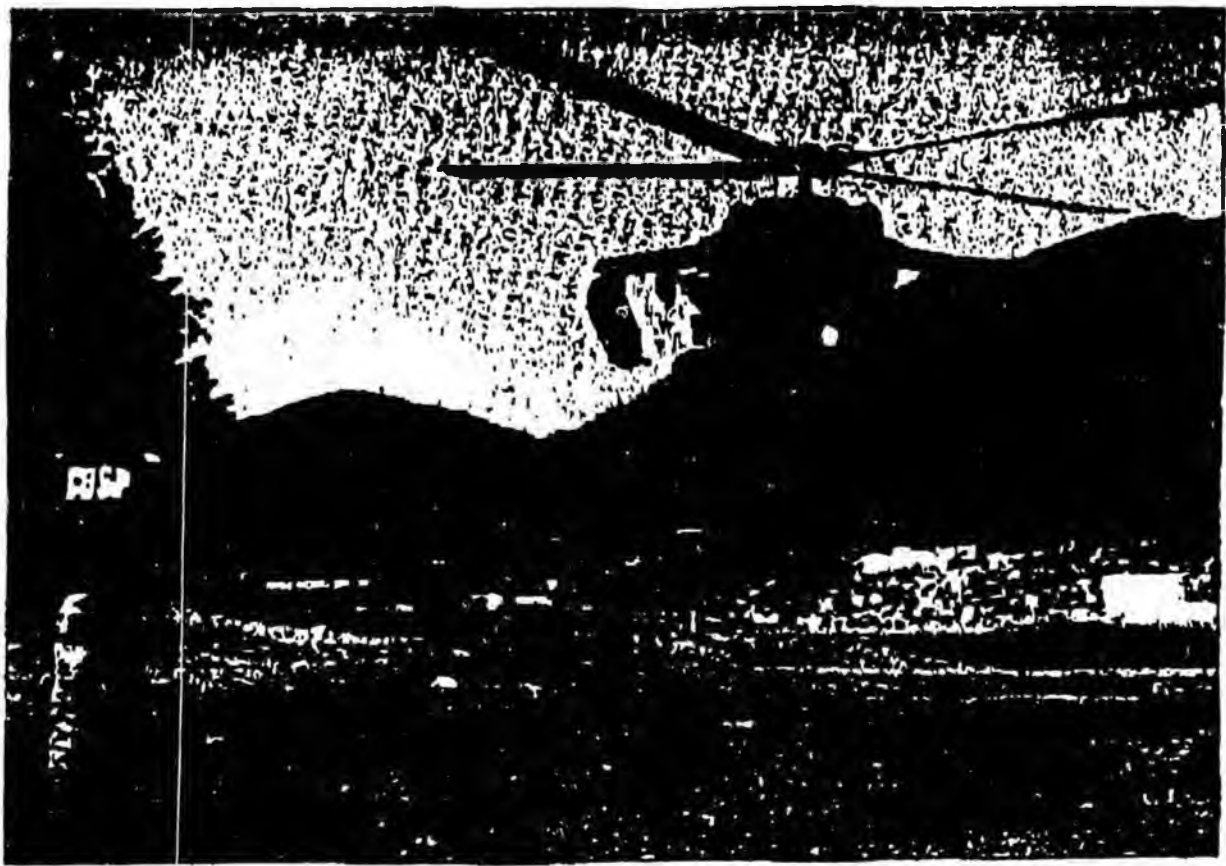
cc: Roger Schnell  
Juno Char.ce  
Nico Bus  
Bob Heavilin

# Counterdrug Support Program

Section 11

## MISSIONS:

- #1: Counterdrug Coordination, Liaison, and Management
- # 2: Technical Support including: Linguist Support, Intelligence Analyst Support, Operational/Investigative Case Support, Communications Support, Engineer Support, and Subsurface/Diver Support
- # 3: General Support including: Domestic Cannabis Suppression/Eradication Operations, Transportation Support, Maintenance/Logistical Support, and Cargo/Mail Inspection
- #4. Counterdrug-related Training
- # 5. Reconnaissance/Observation- surface and aerial
- #6. Demand Reduction Support that is: Community Based, Educational, Informational, Leadership Development oriented and aimed at Coalition Development



The National Guard provides support to the Alaska State Troopers, local Police Departments, United States Marshal Service, Postal Service, Drug Enforcement Administration, the Customs Service, Federal Aviation Administration, and Federal Bureau of Investigation. Photo by GDS.

6

# COUNTERDRUG SUPPORT PROGRAM

The Alaska National Guard's Counterdrug Support Program continues to play an exceedingly significant role in the war on drugs, a war that was once the sole responsibility of local and federal law enforcement agencies.

This program was formed in 1989 with the mission of supporting Local, State, and Federal law enforcement agencies in combating the ever increasing epidemic of drugs in America.

Alaska's specially trained National Guardsmen work side-by-side with Alaska State Troopers and Municipal Law Enforcement throughout the state.

The Alaska National Guard provides additional support to law enforcement agencies with assets such as Blackhawk helicopters, C-130

Hercules transport aircraft, specialized equipment, and training facilities.

Financed under special congressional appropriation, there is no cost to the State of Alaska for the full-time Counterdrug Support program or for on-call support specialists. The total budget expended by the Counterdrug Support program during FY'96 was \$1.4 million with a projected increase to \$1.6 million in FY'97. To date this program has assisted in over 1500 operations.

Section 4



Domestic Cannabis (Marijuana) suppression is one of the main missions of the CDS program. Photo by CDS.

## Total Seizure in FY'96

<u>Item</u>	<u>Amount</u>	<u>Total Value</u>
Arrests	289	
Currency		\$384,570.00
Cocaine	64.5 pounds	\$5,533,000.00
Heroin	3.8 pounds	\$1,888,000.00
Marijuana Plants	12,677	\$56,954,000.00
Marijuana Processed	83 pounds	\$375,148.00
Methamphetamine	0.5 pounds	\$500.00
Property		\$509,600.00
Vehicles	22	\$241,400.00
Weapons	88	\$24,375.00

# MEMORANDUM

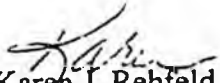
State of Alaska  
*Department of Education*

To: Annalee McConnell, Director  
Office of Management & Budget

Date: February 12, 1998

Phone: 465-8650

File: 98 Supplemental Memo.doc

From:   
Karen J. Rehfeld, Director  
Education Support Services

Subject: FY98 Supplemental Request

Attached is back up documentation supporting the Department of Education's FY98 Supplemental Request, by section. Please contact me if you have any questions.

\* *Section 7*

AVTEC – Pell Grants federal receipts \$75,000.00

*Section 12(d)(2)*

Mt. Edgecumbe High School – Powerhouse Demolition Project \$158,300.00

*Section 13*

Miscellaneous Claims \$3,633.00

*Section 15*

Business Enterprise Program - Ratifications \$28,143.50  
\$17,674.30

*Section 16*

Records Storage - Management Fees and Costs \$0.0

/attachments

*Section 7*

*AVTEC – Pell Grants federal receipts*

*\$75,000.00*

AVTEC recently received certification from the U.S. Department of Education to participate in the Student Financial Assistance Programs under Title IV, in particular, PELL Grants. Post-secondary schools participate in the Federal Student Aid program. Students apply for PELL Grants directly to the U.S. Department of Education. The funds are held in trust by the participating schools and distributed to the enrolled students.

This is the first year these grants have been available for enrolled students. The grants are passed through to the student to provide funding for any educational expenses. There is a cap of \$2,700 per student. There is no cap as to the number of students receiving grants per year.

Students must meet certain criteria in order to be eligible to receive PELL grants, including income level or Expected Family Contribution (EFC). The amount of the grant award is based on the EFC, the cost of attendance, and the length of enrollment.

The PELL grant program has no impact on the general fund. There are no requirements for matching funds. No positions will be funded with this request. These are strictly flow through funds that will be distributed to the eligible students by AVTEC.

AVTEC was not certified to distribute PELL Grant funds when the FY98 budget was written. The department will request a budget amendment for FY99 to include this additional authorization.

# STATE OF ALASKA

TONY KNOWLES, GOVERNOR

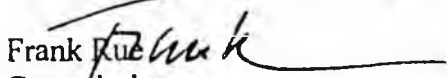
## DEPARTMENT OF FISH AND GAME

DIVISION OF ADMINISTRATION

P.O. BOX 25526  
JUNEAU, AK 99802-5526  
PHONE: (907) 465-5999  
FAX: (907) 465-6078

### MEMORANDUM

TO: Annalee McConnell  
Director  
Office of Management and Budget

FROM: Frank   
Commissioner  
Department of Fish and Game

DATE: February 11, 1998

SUBJECT: FY98 Supplemental Request--ADF&G

The Department of Fish and Game requests approval of the following FY98 supplemental appropriation requests for inclusion in the supplemental bill. Included in this list are three items which normally would be submitted as RPLs to the Legislative Budget & Audit Committee.

#### **Commercial Fisheries Test Fish Receipts**

\$463,800

8(b)

The department submitted an RPL for the Sitka Herring Roe-on-Kelp test fishery to be held this spring. At its December meeting, the LB&A committee determined that they did not have authority to approve additional test fish receipts. The department was instructed by the committee to use existing test fish receipt authority for this fishery and to submit a supplemental appropriation request for approval by the full Legislature.

#### **Commissioner's Office Federal Receipts**

\$25,000

8(f)

The National Marine Fisheries Service has made funding available for Alaska representatives to participate in bilateral discussions with the Russian government on Bering Sea "Doughnut Hole" issues, the Russian Maritime boundary, and pollack conservation. Participants will include three to four state employees and five to ten non-employees representing industry, coastal communities and conservation interests.

#### **Wildlife Conservation EVOS Receipts**

\$80,000

8(e)

At its January meeting, the EVOS Trustee Council approved an additional \$114.8 for the Prince William Sound Harbor Seal Monitoring Project. Since this project will cross the fiscal year and the increase was unknown at the time the FY99 budget was prepared, a budget amendment will be submitted for the FY99 portion.

8(a) - 8(f)

**Sikusuilag Hatchery**

\$56,800

8(a)

The department operated the Sikusuilag hatchery on the Noatak River north of Kotzebue for approximately fifteen years until June 30, 1995. Subsequent to closure of the hatchery, soil contamination from diesel fuel was discovered at the site and a capital appropriation (SLA 1997, Chapter 100, page 51, line 22) for \$350.0 was made from the Oil Spill Response Fund to clean up the site. This request will reinstate land lease payments of \$1,456.27 per month from July 1, 1995 through September 30, 1998, when the site clean up is expected to be complete.

**Division of Subsistence**

\$56,000

8(d)

The division's general fund budget has been reduced by nearly forty percent (\$632.8) since FY94 and \$171.6 for FY98 alone. This comes at a time when subsistence is heating up as one of the most critical issues facing the state today. The division has absorbed most of the FY98 reductions through layoffs, forced seasonal leave without pay, and the RIP program. This supplemental will cover the remaining shortfall and enable the division to carry out its statutorily required functions.

**Miscellaneous Claims**

\$1,748

13(a)

Under the provisions of AS 37.25.010, the department cannot pay invoices that are more than two years old. In such instances, it is necessary to ensure sufficient funds were lapsed and to obtain supplemental funding before these bills can be legally paid. The Department is currently aware of four miscellaneous claims which are over two years old. A copy of each invoice is attached for your backup.

**Fairbanks Shooting Range Fund Source Change**

The department received a \$2 million appropriation (SLA 1996, Chapter 123, page 52, line 18) for this project that was funded by federal funds (50%) and fish and game funds (50%). Due to a shortage of federal funds available in the Hunter Education project, the department requests that the federal portion be lowered to \$500.0 and the fish and game fund portion be increased to \$1.5 million. Intent language on line 21 referring to the original funding split should also be amended or deleted to reflect the revised funding.

8(c)

Thank you for your assistance in this matter. If you have any questions or require additional information, please contact me or Kevin Brooks at 465-5999.

**Attachments**

Cc: David Benton, Rob Bosworth, Division Directors

8(a) - 8(f)

5.000 - 2.000

# STATE OF ALASKA

TONY KNOWLES, GOVERNOR

## DEPARTMENT OF FISH AND GAME

### DIVISION OF ADMINISTRATION

P.O. BOX 25526  
JUNEAU, AK 99802-5526  
PHONE: (907) 465-6085  
FAX: (907) 465-6078

May 25, 1995

Mr. Theodore T. Booth Sr.  
PO Box 1071  
Kotzebue, AK 99752

Realty Program  
Maniilaq Association  
P.O. Box 256  
Kotzebue, Alaska 99752

re: Lease No. Nome 81-1

Dear Mr. Booth:

The Department of Fish and Game will no longer operate Sikusuilaq Hatchery after June 30, 1995. This letter is to inform you of our plans, which at this time include surplusizing the hatchery to the Northwest Arctic Borough. It is our understanding that a fishermen's regional association is in the process of forming for the Kotzebue Sound fishing districts and sub-districts. It is our hope that if the hatchery is transferred intact to the Northwest Arctic Borough, the Borough will work with you, as land owner, and the new regional aquaculture association as it is formed, to continue the operation of Sikusuilaq Hatchery.

If the Borough does not agree to accept the surplusized hatchery and/or if we can not surplus the facility to some other governmental agency, we will move equipment from the hatchery that can be used elsewhere by the Department and surplus the remainder in a general public surplus sale.

Please consider this letter to be official notification that as of July 1, 1995, the State is quitting its lease of the lands upon which the Sikusuilaq Hatchery is constructed. A final payment for the month of June 1995 will be made to you.

Again, I would like to take this opportunity to thank you for your involvement with the State in the Sikusuilaq Hatchery project and express my hope that the relationship has been beneficial to you.

Sincerely,

  
Ernest Greek  
Procurement Officer

8(a)

cc: Diane Kochendorfer  
Johnny Holland

8(a)

# MEMORANDUM

State of Alaska

Department of Environmental Conservation  
Division of Spill Prevention and Response  
Contaminated Sites Remediation Program

TO: Earnest Greek  
Division of Administrative Services  
Department of Fish & Game  
P.O. Box 25526  
Juneau, Alaska 99811-5526

DATE: August 6, 1997

RECEIVED  
AUG 08 1997  
DIV. OF ADMIN.

TELEPHONE NO: 269-7547

FROM: Dennis Harwood   
Contract Manager

SUBJECT: Contamination cleanup of Sikusuilaq  
Fish Hatchery

As a result of the combined Capital Improvement Project (CIP) budget request submitted last fall to the Office of Management and Budget (OMB) under our Memorandum of Agreement (MOA), \$350,000.00 has been appropriated to Fish & Game by the Legislature to conduct the cleanup of Sikusuilaq Fish Hatchery. Our department is amenable to taking the lead on conducting this cleanup primarily due to our experience and expertise in conducting contaminated site assessment and remediation projects.

A Scope of Work (SOW) outlining the required actions at the Sikusuilaq Hatchery site has been prepared by our staff. The enclosed Request For Proposal (RFP), which contains the SOW, can be attached to a Reimbursable Services Agreement (RSA) form. Fish & Game will need to initiate the RSA in order to authorize DEC to use the money appropriated. The RSA will then be signed by DEC and forwarded to OMB for approval.

Upon approval of the RSA, the RFP will be submitted to DEC term contractors requesting a proposed cost estimate. One of the three term contractors will be selected, based on their proposed methods to conduct the work and their estimated dollar amount. All work accomplished by our term contractors is based on time and materials, plus expenses and overhead. Upon selection of a contractor, Fish & Game will be notified in order to coordinate access to the property and identify any special concerns. Please identify all Fish & Game points of contact for this matter.

A copy of the final report will be forwarded to your office upon completion of this project.

Marianne McNair informed me that Representative Joules' office expressed an interest in using local residents to work on the remediation process of this project. Most of the work to be done on this site will require qualified, trained, and experienced technical staff; however, the term contractor selected for this project will be encouraged to hire local residents to the extent possible.

8(a)  
5(2)

Regarding the question of whether Mr. Theodore could be compensated for lost income using the CIP/Response Fund appropriated money; I would say no, not from the Response Fund. It is my understanding that Response Fund money can only be used for assessing and cleaning up releases or discharges of oil and hazardous substances. Removal of buildings or debris or compensation for losses would need to be addressed separately.

I look forward to working on this project with you and your department. Please feel free to contact me if there are any questions.

Attachments

cc: Jim Frechione, DEC/Anchorage  
Geoff Kany, DEC/Juneau

G:\CS\TES\SIKUS\LIL\MEM

8(a)  
8(a)

During Session:  
Alaska State Capitol  
Juneau, Alaska 99801-1182  
(907) 465-4833  
Fax (907) 465-4586  
1-800-782-4833

representative\_reggie\_joule@legis.state.ak.us



During Interim:  
P.O. Box 673  
Kotzebue, Alaska 99752  
(907) 442-3380  
Fax (907) 442-3022

Alaska State Legislature  
REPRESENTATIVE REGGIE JOULE

September 18, 1997

Commissioner Frank Rue  
Department of Fish & Game  
P.O. Box 25526  
Juneau, AK 99802-5526

RECEIVED  
SEP 22 1997  
DIV. OF ADMIN.

Dear Commissioner Rue:

As you are aware, this past legislative session an appropriation of \$350,000 was made to the ADF&G for clean-up of the Sikusilaq Springs hatchery. The land that the hatchery is on belongs to a constituent of mine, Mr. Theodore Booth. Mr. Booth and the state had entered into a lease agreement for the use of the property for the hatchery. Subsequent to the closure of the hatchery, the state has not continued the lease.

Because of the need to clean up the contamination around the hatchery site, Mr. Booth has not been able to lease the property to another entity. It is my understanding that the Northwest Arctic Borough was interested in leasing the property, but decided against leasing the property until and unless the contamination is cleaned up. This has placed a financial hardship on Mr. Booth who has been without lease income since the state stopped leasing the property. It seems to me that the state has some obligation to make Mr. Booth whole for the loss of income he has suffered due to the contamination on his property.

As you are aware, the Kotzebue IRA is working with Mr. Booth on this matter. I would appreciate any assistance you could provide in not only seeing that the contamination is cleaned up in an expeditious and efficient manner, but also in attempting to see that Mr. Booth is adequately compensated for his inability to lease the property.

Please do not hesitate to contact me should you wish to discuss this situation. I look forward to your response.

Sincerely,

A handwritten signature in cursive script that reads "Reggie Joule".

Representative Reggie Joule  
District 37

cc: Commissioner Michelle Brown, DEC  
Attorney General Bruce Botelho, Department of Law  
Kevin Brooks, Director of Administrative Services, ADF&G  
Pete Schaeffer, Executive Director, Kotzebue IRA  
Abraham Snyder, Rights Protection Officer, Kotzebue IRA  
Theodore Booth

8(a)  
8(a)

2ND ADDENDUM  
TO ORIGINAL LEASE NO. NOME 81-1  
AS RECORDED IN BOOK 18, PAGES 470-475  
AND  
1ST ADDENDUM  
AS RECORDED IN BOOK 31, PAGES 277-279

The State of Alaska Department of Fish and Game has notified the Maniilaq Association Realty Services Program that they wish to exercise the renewal option of Provision No. 14 of the Lease Addendum.

1. The term of the renewal is 5 years with option to renew for two additional 5 year periods.

Notification of said exercise of option shall be in writing at least 180 days prior to the lease termination date, which is February 28, 1996.

2. The provisions of this renewal lease will be the same as the original lease and it's first addendum except for the following:

PROVISION NO. 7(A) RENTAL ADJUSTMENT

This provision no. 7 has been considered and the rental rate has been adjusted to read:

The new rental rate agreed upon by both LESSOR and LESSEE and which LESSEE agrees to pay monthly directly to LESSOR is \$1,456.27 per month. This equals to an annual rate of \$17,475.24. The first payment being due on March 1, 1991.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hand on this 8th day of July 1991.

LESSOR:

LESSEE:



Theodore T. Booth Sr.  
Theodore T. Booth Sr.

[Signature]  
State of Alaska Department of Fish and Game, Director, Division of Administration

Realty Program  
Maniilaq Association  
P.O. Box 256  
Kotzebue, Alaska 99752

To Be Recorded At Kotzebue Recording District

# Native Village of Kotzebue Kotzebue IRA

Post Office Box 296, Kotzebue, Alaska 99752-0296

*Tribal government serving the Inupiaq people of Qikiqtagruk*



August 20, 1997

Mr. Kevin Brooks  
ADF&G, Division of Administration  
P.O. Box 25526  
Juneau, Alaska 99802-5526

Dear Mr. Brooks:

I am writing on behalf of our client Mr. Theodore Booth, Sr., who as you are aware is the owner of the property which the State of Alaska leased, built and operated the Sikusullaq Springs Hatchery. The intent of this letter is to seek due compensation to Mr. Booth relative to the non-marketability of his property as a result of environmental concerns. Concern identified apparently during the proposed transfer of the facility to the Northwest Arctic Borough and subsequent environmental testing by Montauk Environmental Engineering.

Our client believes that the State of Alaska should be held accountable for the environment problems as well as financial obligations to continue the lease until such time the environmental issues are resolved. To support this claim we offer the following background information documenting the intent to secure a lease. The property rental payments to the landowner ceased upon failure of the legislature's funding appropriation and realignment of the State's ADF&G's priorities. With this an effort to transfer the facility to the Northwest Arctic Borough was initiated. In August of 1995 Mr. Booth wrote to myself indicating his desire to enter into a lease with the Northwest Arctic Borough (NAB) and wanted us to begin the process. Our client agreed to this arrangement knowing he would continue to receive income from his land. This is confirmed in a letter from Mayor Chuck Greene of the Northwest Arctic Borough dated September 11, 1995. Mayor Greene indicates in this letter "The Northwest Arctic Borough would like to enter into a long term lease with Theodore Booth on the Sikusullaq Springs Hatchery". In preparation the State of Alaska began drawing up a property transfer agreement between the State of Alaska and the NAB. This agreement contained language the NAB was concerned about extending liability for potential environmental contamination.

This became more of an issue upon the NAB's preliminary site review including video documentation of the facility, inventory and environmental concerns. Specific attention in the video was directed at documenting possible environmental contamination, relating to petroleum products associated with the hatchery operation. With this information provided from the NAB our Kotzebue IRA Realty and Rights Protection programs initiated a preliminary environmental assessment of Mr. Booth's property.

Negotiation and discussion regarding the transfer of the hatchery facility to the NAB continued in length. Jim Paulin, KOTZ Radio News Director announced through the associated press that the NAB took no action in their April 29, 1996 meeting, therefore rejecting the State's offer to sell. The press release went on to discuss Borough Attorney David Case's concerns mentioning "The Borough would be responsible for moving all the buildings, as well as assuming responsibility for any environmental cleanup from fuel that

PHONE: (907) 442-3467

FAX: (907) 442-2162

TOLL FREE: 1-800-442-3467

8(a)  
*[Handwritten signature]*

may or may not be spilled at the site". Prior to this decision Northwest Arctic Borough Mayor Chuck Groene decided to terminate the borough interest in a lease pending an agreement resolution is made between the Mr. Booth and the State of Alaska.

In fall of 1996 the Bureau of Indian Affairs arranged an environmental analysis to be conducted by Montauk Environmental Engineering. The results of the Preliminary Investigation Report were provided to the Alaska Department of Fish & Game and further resulted in the State Legislatures appropriation of \$350,000.00 earmarked for the Sikusuilag Springs Hatchery Site. Since the documentation of environmental contamination we have been unable to get a recent fair market rental / lease rate appraisal. And with the condition of the property it is unlikely that we can even get any transactions secured until the environmental problems are resolved.

With that our contention is that had the Borough assumed ownership of the facility Mr. Booth would have been able to secure a lease. As a result of the environmental concerns Mr. Booth has not been able to market the facility and has experienced substantial loss of income. We believe that the State of Alaska must be held accountable and request that the State's lease be reinstated. Please notify us in writing of the proper procedures to reinstate this lease retroactive to the dated of its termination.

Your prompt attention and action in this matter is appreciated. If there are any question you may contact Abraham Snyder, Right Protection Officer or myself at (907) 442-3467. Thank You.

Cordially

  
Grant Hildreth  
Acting Executive Director

CC: Client file  
Senator Al Adams  
Representative Reggie Joule

/gh

1 Department of Environmental Conservation (cont.)				
	Appropriation		General	Other
	Allocations	Items	Fund	Funds
4	Craig - Wastewater System	618,000		
5	Upgrade (ED 9)			
6	Homer - Skyline Water Storage	500,000		
7	Tank (ED 7)			
8	Hoonah - Water Treatment	413,000		
9	Facility (ED 5)			
10	Juneau - Auke Bay Wastewater	138,000		
11	Treatment Plant Expansion			
12	(ED 4)			
13	Kenai - Wastewater Plant	152,000		
14	Design (ED 9)			
15	Kenai - Wellhouses 1 and 2	100,000		
16	Upgrades (ED 9)			
17	Blawock - Landfill Design	75,000		
18	(ED 5)			
19	Kodiak Island Borough -	1,000,000		
20	Landfill Leachate Treatment			
21	(ED 6)			
22	Kenai - Water and Sewer	95,000		
23	Extension Design (ED 14)			
24	Nome - Joint Utility System	1,050,000		
25	Wooden Utilidor Replacement,			
26	Phase II (ED 18)			
27	Palmer - Wastewater Treatment	520,000		
28	Expansion (ED 26-28)			
29	Petersburg - Scow Bay Water	1,547,000		
30	Project, Phase Ia (ED 2)			
31	Sand Point - Landfill Design	134,000		
32	(ED 40)			
33	Sitka - Drinking Water	321,000		
34	Corrosion Control (ED 2)			
35	Soldotna - Water Storage Tank	840,000		
36	(ED 8)			
37	Unalaska - Landfill, Phase I	1,400,000		
38	Development (ED 40)			

1 Department of Environmental Conservation (cont.)				
	Appropriation		General	Other
	Allocations	Items	Fund	Funds
4	Wrangell - Water Filtration	1,400,000		
5	Plant, Phase II (ED 2)			
6	Wrangell - Zimovia Highway	1,290,000		
7	Sewer and Water, Phase III			
8	(ED 2)			
9	Yakutat - Wastewater	200,000		
10	Treatment Plant (ED 5)			
11	*****	*****		
12	***** Department of Fish and Game	*****		
13	*****	*****		
14	Statewide - Facilities Repair,	400,000	400,000	
15	Maintenance, and Replacement			
16	(ED 99)			
17	Fisheries Resource Assessment	250,000	250,000	
18	Vessels and Aircraft Maintenance			
19	and Repair (ED 99)			
20	Maintain Research Survey and	100,000		100,000
21	Support Aircraft (ED 99)			
22	Sikukuilq Hatchery -	350,000		350,000
23	Contaminated Site Clean Up			
24	(ED 17)			
25	Public Access Development (ED 99)	2,200,000		2,200,000
26	Hunter Education Electronic	80,000		80,000
27	Shooting System (ED 10-25)			
28	Sport Fish Hatchery Repair,	200,000		200,000
29	Renovacion and Maintenance			
30	(ED 99)			
31	Dall Sheep Management and	160,000		160,000
32	Research Project (PMANS Auction			
33	Proceeds) (ED 99)			
34	Fairbanks - Indoor Shooting	500,000		500,000
35	Range and Hunter Education			
36	Facility (ED 29-34)			
37	Rabbit Creek Rifle Range (ED 10-	70,000		70,000
38	25)			

# STATE OF ALASKA

TONY KNOWLES, GOVERNOR


P.O. BOX 25526  
JUNEAU, AK 99802-5526  
PHONE: (907) 465-6158  
FAX: (907) 465-2604

## DEPARTMENT OF FISH AND GAME Commercial Fisheries Management and Development Division

### MEMORANDUM

TO: Kevin Brooks, Director  
Division of Administration

DATE January 16, 1998

FROM:  Betty Abel, Administrative Manager  
Commercial Fisheries Management  
and Development Division

SUBJECT: Request for Supplemental

Your approval is requested to establish additional test fish receipt authority, in the amount of \$463.8, for the Commercial Fisheries Management & Development BRU, Special Projects component. This additional receipt authority was originally requested under RPL 11-98-0193 submitted on November 20, 1997. The Legislative Budget & Audit Committee determined they were not authorized to act on this request. For this reason, this request for additional test fish authority is being submitted as part of the supplemental funding request.

This request is the result of a proposed regulatory change presented to the Alaska Board of Fisheries by a group of Sitka Sound herring purse seine sac roe limited entry permit holders. The regulatory proposal generated numerous legal, policy, technical fishery management, and socioeconomic questions. To better understand the implications of adopting such a proposal, the Alaska Board of Fisheries asked the department to conduct an experimental open platform herring fishery in Sitka Sound. The Sitka Sound herring fishery will be conducted in the spring of 1998 (FY98).

The existing test fishery receipt authority currently available in the Commercial Fisheries Management & Development BRU is allocated to other projects throughout the state. The authority for this project is being requested for the Special Projects component and at the current time, it will be a 2 year project (FY98 and FY99). This project is in our FY99 budget request as an increment in the Special Projects component.

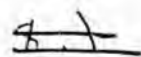
I am attaching a copy of our preliminary project plan which will give you more detailed information.

Thank you for your consideration of this request. If you have any questions or require additional information, please contact me.

Attachment

cc: Bob Clasby  
Monty Norvell

8 (b)



**Department of Fish & Game**  
**Commercial Fisheries Management & Development Division, Special Projects Component**

Subject of RPL: **Sitka Herring Roe-on-Kelp Test Fishery**  
Amount requested: **\$463.8**  
Funding source: **1109 Test Fish Receipts**

ADN/RPL # **11-98-0193**

Appropriation Authority: **Ch 98 SLA 97 Sec 39 pg 28 ln 21**

Statutory Authority: **AS 16.05.050(15)**

***SUMMARY:***

The Alaska Board of Fisheries has asked the Alaska Department of Fish & Game Commercial Fisheries Management and Development Division to conduct an experimental open platform herring fishery in Sitka Sound.

***FUNDING INFORMATION***

This request is to increase the test fish receipt authority in FY98. This project will be conducted over a two-year period. The funding needs for the second year will be incorporated into the FY99 budget request. This RPL will fund existing seasonal positions, primarily fish and wildlife technicians and fishery biologists. The increased costs for personnel will be through additional months of funding to pay for these positions, but the majority of cost associated with this project is for a vessel charter contract. The reason for requesting the additional authority at this time is because of the preparation involved in completing a request for proposal, reviewing bid proposals and making an award for the vessel charter. The department does not have the resources to carry out the broad scope of work required for this project with existing funding and personnel.

***PROGRAM INFORMATION***

This project was not included in the FY98 budget because the request to complete the project was received after the budget was submitted. This request is the result of a proposed regulatory change presented to the Alaska Board of Fisheries by a group of Sitka Sound herring purse seine sac roe limited entry permit holders. The regulatory proposal generated numerous legal, policy, technical fishery management, and socioeconomic questions. To better understand the implications of adopting such a proposal, the Alaska Board of Fisheries asked the department to conduct an experimental open platform herring fishery in Sitka Sound. Not approving the request, or delaying its approval will delay this project until FY99-2000. The Sitka Sound Herring fishery will be conducted in the spring of 1998 (FY98) and it is necessary to have a contract in place and other preparations made prior to commencement of the fishery.

## DRAFT

# SITKA SOUND OPEN PLATFORM ROE-ON-KELP HERRING TEST FISHERY

### *Statement of Problem and Background*

At the January meeting of the Alaska Board of Fisheries (board), a group of Sitka Sound herring purse seine sac roe limited entry permit holders proposed a regulatory change that would have allowed permit holders the option of fishing open platforms to harvest herring roe-on-kelp. This regulatory proposal generated numerous legal, policy, technical fishery management, and socioeconomic questions. To better understand the implications of adopting such a proposal, the board asked the Alaska Department of Fish and Game, Commercial Fisheries Management and Development Division (department) to conduct an experimental open platform herring fishery in Sitka Sound. The purposes of this experimental fishery are to:

- Answer outstanding fishery management issues;
- Develop a proposed management plan;
- Generate revenue to fund the above activities.

The department does not have the resources to carry out the broad scope of work outlined in this document. However, the department is able to work with those interested in developing this fishery to oversee a project done under test fish contract to answer the outstanding questions. In this document we have outlined the scope of work that is needed to guide those interested in doing the work to prepare a bid proposal for consideration by the department.

### *Fishery Management Issues*

#### Basis for Allocating Harvest

Reliable information on conversion rates of herring roe-on-kelp product to herring biomass must be obtained if the board is to develop allocation guidelines between permit holders fishing purse seines for sac roe product and those fishing open platforms for roe-on-kelp product. For example, the board could consider the following options: 1) allocate the harvest according to weight of product, 2) reserve a portion of the annual Sitka Sound herring quota for the open platform fishery, 3) limit the number of open platforms, or 4) limit the amount of kelp used. Information on conversion rates is also needed to evaluate the relative impact of open platform harvests on the herring population and to estimate kelp demand.

#### Kelp Demand

High quality *Macrocystis* kelp is needed to produce herring spawn-on-kelp. Demand for *Macrocystis* has increased in recent years due to the creation of closed pound fisheries in Craig and Hoonah Sound. With the potential for yet another fishery to harvest spawn-on-kelp, the

0000002

8(b)

## DRAFT

department feels that following questions regarding management of the *Macrocystis* resource should be addressed:

- What is the expected demand for *Macrocystis* kelp in Southeast, considering the status of herring stocks that support existing fisheries in Craig, Hoonah Sound, and Prince William Sound? What is the expected new demand that would be created by allowing a fishery to occur in Sitka Sound?
- Where are the beds of *Macrocystis* needed to support these fisheries and what is the annual production from these beds?
- How much kelp should be harvested from each area? Are the methods and means currently defined in regulation adequate to conserve the kelp resource?
- What are the potential conflicts between existing users and new users of the kelp resources considering such factors as availability, distance from herring fishing areas and transportation centers? What are the options for resolving the conflicts?
- Is there a need for on-the-grounds monitoring of the kelp harvest? If so, what would this monitoring program costs?
- Options for regulating kelp blades range from unlimited use per platform to some lower amount dictated by either conservation or allocation concerns. Provisions for open platform fishers to harvest additional kelp if they miss the spawn or get poor quality product would need to be considered.

### Conflicts with Other Users

A major concern expressed regarding the proposed herring open platform fishery is the potential impact on local subsistence users. In recent years, many subsistence users have complained about their inability to harvest herring roe on hemlock branches in their traditional areas. In addition, there are potential land use and vessel traffic issues that need to be evaluated. As a result, it will be important to gain information during the test fishery on locations where pounds could be located. Ultimately, the board might want to set aside areas where open platforms could be operated based on the need to minimize impacts on subsistence users, landowners, and the sac roe purse seine fishery.

### Management Costs

Current funding levels are inadequate to pay for management and stock assessment of the existing purse sac roe fishery. In recent years, the department has been generating revenue through test fishing to make up the shortfall. The addition of another gear type is expected to increase annual operating and personnel costs by a significant, but as yet undetermined, amount. The test fishery conducted under this RFP should provide more information on these additional management costs.

### Enforcement

The creation of another fishery and gear type in Sitka Sound would also result in additional fishery enforcement needs and costs. The proposed RFP open platform fishery should be designed to evaluate the enforceability of potential management measures and determine the need for and costs of any additional enforcement measures.

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## *Basic Structure of the RFP*

### Scope of the RFP and Suggested Timeline

The department believes that the Open Platform Test Fishery should be conducted over a two-year period (Phase I and Phase II). During the first year, the main focus of the test fishery would be to answer as many fishery management issues as possible. During the second year, the emphasis would shift to obtaining baseline resource survey information on *Macrocystis* kelp abundance and distribution, and focus on developing a proposed management plan for the open platform fishery.

This stepwise approach would minimize the department's and contractor's operational and manpower costs by spreading cost recovery efforts over a longer period of time. This in turn would reduce the annual impacts of the test fishery on the herring and kelp resource and would, consistent with board direction, minimize impacts on local subsistence uses. In addition, the board and the public would have the opportunity to review the results of the test fishery on an annual basis and suggest possible changes in the scope or methods of operation of the project.

### PHASE I

#### ADF&G Work Products:

- Project planning and test fishery contract development
- Select contractor, issue and administer contract(s)
- Hire and train technicians
- Set up and maintain communications with contractor(s)
- Monitor and document kelp harvest amount, location, and area.
- Compile historical records of kelp harvest amounts by statistical area for PWS, Hoonah Sound, and Craig spawn-on-kelp fisheries. Project amount of kelp needed to sustain a spawn-on-kelp fishery in Sitka Sound at various levels of participation.
- Monitor draining, weighing, trimming, and grading of spawn-on-kelp product. Amount by grade to be recorded on ADF&G fish ticket at the time of landing.
- Sample various grades of spawn-on-kelp product, drain, weigh, and preserve and ship to ADF&G herring lab in Ketchikan, AK. Sample any discarded grades. Sample weights of fresh and preserved product.
- Analyze product samples for numbers of herring eggs per unit weight of sample.
- Sample sac roe herring test sets for fecundity and send to lab for analysis.
- Calculate biomass of herring needed to produce eggs on product from each fishing platform. Determine average conversion rate for allocation purposes
- Maintain confidential log of any conflicts or complaints.
- Develop budget for management, research, and enforcement of the spawn-on-kelp fishery.
- Prepare a comprehensive video documentary outlining various stages of the fishery.
- Prepare a Phase I written report and present summary of report to the Board of Fisheries.
- Travel to San Francisco to observe spawn-on-kelp fishery, interview managers, fishermen, and processing company representatives.

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### Contractor Work Products:

- Purchase, ship, and assemble materials to construct suitable open pound harvest platforms.
- Locate suitable kelp beds and report to ADF&G personnel the time and location of planned kelp harvesting.
- Monitor herring spawn activities for suitable time and location to deploy platforms.
- Placement of kelp from platform - move and re-anchor pound as needed.
- Maintain detailed records of quantity of kelp harvested by location, and log on ADF&G kelp harvest permit.
- Harvest of spawn-on-kelp product. Drained total weight of product harvested by grade to be recorded on ADF&G fish ticket sold on ADF&G gear card.
- Weigh and record all unsold product as landed discards
- Report planned times and locations of landing, sorting, grading, and preservation of product to allow observation and documentation of these activities and sampling of product.
- Report transport of product from Alaska and sale to domestic or foreign buyers.
- Report of acceptance from Japanese wholesalers. Market impact statement.
- Report number of crewmembers employed in each phase of fishery.
- Prepare detailed summary report of fishing activities and outcome. Responses to fishery management issues identified in the test fish contract.
- Other activities identified in the proposal and contract shall be completed.
- Suggested management measures should the fishery proceed.

### PHASE II

Note: The work products listed above for Phase I, except sampling and lab work by the department to determine spawn-on-kelp to herring conversion rates, will also be required of the department and the contractor during the second year if the test fishery continues. Some of the work requirements may be modified upon mutual consent of the department and the contractor.

### ADF&G Work Products:

- Initiate new test fish contract for Phase II and issue new contracts following progress report to Board of Fisheries and identification of specific needs for additional research.
- Monitor second year experimental fishery based on new objectives similar to Phase I monitoring as described above.
- Develop management options for a spawn-on-kelp fishery.
- Present management options at Public meetings in Sitka, Ketchikan, Petersburg, and Juneau.
- Choose preferred management options based on public input.
- Develop draft regulations for Sitka spawn-on-kelp fishery and present to Board of Fisheries for consideration. Coordinate review by Department of Law, CFEC and other agencies
- Identification and quantification of macrocystis kelp bed availability in selected area(s).

### Contractor Work Products:

- Complete second spawn-on-kelp experimental test fishery.
- Complete additional contract objectives for Phase II as required.

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### Evaluation of Proposals

A committee will evaluate proposals submitted by contractors according to the following criteria:

- Appropriateness and technical merit of experimental design.
- Credentials of contractor to undertake planned work.
- Amount of product the contractor needs to harvest in order to cover department costs and contractor costs.

### Right of Rejection

The department will reserve the right to reject a proposal because of:

- Deficiencies in technical merit or appropriateness of design.
- Amount of product requested.
- Costs that are judged to be excessive.
- Inadequate credentials of contractor and employees.

### Contract Amount

All product harvested will be sold on the department's test fishery permit card. After dispersing costs according to the contract, excess funds if any, will be relinquished to the department. The contractor will bid the amount of herring roe-on-kelp product considered necessary to pay the department for the management and stock assessment costs to evaluate this new fishery and to recover costs for satisfying the reporting requirements of this test fish contract including harvesting and marketing the product.

### Surety Deposit

A performance bond in an amount equal to the department's costs must be posted to the department at the time the contract is awarded. This is to ensure that the department is reimbursed for its incremental expenses in conducting the project.

### Contractor's Records and State's Right to Audit

All books, records, correspondence, accounting procedures and records, information and any other supporting evidence relating to the resulting contract, including information on sales of herring roe-on-kelp product in the U.S.A and abroad, shall be open to inspection and subject to audit and or reproduction during normal working hours. The department reserves the right to deny payment for any expenses that is unreasonable, unrelated or not identified in the contract.

### Oversight of Test Fishing Operations

Two fishery technicians will be hired to monitor the experimental open platform fishery, to collect information on kelp harvest, pound anchoring and relocation, kelp placement in pounds,

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harvest, sorting, grading, weighing, packing, and shipping of product, and conducting interviews with concerned members of the public. Additional fishery technician lab time will also be needed to analyze samples used to obtain information on egg to herring conversion rates. Operational costs associated with these activities will be covered by proceeds to the department from the sale of spawn-on-kelp product. The preliminary estimates of the total personnel and operational cost associated with test fishery oversight, monitoring, and laboratory analysis is approximately \$64,000 for Phase I (see attached project description and budget) and \$53,000 for Phase II.

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**DRAFT**

**Project Number: FM-**

**Project Title: Sitka Herring Fishery Research**

Region	1	Ledger Code
Fishery Unit	Southeast Herring	
Component		
Location		
Program Element	Area Management	Legislative District 3
Funding Level		Region Priority

**Fisheries Affected: Sitka Sound Sac Roe Herring**

**Species Affected: Pacific Herring**

**Project Description:**

The Alaska Board of Fisheries (Board) has requested that ADF&G carry out an experimental herring fishery in Sitka Sound using open platform gear to commercially harvest herring spawn-on-kelp. At the January meeting in Sitka, the Board deferred action on a regulatory proposal that would have allowed limited entry sac roe permit holders in Sitka Sound the option of fishing this alternate gear until the department could conduct an experimental fishery. This project would allow for a limited experimental fishery to occur, and would allow the department to monitor the fishery and report findings back to the Board.

**Project Objectives:**

The department will issue a test fishery bid solicitation request for proposals and award between a contract(s) to operate between three and ten herring open platforms to produce specified quantities of spawn-on-kelp product. Proceeds from sales of product would be used to cover department costs and pay contractors for their services. The department will monitor: 1) kelp harvest, 2) construction of fishing platforms, 3) placement and relocation of fishing platforms, 4) deployment of kelp blades, and 5) harvest of spawn on kelp product. The department will determine product quantity, quality, and value and develop methods for allocating the harvestable surplus between sac roe and spawn-on-kelp. The department would summarize findings and recommend management measures in a report to the Board of Fisheries.

**Budget Manager: 11-1008 Bill Davidson Title: Sitka Area Management  
Biologist**

**Budget Detail**

	<u>FY 98</u>	<u>FY 99</u>
100 Personnel Services	51.3	41.2
200 Travel	3.2	5.3
300 Contractual	405.5	406.5
301 Commodities	3.8	3.5
500 Equipment	0.0	0.0
<b>Project Total</b>	<b>463.8</b>	<b>456.5</b>

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Project Funding -- Program Receipts 463.8 (FY 98) and 456.5 (FY 99) -- Requesting  
Increased Authorization

Staff Months

12.0 FTE

9 FTE

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Project Number FM- Project Title: Sitka Herring Fishery Research

Project Description: Sitka Herring Spawn-on-Kelp Experimental Fishery  
Phase I--(1997-98 FY)

100 Personnel Services

PCN	Title	RS	Location	Months	Rate/M	Amount
11-1008	Fish Bio III	18D	Sitka	1	5,430.64	5,430.64
11-1367	Fish Bio II	16F	Sitka	1	5,103.99	5,103.99
	Fish Tech III	11E	Sitka	1	3,620.00	3,620.00
	Fish Tech III	11E	Sitka	1	3,620.00	3,620.00
	Fish Tech III	11F	Ketchikan	2	3,719.53	7,439.06
	Fish Tech II	10E	Ketchikan	2	3,426.05	6,852.10
	AC III	10B	Sitka	0.5	3,165.74	1,582.87
	AC II	8A	Sitka	0.5	2,785.49	1,392.75
	HQ-Admin	18D	Juneau	3	5,430.64	16,291.92

100 Total 12 FTE \$51,333

200 Travel

2 RT to San Francisco to observe herring fishery	2,200.00
2 RT airfare to report to Board of Fisheries	1,000.00
Total	\$3,200

300 Contractual

Test Fishery Contract - Test fishery receipts	400,000.00
Charter or lease skiff 15 days @ 200	3,000.00
Compile and edit video documentation	1,000.00
Aircraft charter 6 hours @250	1,500.00
Total	\$5,500

400 Commodities

Photo and video supplies	800.00
Office supplies	500.00
Marine fuel	1,000.00
Lab supplies	500.00
Miscellaneous	1,000.00
Total	\$3,800

500 Equipment

None	0
Total	\$0

100-500 TOTAL PROJECT COST PHASE I

\$463,833

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Project Number FM- Project Title: Sitka Herring Fishery Research II

Project Description: Sitka Herring Spawn-on-Kelp Experimental Fishery  
Phase II-(1998-99 FY)

100 Personnel Services

PCN	Title	RS	Location	Months	Rate/M	Amount
11-1008	Fish Bio III	18D	Sitka	0.5	5,430.64	2,715.32
11-1367	Fish Bio II	16F	Sitka	0.5	5,103.99	2,551.95
	Fish Bio IV	20?	Juneau	0.5	6,000.00	3,000.00
	Fish Bio III	18?	Petersburg	0.5	5,700.00	2,850.00
	Fish Tech III	11E	Sitka	1.5	3,620.00	5,430.00
	Fish Tech III	11E	Sitka	1.5	3,620.00	5,430.00
	AC III	10B	Sitka	0.5	3,165.74	1,582.87
	ACII	8A	Sitka	0.5	2,785.49	1,392.75
	HQ-Admin	18D	Juneau	3	5,430.64	16,291.92

100 Total 9 FTE \$41,245

200 Travel

2 RT to British Columbia to observe herring Fishery	2,200
7 RT to Sitka, Ketchikan, Petersburg, Juneau	2,100
2 RT airfare to report to Board of Fisheries	1,000
Total	\$5,300

300 Contractual

Test Fishery Contract - test fishery receipts	400,000
Charter or lease skiff 25 days @ 200	5,000
Aircraft charter 6 hrs @ 250	1,500
Total	\$6,500

400 Commodities

Photo and video supplies	500
Marine fuel	1,500
Office supplies	500
Miscellaneous	1,000
Total	\$3,500

500 Equipment

None	0
Total	\$0

100-500 TOTAL PROJECT COST PHASE II

\$456,545

TOTAL PROJECT COST OVER 2 YEARS

\$920,378

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Chapter 123

1 Department of Fish and Game (cont.)	Appropriation		General	Other
	Allocations	Items	Fund	Funds
2 Statewide Facilities Repair,	400,000	400,000		
3 Maintenance and Replacement				
4 (ED 99)				
5 Commercial Fisheries Vessel and	425,000	425,000		
6 Aircraft Repair and Maintenance				
7 (ED 99)				
8 Replace and Enhance Salmon	300,000	300,000		
9 Escapement Sonar Systems (ED 99)				
10 Statewide Recreational Boating	1,700,000		1,700,000	
11 and Sport Fish Access Projects				
12 (ED 99)				
13 Anchorage Regional Office Animal	110,000		110,000	
14 Autopsy Laboratory Construction				
15 (ED 99)				
16 Fairbanks Indoor Shooting Range	2,000,000		2,000,000	
17 and Hunter Education Facility				
18 Construction (ED 25-34)				
19 This project is funded with 50% State Fish and Game Funds and 50% Federal Fish and				
20 Game Funds.				
21 Ruffed/Sharp Tailed Grouse	200,000		200,000	
22 Transplant/Habitat Enhancement				
23 Projects - Kani Peninsula/Delta				
24 Region/Copper River and Sushna				
25 Valleys (ED 99)				
26 Creaser's Refuge Waterfowl	250,000		250,000	
27 Enhancement (ED 99)				
28 Alaska Fur Market/Hunting	240,000		240,000	
29 Promotion - Video Development				
30 and Production and Trapper/				
31 Hunter Education Material/				
32 Newsletter (ED 99)				
33 Demonstration Project - Post	400,000		400,000	
34 Logging Revegetation and				
35 Wildlife Habitat Enhancement				
36 (ED 99)				

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Chapter 123

1 Department of Fish and Game (cont.)	Appropriation		General	Other
	Allocations	Items	Fund	Funds
2 Potters Marsh/Rabbit Creek	100,000			100,000
3 Rifle Range - Facility				
4 Improvements and Volunteer				
5 Project (ED 99)				
6				
7				
8				
9				
10				
11 Americans with Disabilities Act	250,000		250,000	
12 Facility Modification (ED 99)				
13 Criminal Justice Information	966,678		966,678	
14 System Integration (ED 99)				
15				
16				
17				
18 Yukon Kuskokwim Health	7,333,000	1,000,000		6,333,000
19 Corporation/State Community				
20 Health Services Building Design				
21 and Construction (ED 15)				
22 Renewal, Deferred Maintenance,	1,118,000		1,000,000	118,000
23 Replacement and Equipment (ED 99)				
24 Adoption and Foster Care	475,000			475,000
25 Analysis Reporting System (ED 99)				
26 Electronic Benefit Transfer and	2,000,000			2,000,000
27 System Enhancements (ED 99)				
28 Grants to Homeless Residents				
29 (AM 37.05.310)				
30 Kodiak Island Hospital	900,000		900,000	
31 Completion (ED 6)				
32 Access Alaska, Inc. Community	125,000			125,000
33 Living Support for the				
34 Developmentally Disabled (ED 99)				
35				
36				
37				

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# STATE OF ALASKA

TONY KNOWLES, GOVERNOR

## DEPARTMENT OF FISH AND GAME

DIVISION OF WILDLIFE CONSERVATION

P.O. BOX 25526  
JUNEAU, AK 99802-5526  
PHONE: (907) 465-4190  
FAX: (907) 465-6142

### MEMORANDUM

TO: Kevin Brooks  
Director  
Division of Administration

FROM: Diana Ground *Diana*  
Administrative Manager  
Wildlife Conservation

DATE: February 5, 1998

SUBJECT: FY98 Supplemental Request

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In January 1998 the EVOS Trustee Council authorized an additional \$114.8 in funding for the Prince William Sound Harbor Seal Monitoring project. As the availability of this additional funding was unknown at the time the FY98 budget was submitted, the legislative authorization for the EVOS Restoration Projects component of our budget is less than the available funds authorized by the Trustee Council.

Based on projected expenditures for all EVOS Restoration projects through 6/30/98, we will need an additional \$80.0 in FY98 receipt authority for the EVOS Restoration Projects Component (#2118).

*§(d) included in  
cover memo*

*§(e)  
§(e)*

# Exxon Valdez Oil Spill Trustee Council

645 G Street, Suite 401, Anchorage, AK 99501-3451 907/278-8012 fax: 907/276-7178



## RESOLUTION OF THE EXXON VALDEZ OIL SPILL TRUSTEE COUNCIL

We, the undersigned, duly authorized members of the *Exxon Valdez* Oil Spill Trustee Council do hereby certify that, in accordance with the Memorandum of Agreement and Consent Decree entered as settlement of United States of America v. State of Alaska, No. A91-081 Civii, U.S. District Court for the District of Alaska, and after public meetings, unanimous agreement has been reached to expend funds received in settlement of State of Alaska v. Exxon Corporation, et al., No. A91-083 CIV, and United States of America v. Exxon Corporation, et al., No. A91-082 CIV, U.S. District Court for the District of Alaska, for necessary natural resource damage assessment and restoration activities. The resolution includes a net zero adjustment within the 1998 Work Plan and \$1,089,000 for implementation of the 1998 Work Plan.

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<b>Federal Trustees</b>	<b>State Trustees</b>
U.S. Department of Interior	Alaska Department of Fish and Game
U.S. Department of Agriculture	Alaska Department of Environmental Conservation
National Oceanic and Atmospheric Administration	Alaska Department of Law

8(e)

The monies are to be distributed according to the following schedule:

Alaska Department of Fish & Game	571,600
Alaska Department of Natural Resources	72,200
Alaska Department of Environmental Conservation	0
SUBTOTAL TO STATE OF ALASKA	\$643,800
U.S. Department of Agriculture, Forest Service	118,000
U.S. Department of the Interior	259,100
National Oceanic & Atmospheric Administration	68,100
SUBTOTAL TO UNITED STATES OF AMERICA	\$445,200
 TOTAL APPROVED	 \$1,089,000

By unanimous consent, we hereby request the Attorney General of the State of Alaska and the Assistant Attorney General of the Environmental and Natural Resources Division of the United States Department of Justice to petition the United States District Court for the District of Alaska for the withdrawal of the sum of \$1,089,000 from the Court Registry Account established as a result of the governments' settlement with Exxon Corporation. Of this amount \$445,200 shall go to the United States and \$643,800 shall go to the State of Alaska.

James A. Wolfe Dated 12/19/97  
**PHIL JANIK**  
 Regional Forester  
 Alaska Region  
 USDA Forest Service

Craig J. Tillery Dated 12/23/97  
**BRUCE M. BOTELHO**  
 Attorney General  
 State of Alaska

Deborah L. Williams Dated 12/23/97  
**DEBORAH L. WILLIAMS**  
 Special Assistant to the Secretary for Alaska  
 U.S. Department of the Interior

Steven Pennoyer Dated 12/22/97  
**STEVEN PENNOYER**  
 Director, Alaska Region  
 National Marine Fisheries Service

Frank Rue Dated 12.22.97  
**FRANK RUE**  
 Commissioner  
 Alaska Department of Fish and Game

Michele Brown Dated 12/22/97  
**MICHELE BROWN**  
 Commissioner  
 Alaska Department of Environmental  
 Conservation

**EXXON VALDEZ JURY COUNCIL**  
**1998 Federal Fiscal Year Project Budget**  
**October 1, 1997 - September 30, 1998**

Agency	Cooperating Agency(s)	Project Number	Project Title	First CR#29 1998 Court Request	Second CR#31 1998 Court Request
ADEC	All	98100	Administration, Science Management and Public Information	81.2	
<b>ADEC Total</b>				<b>81.2</b>	<b>0.0</b>
ADF&G		98001-CLO	Recovery of Harbor Seals From EVOS: Condition and Health Status	51.1	
	USFS/DOI/NOAA	98025	Mechanisms of Impact and Potential Recovery of Nearshore Vertebrate Predators (NVP)	407.3	
		98052A	Community Involvement	232.1	
		98052B	Traditional Ecological Knowledge	81.3	
		98064	Monitoring, Habitat Use, and Trophic Interactions of Harbor Seals in Prince William Sound	150.0	122.5
	All	98100	Administration, Science Management and Public Information	1,872.6	
	ADNR/DOI/USFS	98126	Habitat Protection and Acquisition Support	18.7	19.0
		98127	Tatitlek Coho Salmon Release	10.5	
		98131	Chugach Native Region Clam Restoration	82.1	208.0
		98139A1-CLO	Little Waterfall Barrier Bypass Improvements	13.4	
		98139A2	Port Dick Creek Tributary and Development Project	85.8	
		98162	Investigations of Disease Factors Affecting Declines of Pacific Herring Populations in Prince William Sound	465.7	52.0
	NOAA/DOI	98163L	APEX: Historical Data Review	35.0	
		98165-CLO	Genetic Discrimination of Prince William Sound Herring Populations	56.0	
		98166-CLO	Herring Natal Habitats	42.3	
	ADNR/USFS	98170-CLO	Isotope Ratio Studies of Marine Mammals in Prince William Sound	108.8	
		98180	Kensal Habitat Restoration & Recreation Enhancement	181.2	
		98186-CLO	Coded Wire Tag Recoveries From Pink Salmon in Prince William Sound	120.2	
		98188	Otolith Thermal Mass Marking of Hatchery Reared Pink Salmon in Prince William Sound	141.1	
		98190	Construction of a Linkage Map for the Pink Salmon Genome	229.4	
		98191A	Field Examination of Oil-Related Embryo Mortalities in Pink Salmon Populations in Prince William Sound	159.4	
		98196	Genetic Structure of Prince William Sound Pink Salmon	130.2	

*W. W. Life*  
*122.5*

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**Brooks, Kevin**

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**From:** Ground, Diana  
**To:** Brooks, Kevin  
**Subject:** EVOS Funding  
**Date:** Wednesday, February 04, 1998 8:38AM

Need a recommendation on how to proceed. The Trustee Council authorized an additional \$114.8 in EVOS funding for the PWS Harbor Seal project in EVOS FY98. That is over what we requested and were authorized under the FY98 budget. After the July-September expenditures are deducted from our original FY98 allocation we are left with \$298,790 to cover the October - June expenditures. The Trustee Council allocations come to \$181.1 more than that amount.

I have gotten projections from my oil spill project leaders for anticipated costs thru 6/30/98 for these projects. Based on those projections we are going to spend \$50.0 to \$80.0 more than we have authorized for FY98.

I know that FY98 supplemental budget requests were to have been turned in a while back. Is it too late to get something to OMB requesting additional receipt authority under our EVOS Component? Or is there another way to do this?

Diana

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# STATE OF ALASKA

TONY KNOWLES, GOVERNOR

OFFICE OF  
DEPT. OF HEALTH AND SOCIAL SERVICES  
MANAGEMENT & BUDGET

FEB 11 1998

OFFICE OF THE COMMISSIONER

P.O. BOX 110601  
JUNEAU, ALASKA 99811-0601  
PHONE: (907) 465-3030  
FAX: (907) 465-3068

## MEMORANDUM

OFFICE OF  
MANAGEMENT & BUDGET

FEB 11 1998

DATE: February 10, 1998  
TO: Annalee McConnell, Director  
Office of Management and Budget  
FROM: *Karen Perdue*  
Karen Perdue, Commissioner  
SUBJECT: FY98 Supplemental Request

The Department of Health and Social Services requests an FY98 Supplemental for a number of operating and capital programs within the Department. The following items have been attached as supporting documentation:

*FY98 Supplemental Spreadsheet*

*FY98 Operating Summaries*

*FY98 Miscellaneous Claims Documentation 13(a)*

*Automated Budget System (ABS) Summaries of Capital Projects*

If you have any questions, please contact Janet Clarke at 465-3082.

### Attachments

cc: Jay Livey, Deputy Commissioner  
Russ Webb, Deputy Commissioner  
Janet Clarke, Director, Administrative Services  
Lisa Emerson, Budget Analyst, Administrative Services  
Elmer Lindstrom, Special Assistant, Commissioner's Office

FY98 D... Supplemental

BRU/COMPONENT	DESCRIPTION	Federal	GF	GF/PR	GF/Match	GF/MH	Other	Total Funds
<b>Operating</b>								
Public Assistance / ATAP	Alaska Temporary Assistance Program (ATAP) Savings from Welfare Reform				(1,500.0)			(1,500.0)
Medical Assistance/ Medicaid Non-Facilities	Federal Medical Assistance Percentage (FMAP)	(3,797.8)			3,797.8			0.0
Medical Assistance/ Medicaid Facilities	Federal Medical Assistance Percentage (FMAP)	(3,358.9)			3,358.9			0.0
Medical Assistance/ Waivers Services	Federal Medical Assistance Percentage (FMAP)	(613.4)			613.4			0.0
Medical Assistance/ General Relief Medical	Entitlement Growth		1,484.3					1,484.3
Medical Assistance/ Medicaid State Programs	School Based Claims - Adoption Backlog Project	866.7						866.7
Medical Assistance/ Indian Health Service	Medical Assistance Entitlement Growth & IHS Reimbursement	12,018.4						12,018.4
Medical Assistance/ Indian Health Service	School Based Claim	1,306.6						1,306.6
Purchased Services / Foster Care Base Rate	Foster Care Augmented Rate		355.6					355.6
Family & Youth Services/ southcentral Region	Title XX Block Grant shortfall		46.6					46.6
Family & Youth Services/ Northern Region	Title XX Block Grant shortfall		48.8					48.8
Family & Youth Services/ Southeast Region	Title XX Block Grant shortfall		23.9					23.9
Youth Facility Svcs/ McLaughlin Youth Center	Youth Facilities - Population Increases		160.0					160.0
Youth Facility Svcs/ Johnson Youth Center	Youth Facilities - Population Increases		130.0					130.0
State Health Services/ Maternal Child & Family Health	Specialty Clinics			100.0				100.0
State Health Services/Bureau of Anchorage & Fairbanks Vital Statistics	Vital Statistics Office Lease Space			18.0				18.0
Administrative Services / Health Planning & Facilities M.S.	Public Health Lab Reimbursable CIP Costs						180.0	180.0
Administrative Services / Administrative Support Svcs	Miscellaneous Claims		4.1					4.1
<b>Operating Total</b>		<b>6,421.6</b>	<b>2,253.3</b>	<b>118.0</b>	<b>6,270.1</b>	<b>0.0</b>	<b>180.0</b>	<b>15,243.0</b>

p(a) - q(h)

FY98 Supplemental

BRU/COMPONENT	DESCRIPTION	Federal	GF	GF/PR	GF/Match	GF/MH	Other	Total Funds
<b>Capital</b>								
Reappropriation / Language Change	Bethel Regional Public Health Center \$1,000.0 GF - Section 100, Ch. 100, SLA 96, Lines 18-21							0.0
	30122 Family Services - Fkld, Safety, Office & Transportation Equipment		337.7		72.5			410.2
	30125 McLaughlin Heat and Ventilation Control System		450.0					450.0
	26668 McLaughlin Youth Detention Unit Addition		5,297.0					5,297.0
	30140 Kenai Health Center		1,705.0					1,705.0
	26666 Mat-Su Detention and Support Facilities (Phase 1)		4,100.0					4,100.0
	26604 Department-wide Client Data Integration Project	200.0	400.0				200.0	800.0
	30148 Alcohol and Drug Abuse Management Information System Upgrade		392.0					392.0
	26669 Ketchikan Youth Facility		1,518.3					1,518.3
	30152 Family and Youth Services Technology Improvements	225.0			225.0			450.0
	30173 Section of Nursing Communications		400.0					400.0
	30192 Americans Disabilities Act Upgrades - Competitive Grants for Trust Beneficiary Facilities					100.0	100.0	200.0
	31370 Competitive Grants for Statewide Facility Inhalant Treatment Program		800.0					800.0
<b>Capital Total</b>		<b>425.0</b>	<b>15,400.0</b>	<b>0.0</b>	<b>297.5</b>	<b>100.0</b>	<b>300.0</b>	<b>16,522.5</b>
<b>FY98 Supplemental Total</b>		<b>6,846.6</b>	<b>17,653.3</b>	<b>118.0</b>	<b>6,567.6</b>	<b>100.0</b>	<b>480.0</b>	<b>31,765.5</b>

(M) b2 (a) b

## Alaska Temporary Assistance Program (ATAP)

<u>Component</u>	<u>FY98 Auth</u>	<u>Change</u>	<u>Revised</u>
Alaska Temporary Asst. Program	112,458.0	-1,500.0	110,958.0

9(a)

<u>Component</u>	<u>Federal GF Match</u>	<u>GF/MH</u>	<u>GF</u>
Alaska Temporary Asst. Program		-1,500.0	

The Department is submitting an FY98 delete supplemental of \$1,500.0 general fund match because the projected number of ATAP families receiving Temporary Assistance each month will be below the FY98 authorized levels.

On July 1, 1997, the Alaska Temporary Assistance Program (ATAP) replaced the Aid to Families with Dependent Children (AFDC) program. Temporary Assistance expands the traditional focus of the state's public assistance program for needy families from an entitlement to one that is temporary and stresses family self-sufficiency through employment.

The combination of mandating work-focused activities and increasing incentives to work reduce the amount needed for monthly benefits. Additional policy changes reduce benefit amounts by basing payments on household shelter expenses, eliminating additional assistance for second parents, and providing for a seasonal benefit reduction for two-parent families receiving assistance during July through September. Reductions in the number of families receiving assistance and in the amount of monthly benefits received has resulted in significant ATAP savings in FY98.

In February 1997, the ATAP caseload dipped below the three-year (FY94-FY96) monthly average, with the implementation of some welfare provisions. Since that time, a strong downward trend has continued along with the full implementation of the Alaska Temporary Assistance Program beginning July. Regardless of downward trend, variation in monthly caseload size will continue to reflect the seasonal nature of the state's economy. The number of families who require assistance will probably remain greater during the high unemployment winter months as compared to the summer-fall months.

The FY98 ATAP projected average monthly caseload is roughly 11% below the FY97 actual level. This delete supplemental assumes an FY98 projected ATAP formula caseload of 11,042 and program expenditures of \$94,933.0.

Regarding the state's Maintenance of Effort (MOE) requirement, it is essential to remember that according to federal law the state must maintain spending at 80 percent of the FY94 level. This establishes a floor of approximately \$52 million that must be met to comply with the federally mandated MOE. It is our intention to draw down all available ATAP component general funds to help meet the state's MOE for TANF. The balance of the federal block grant funds can be rolled-forward and made available in future fiscal years. The Department is currently planning our long-term strategy for allocating federal funds available as a result of the projected decline in the Temporary Assistance caseload and expenditures.

**Alaska Temporary Assistance Program (ATAP)**

**FY98 ATAP Benefit Payments Component Summary**

2/9/98

	(1) FY 98 ATAP Auth	(2) FY98 Auth Revised With RP	(3) FY98 Auth Revised W/Delete Supp	(4) FY98 ATAP Expend	(3) - (4) FY98 Balance
ATAP benefit expenditure	112,458.0	110,808.0	109,308.0	94,733.0	14,575.0
Funding Sources:					
Federal	52,321.4	52,321.4	52,321.4	40,087.0	12,234.4
GFM & GF/PR CSEA	48,596.0	46,946.0	45,446.0	45,446.0	0
I/A PFDHH	<u>11,540.6</u>	<u>11,540.6</u>	<u>11,540.6</u>	<u>9,200.0</u>	<u>2,340.6</u>
<b>Total Funding</b>	<b>112,458.0</b>	<b>110,808.0</b>	<b>109,308.0</b>	<b>94,733.0</b>	<b>14,575.0</b>

Notes:

Col (2) FY98 ATAP revised auth includes RP transfer of \$1,650.0 GF to APA and OAA - ALBHH.  
(FY 98 ATAP \$112,458.0 - 1,650.0 = FY98 ATAP revised \$110,808.0)

Col (3) FY98 ATAP delete supplemental of \$1,500.0 GF

Col (4) The revised FY98 ATAP component authorization of \$45,446.0 GFM/GF PR are fully expended. This state effort achieves the State Maintenance of Effort (MOE) for TANF at the minimum 80% of historic (FY94) state expenditures. Project lapsing funds are Federal and I/A receipts for PFD HH.

9(a)

# Alaska Temporary Assistance Program (ATAP)

## AFDC/ATAP Caseload and Expenditure Summary

Source: FROST (FROST/MS/RS/ATAP)

	AFDC/ATAP Monthly Caseload										July-Jan Actual	
	FY93 Cases Actual	Percent Change	FY94 Cases Actual	Percent Change	FY95 Cases Actual	Percent Change	FY96 Cases Actual	Percent Change	FY97 Cases Actual	Percent Chg. FY97 vs. FY98	FY98 Estimated Feb-Jun 98	<--
July	11,133	10.0%	12,248	3.3%	12,855	-4.7%	12,058	3.8%	12,511	-8.5%	11,442	<--
Aug	11,164	9.1%	12,185	1.3%	12,338	-4.6%	11,789	5.6%	12,427	-10.9%	11,070	<--
Sep	11,123	9.1%	12,140	1.6%	12,338	-4.6%	11,771	4.7%	12,330	-11.1%	10,957	<--
Oct	11,330	7.7%	12,197	0.0%	12,199	-5.6%	11,520	5.6%	12,161	-13.2%	10,557	<--
Nov	11,361	9.1%	12,398	-3.1%	12,008	-4.4%	11,478	3.6%	12,231	-13.9%	10,530	<--
Dec	11,489	7.7%	12,378	-1.5%	12,194	-5.7%	11,495	5.1%	12,088	-14.7%	10,308	<--
Jan	11,528	7.8%	12,423	0.5%	12,482	-4.0%	11,979	3.5%	12,434	-12.9%	10,800	<--
Feb	11,887	6.4%	12,628	0.2%	12,850	-2.5%	12,337	1.6%	12,531	-11.9%	11,034	<--
Mar	12,518	5.2%	13,175	-0.7%	13,089	-2.3%	12,784	-0.2%	12,754	-9.8%	11,499	<--
Apr	12,753	4.2%	13,295	-2.1%	13,018	0.2%	13,045	-3.1%	12,647	-8.1%	11,821	<--
May	12,707	3.7%	13,173	-4.5%	12,580	2.5%	12,898	-2.9%	12,518	-8.5%	11,453	<--
Jun	12,433	3.4%	12,853	-3.5%	12,400	2.3%	12,090	-5.5%	11,987	-8.3%	11,229	<--
FY Final	11,784	8.9%	12,591	-0.8%	12,496	-2.8%	12,152	1.9%	12,383	-10.4%	11,042	<--
YTD Avg.												<--
July-Ja	11,304	8.6%	12,281	0.3%	12,316	-4.8%	11,724	5.0%	12,307	-12.2%	10,809	<--
	YTD as of Jan 93		YTD as of Jan 94		YTD as of Jan 95		YTD as of Jan 96		YTD as of Jan 97		YTD as of Jan 98	

FY98 Projected Feb thru June 1998		
FY93-FY96 Avg Monthly Caseload	Percent Chg. FY93-96 avg vs. FY98	FY98 Projected Feb-Jun 98
12,024	-4.4%	11,442
11,664	-6.7%	11,070
11,843	-7.5%	10,957
11,812	-10.8%	10,587
11,811	-10.8%	10,330
11,688	-13.3%	10,368
12,103	-10.1%	10,800
12,371	-10.8%	11,034
12,892	-10.8%	11,499
13,028	-10.6%	11,821
12,540	-10.8%	11,453
12,569	-10.8%	11,229
12,255	-9.9%	11,042

The actual January 1998 ATAP caseload was 10.8% below the 4-year FY93-96 Jan. monthly average. This FY98 case projection assumes the rate of case reduction maintained for the months February through June 1998.

	AFDC Monthly Expenditure Summary										July-Jan Actual	
	FY93 Expend Actual	Percent Change	FY94 Expend Actual	Percent Change	FY95 Expend Actual	Percent Change	FY96 Expend Actual	Percent Change	FY97 Expend Actual	Percent Chg. FY97 vs. FY98	FY98 Estimated Feb-Jun 98	<--
July	\$ 9,163.5	13.3%	10,382.0	-1.1%	10,271.5	-5.4%	9,711.9	1.1%	\$ 9,817.0	-17.1%	\$ 8,134.4	<--
Aug	9,047.9	11.9%	10,121.9	-3.4%	9,776.3	-4.5%	9,339.1	3.1%	9,832.3	-20.3%	7,877.2	<--
Sep	9,082.3	10.1%	10,005.9	0.0%	10,010.6	-5.5%	9,457.9	0.7%	9,518.9	-19.2%	7,693.6	<--
Oct	9,389.4	5.1%	9,909.4	-0.3%	9,894.4	-8.1%	9,098.6	4.1%	9,472.7	-18.1%	7,758.8	<--
Nov	9,804.1	3.0%	9,988.1	-2.1%	9,781.5	-4.8%	9,317.0	1.5%	9,457.5	-19.8%	7,588.2	<--
Dec	9,427.4	6.7%	10,083.8	-1.9%	9,589.5	-6.9%	9,192.8	3.9%	9,552.2	-21.0%	7,548.4	<--
Jan	9,888.4	2.6%	9,940.7	3.3%	10,242.3	-7.2%	9,520.7	2.0%	9,708.7	-20.7%	7,696.0	<--
Feb	10,310.1	-0.7%	10,239.4	-0.4%	10,199.1	-5.2%	9,683.8	1.2%	9,777.0	-19.3%	7,889.7	<--
Mar	10,717.2	-0.5%	10,968.5	1.2%	10,797.7	-5.1%	10,242.5	-2.7%	9,970.3	-17.5%	8,221.9	<--
Apr	10,730.4	-0.9%	10,837.3	-1.2%	10,510.4	-1.2%	10,385.5	-7.5%	9,608.8	-13.5%	8,308.8	<--
May	10,678.8	-1.8%	10,487.5	-3.9%	10,081.3	1.7%	10,249.6	-7.4%	9,488.7	-13.7%	8,188.8	<--
Jun	10,135.9	-0.5%	10,080.9	-5.2%	9,552.3	1.0%	9,048.7	-4.6%	9,203.4	-12.8%	8,029.2	<--
FY Total	\$ 117,975.4	3.8%	\$122,505.2	-1.2%	\$120,988.9	-4.3%	\$115,828.1	-0.5%	\$115,204.5	-17.8%	\$ 94,733.0	<--

atap9796/projection

	FY96 ATAP Auth	FY98 ATAP Revised Auth	FY98 ATAP Estimated	FY98 Proj. Balance	
Federal TANF	52,321.4	52,321.4	40,087.0	12,234.4	The revised FY98 ATAP general fund authorization of \$ 45,448.0 is fully expended
General Funds	48,598.0	45,448.0	45,448.0		Maintenance of Effort (MOE) for TANF requires that state spending at 80% of
VA PFDHH	11,540.6	11,540.6	9,200.0	2,340.6	historic (FY94) state expenditures. The FY98 projected ATAP component
Total Funds	112,459.0	109,309.0	94,733.0	14,575.0	lapsing funds are \$ 12,234.4 Federal TANF and \$ 2,340.6 VA for PFDHH.

\* FY98 Revised Auth includes RP of \$ 1,850.0 and FY96 Delete Supp of \$ 1,500.0 for a total CF transfer out of \$ 3,350.0 Gen Fund

9(a)

## Bureau of Vital Statistics Lease Space

<u>Component</u>	<u>FY98 Auth</u>	<u>Change</u>	<u>Revised</u>	
Bureau of Vital Statistics	1,343.8	18.0	1,361.8	9 (b)

<u>Component</u>	<u>Federal</u>	<u>GF/PR</u>	<u>GF/MH</u>	<u>GF</u>
Bureau of Vital Statistics		18.0		

The Department is requesting \$18.0 in GF/PR for the Bureau of Vital Statistics (BVS) Anchorage and Fairbanks offices

The Bureau of Vital Statistics assumed budgetary and operational responsibility for the Anchorage vital statistics office in FY97. The Court System has notified the Department that we must vacate the Anchorage space currently provided by them at no charge. The Department is in the process of securing lease space through a Request for Proposal. It is anticipated that we will need \$10.0 for unplanned lease space for the remainder of FY98.

The Bureau assumed responsibility from the Court System for the Fairbanks vital statistics office on February 2, 1998. It is anticipated that we will need approximately \$8.0 lease space for the remainder of FY98.

Vital Statistics collects program receipts through the sale of birth and death certificates. In FY98, BVS added the issuance of marriage licenses, which was transferred from the Court System. BVS collected \$782.7 in program receipts in FY97, with authorization of \$661.5. In FY98 the BVS has collected \$392.1 of \$656.8 authorized. Current projections show that BVS will collect well over \$800.0 for the remainder of FY98.

If the supplemental is not approved and the Court System enforces its eviction notice the bureau will have to reduce services in the Anchorage and Fairbanks areas. This would include movement of some of the positions and reduced hours/days of operations in both areas with the slack taken up through phone and mail service from Juneau.

**State Public Health Lab Reimbursable Costs**

<u>Component</u>	<u>FY98 Auth</u>	<u>Change</u>	<u>Revised</u>
Health Planning & Facilities Management	881.0	180.0	1,061.0

<u>Component</u>	<u>Federal</u>	<u>GF/PR</u>	<u>GF/MH</u>	<u>GF</u>	<u>Stat Desg</u>
Health Planning & Facilities Management					180.0

The Department is requesting new Statutory Designated/Program Receipt authority of \$180.0 in the Health Planning and Facilities Management component for costs associated with the new Public Health Laboratory in Anchorage. The following table identifies the costs that will be covered by the additional receipt authority.

Reimbursable

<u>Department of Transportation &amp; Public Facilities Costs</u>	
Programming and Initial Design	68,000
Foundation Drilling & Other Activities	49,000
Contract Admin/Geotechnical Drilling	<u>63,000</u>
TOTAL	180,000

The Statutory Designated receipts will come from the Alaska Legislature approved sale of Certificates of Participation (COPs) to design and construct a new Public Health Laboratory in Anchorage. These COPs were sold on January 13, 1998, and funds are available to pay allowable costs from October 27, 1997 (and possibly earlier) until completion of the project. The statutory designated funding in this request will allow expenditure of reimbursable costs above from the COPs.

Tax-exempt COP proceeds are restricted to payment for design and construction costs of the capital project. These financing proceeds may not be used for some normal project administration costs without jeopardizing US Internal Revenue Service approval of the financing.

**General Relief Medical – Entitlement Growth**

<u>Component</u>	<u>FY98 Auth</u>	<u>Change</u>	<u>Revised</u>
General Relief Medical	2,838.7	1,484.3	4,323.0

7 (d)

<u>Component</u>	<u>Federal</u>	<u>GF Match</u>	<u>GF/MH</u>	<u>GF</u>
General Relief Medical				1,484.3

The Department requests a \$1,484.3 in GF for the General Relief Medical program which provides emergency medical care for low-income Alaskans who do not have any other medical resources and do not qualify for Medicaid. Preliminary analysis indicates that the number of clients served in this program is up substantially between 1996 and 1997. Analysis also indicates that approximately sixty percent (60%) of the General Relief Medical eligible this fiscal year had previously been Medicaid eligible. These increases have resulted from the Congressional changes to the Social Security Insurance (SSI) disability criteria and changes in SSI eligibility for aliens.

For example, the number of individuals who were eligible for General Relief Medical has risen:

Year	July	October
1996	268	279
1997	375	388

We are continuing to analyze our data to determine the cause in changes to the GRM program. We have included an FY99 increment for this component, recognizing this increased expenditure pattern. The discontinuing of Medicaid coverage for qualified aliens estimated a cost shift of \$921.9 to GRM, which was identified in HB 153. The supplemental request is based on a three fiscal year average annual cost per recipient of \$4,935.42 and the expectation that the GRM program will serve 300 additional recipients this year.

9(d)

**General Relief Medical – Entitlement Growth**

**FY97 CASELOAD DATA - GENERAL RELIEF MEDICAL (GRM)**

<b>GRM</b>		
<b>ELIGIBLE CLIENTS</b>	856	
<b>RACE</b>	White	79%
	Black	9%
	Hispanic	3%
	Asian	3%
	Unknown	2%
	Alaska Native	2%
	Pacific	2%
	Islander	
	American	1%
	Indian	
<b>AGE</b>	21-44	61%
	45-64	36%
	15-20	2%
<b>ELIBIBLES BY LOCATION</b>	Anchorage	46%
	Fairbanks	11%
	Wasilla	8%
	Juneau	4%
	Palmer	4%
	North Pole	3%
	Soldotna	3%
	Ketchikan	2%
	Sitka	2%
	Homer & Eagle River	1%
	Kodiak & Big Lake	1%
<b>EXPENDITURE BY CATAGORY OF SERVICE</b>	Physician	41%
	Hospital	34%
	Pharmacy	15%
	Other	6%
	Transportation	3%
	Nursing Home	1%

a(d)

**School Based Claim**

<u>Component</u>	<u>FY98 Auth</u>	<u>Change</u>	<u>Revised</u>
Indian Health Service	48,782.1	1,306.6	50,088.7

9 (e)

<u>Component</u>	<u>Federal</u>	<u>GF Match</u>	<u>GF/MH</u>	<u>GF</u>
Indian Health Service	1,306.6			

The Department recently processed a revised program (ADN#06-8-0137) transferring \$1,306.6 from the IHS component to the Medicaid State Programs component to fund an anticipated increase in the amount the State will earn from the school based administrative claim. The Department had conservatively budgeted \$2,000.0 of federal participation in FY98 for the school based services administrative claim. Since the FY98 budget was prepared, the Department and the Department of Education (DOE) have engaged in an ongoing discussion with the Health Care Financing Administration's (HCFA) Region X Office to refine the methodologies used to calculate the claim. The result has been a significant increase (>50%) in the amount Alaska will earn this fiscal year. The current fiscal year projection shows the state earning \$4,606.6 in federal participation from the school based services administrative claim. In support of the school districts part of this effort, the revised program moved the federal authority so that the reimbursable services agreement to DOE for distribution to the school districts could be increased for their share (\$2,306.6 total) of the school based claim. The remainder of the increase in the school based claim (\$1,300.0) is covered in the School Based Claim - Adoption Backlog Project section of this supplemental request.

9(e)  
7-1

**Medical Assistance - Entitlement Growth & IHS Reimbursement**

<u>Component</u>	<u>FY98 Auth</u>	<u>Change</u>	<u>Revised</u>	
Indian Health Service	48,782.1	12,018.4	60,800.5	9(f)

<u>Component</u>	<u>Federal</u>	<u>GF Match</u>	<u>GF/MH</u>	<u>GF</u>
Indian Health Service	12,018.4			

In FY98 the Division of Medical Assistance accepted a major challenge to absorb \$24 million in costs through cost containment efforts. If not successful, the Department would have required a GF supplemental. The Department has been successful and does not require GF, but will need increased federal funds for this program. The Department requests \$12,018.4 in federal funds for the Medicaid Program to cover increases in Indian Health Service claims due to cost shifting and rate increases, prior revised programs and to address expected federal shortfalls in other areas of the Medicaid Program as the fiscal year proceeds.

Waivers Services Transfer – Revised Programs	1,584.8
IHS Rate Increases and future Medicaid RP transfer needs	4,433.6
IHS Cost Shifting	6,000.0
	<u>12,018.4</u>

The appropriated federal funds authority available to the FY98 Medicaid program was not adequate to meet the Medicaid program's projected needs. Therefore, the Division transferred federal funding authority from the one source of 100% federal authority to avoid problems with match funding. Because the IHS is 100% Medicaid federally funded, the Department uses the IHS component as the source of federal funds for transfers within the Medicaid program. This management technique is required in order to achieve balance between the State accounting system and the Medicaid claims payment system (MMIS) at the operational level. Maintaining this balance along with the proper fund source relationships by component is also required as part of the revenue collection process.

The Department transferred with a revised program (ADN#06-8-0137) \$1,584.8 from the IHS component to the Waivers Services component to meet projected claims payment need for the fiscal year related to refinancing of 84 DD Community Clients at Hope Cottage to the Medicaid Program.

Additionally, the rate of growth in actual IHS expenditures due to federally granted rate increases of the last several years will make the present FY98 authority level inadequate. The following table displays the IHS rates for the last three fiscal years and the percentage change from year to year. The FY98 rates have not yet been published by HCFA.

**Medical Assistance - Entitlement Growth & IHS Reimbursement**

	<u>FY95</u>	<u>FY96</u>	<u>% Change</u>	<u>FY97</u>	<u>% Change</u>
Inpatient	\$570	\$930	63.1%	\$963	3.5%
Outpatient	\$159	\$233	46.5%	\$241	3.4%

In addition to the impact of rate increases, as the Division moves through the current fiscal year there will be additional needs for federal authority among components in the Medical Assistance BRU which, given the pooling of 100% federal authority in IHS, would be transferred through a revised program as required. This request seeks to have \$4,433.6 of federal authority placed in the 100% IHS component in addition to restoring the amounts transferred under the aforementioned revised program. Items which may require additional federal authority would include the restoration of the federal funds reserved for the Medicaid de-linking activities from the eligibility process, unbudgeted federal participation needs of the Division of Public Health resulting from reexamination of Nursing time studied activities and direct service activities which qualify for the state's new FMAP rate.

The Department is under direction by the legislature to explore and implement opportunities to maximize IHS claims, where appropriate. This continues an effort, begun in the Department several years ago, to identify Medicaid payments for Indian Health Services clients in or through an IHS facility which were originally claimed at other than a 100% federal participation. Once identified, the accounting system needed to be adjusted to transfer those costs to the 100% federally funded Medicaid IHS program. However, this is a very labor and time intensive process. The Division is analyzing the claims payment information for the first six months of this fiscal year in preparation for an accounting system transfer. Based on similar historical activity, we estimate that up to \$6,000.0 (split evenly between Medicaid Facilities and Medicaid Non-Facility) will be transferred to the 100% IHS claims requiring this amount in increased federal authority.

## School Based Claim - Adoption Backlog Project

<u>Component</u>	<u>FY98 Auth</u>	<u>Change</u>	<u>Revised</u>	
Medicaid State Program	14,019.4	866.7	14,886.1	1/51

<u>Component</u>	<u>Federal</u>	<u>GF Match</u>	<u>GF/MH</u>	<u>GF</u>
Medicaid State Program	866.7			

The Department initially requested these funds from the Legislative Budget and Audit Committee (LB&A) at its December 12, 1997 meeting. LBA funded \$433.3 of the initial \$1,300.0 request for additional federal authority. The federal funds are available from the increased earnings of the Medicaid School Based Administrative claim and are allocated to reduce an adoption backlog in the Division of Family and Youth Services (DFYS). This funding will support a project to reduce the backlog of 400 children awaiting adoption.

The Division of Family and Youth Services, in beginning the effort to comply with the requirements of the new federal initiative "Adoption 2002", has identified 400 children who are waiting for permanent homes. We know that most of these children are not going back to their parents and have been waiting too long for permanent homes. The average length they are waiting is 3 years but many children wait much longer. Of the 400 Alaskan children waiting:

- 153 of them are waiting for their adoption to be finalized;
- 28 of the 153 children need adoptive homes; and
- 247 of them are waiting for legal action to occur to free them for adoption. (There is no guarantee that all terminations of parental rights will be granted.)

The number of children waiting for permanent homes is due to a combination of factors. These children have special needs that make it difficult to find adoptive homes. Many of the children waiting were born with birth defects from Fetal Alcohol Syndrome or other drug effects. Some of them are emotionally disturbed, cognitively impaired, or traumatized from abusive or violent circumstances. Special needs also applies to other factors that make a child difficult to place for adoption, such as older age children or children who are a part of a sibling group.

There are also system barriers to moving kids more rapidly from foster care to permanent homes that contributed to the backlog. These type of barriers were identified by adoption specialists throughout the state.

- overwhelming caseloads of assistant attorney generals;
- conflicting casework demands for social workers;
- lack of adoptive homes; and
- court calendar delays.

## School Based Claim - Adoption Backlog Project

The plan for these funds are part of the overall goals for children in foster care waiting for permanent homes. The goals include:

- double the number of children adopted or permanently placed by the year 2002;
- move children more rapidly from foster care to permanent homes; and
- increase public awareness about children waiting for adoption and encourage Alaskans to consider adoption.

This request was submitted to and considered by the Legislative Budget and Audit Committee (LB&A) at its December 12, 1997 meeting. After lengthy discussion, the LB&A committee decided the Department should bring the remaining request of \$866.7 forward as a supplemental request to be considered by the full Legislature.

This one-time funding will be used through June 30, 1999, therefore, the Department requests a lapse date of June 30, 1999. This model is based on what the State of Oregon has done, and involves providing sufficient grants and contracts to private non-profit agencies (including tribal agencies) who are well equipped to do much of the work.

Since the approval of the RPL on December 12, 1997, the Division of Family and Youth Services has awarded two grants of \$200.0 each, one to Catholic Community Services for services to non-native children and one to Bristol Bay Native Association who will function as the primary grantee for native Alaskan children for all tribal organizations as agreed to on January 15, 1998. As outlined in the Catholic Social Services proposal each grantee would provide a comprehensive set of services to achieve the following outcomes:

- Recruitment of at least 50 prospective Alaskan families for adoption;
- Orientation and training of 50 households;
- Preparation of 50 families including home studies;
- Permanent placement of at least 50 children; and
- Post Adoption Services

The plan for this specific request of \$866.7 in federal funds would be used as follows:

- 50% or \$433.0 to different parts of the legal system for a comprehensive effort to move the 250 children who are not yet legally free and waiting for termination of parental rights through the legal system. This would include funds being made available as follows:
  - ⇒ Court System (\$84.0 to provide a pro tem judge and necessary support);
  - ⇒ Department of Law (\$133.0 is needed for attorney resources to complete at least thirty of the backlogged termination cases. The average termination trial is estimated to take 7 to 10 days. If more cases are

### School Based Claim - Adoption Backlog Project

- uncontested or resolved without trial, the Department of Law will be able to complete more than the estimated 30 cases);
- ⇒ Office of Public Advocacy (\$80.0 for Non-Attorney Guardian Ad Litem and \$56.0 for Contract Counsel Attorney's where the Public Defender Agency has a conflict of interest in providing counsel to a parent) and;
  - ⇒ Public Defender (\$80.0 is needed for attorney resources to concentrate on new cases and free up Senior Attorney's for termination trials).
  - 50% or \$433.7 for additional grants to private non-profits for additional services similar to the first grants awarded January 1998. Outcomes expected with these awards would be at the least:
    - ⇒ Recruitment of 100 families;
    - ⇒ Orientation and Training of 250 households;
    - ⇒ Preparation of 200 families including home studies;
    - ⇒ Permanent placement of a minimum of 100 children; and
    - ⇒ Post Adoption Services.

The benefit of this effort to reduce the backlog of the 400 children identified will be long lasting. The Department's efforts for innovative grants and contracting for private adoption services is a significant milestone.

**Bethel Health Clinic Reappropriation - \$1,000.0 general funds**

g(h)

This requests reappropriates the general fund portion of the appropriation in Ch. 123, SLA 96, page 53, line 18 (Yukon Kuskokwim Health Corporation/State Community Health Services Building Design and Construction.) The SLA 96 project for \$7,333.0 was appropriated to DHSS for the YKHC State Community Health Services Building. This was based on a partnership between YKHC and DHSS to jointly construct a health center in Bethel. Estimated costs for the project were \$22,000.0.

Plans for a combined Yukon-Kuskokwim Health Corporation Community Health Services Building/Bethel Regional Public Health Center have been abandoned as YKHC has been unable to secure the necessary federal funding. Rather, YKHC will build their own building. YKHC is also moving forward with plans to re-allocate their current space which includes plans to convert the space currently occupied by the Bethel Health Center.

A regional public health center is still needed. The \$1,000.0 in general funds will provide for the design of a 15,000 s.f. regional public health center in Bethel and potentially some site work. Land on which to build will be provided by YKHC.

Staff are currently located in two facilities. The regional staff are located in leased space while the health center staff are located in a modular building owned by YKHC. (YKHC has plans to convert the health center space into housing for families of hospital patients.)

Having separate regional and health center facilities reduces the effectiveness of support staff and skilled professionals whose services need to be optimized. Combining the regional office and health center will provide certain economies of scale by sharing common areas such as waiting rooms, restrooms, elevators, hallways, and utility infrastructures.

The design and construction of a new DHSS health center is considered the best alternative. YKHC's plans prevent us from continuing with the present arrangement; there is no adequate space available for lease in Bethel; the public health services needs of the residents of the YK Delta need to be met in the most effective and efficient way possible.

g(h)

1 Department of Fish and Game (cont.)		Appropriation	General	Other
2		Allocations	Fund	Funds
3		Items		
4	Potter's Marsh/Rabbit Creek	100,000		100,000
5	Rifle Range - Facility			
6	Improvements and Volunteer			
7	Project (ED 99)			
8	* * * * *	* * * * *		
9	* * * * * Office of the Governor * * * * *			
10	* * * * *	* * * * *		
11	Americans with Disabilities Act	250,000	250,000	
12	Facility Modification (ED 99)			
13	Criminal Justice Information	966,678	966,678	
14	System Integration (ED 99)			
15	* * * * *		* * * * *	
16	* * * * * Department of Health and Social Services * * * * *			
17	* * * * *		* * * * *	
18	Yukon Kuskokwim Health <i>23687-01</i>	7,333,000	1,000,000	6,333,000
19	Corporation/State Community			
20	Health Services Building Design and Construction (ED 39)			
22	Renewal, Deferred Maintenance, <i>23688-01</i>	1,118,000	1,000,000	118,000
23	Replacement and Equipment (ED 99)			
24	Adoption and Foster Care <i>23689-01</i>	675,000		675,000
25	Analysis Reporting System (ED 99)			
26	Electronic Benefit Transfer and <i>23690-01</i>	2,000,000		2,000,000
27	System Enhancements (ED 99)			
28	Grants to Named Recipients			
29	(AS 37.05.316)-			
30	Kodiak Island Hospital <i>23691-01</i>	500,000	500,000	
31	Completion (ED 6)			
32	Access Alaska, Inc. Community <i>23692-01</i>	125,000		125,000
33	Living Support for the			
34	Developmentally Disabled (ED 99)			
35	* * * * *	* * * * *		
36	* * * * * Department of Labor * * * * *			
37	* * * * *	* * * * *		

CH 123 SLA 96 P53  
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"Fostering Native Self-Determination in Primary Care, Prevention and Health Promotion"

# YUKON-KUSKOKWIM HEALTH CORPORATION

November 21, 1997

Ms. Karen Perdue, Commissioner  
Department of Health and Social Services  
P.O. Box 110601  
Juneau, Alaska 99811-0601  
FAX 907-586-1877

Subject: Bethel -YKHC / State Community Services Building

Dear Commissioner Perdue,

The Yukon Kuskokwim Health Corporation would like to thank the State of Alaska for its work over the last four years in the joint planning efforts for meeting the needs of office and clinical space for the employees of YKHC and the State Public Health Nurses.

We would like to particularly thank your staff and especially Dr. Peter Nakamura, Alfrida Nord, Janet Clark and their staff for the understanding of the issues and vision for care for the people of Alaska and the YK Delta Villages.

The YKHC now (after tremendous efforts from all parties over the last four years) realizes the political impossibility of getting the Governor and the legislature and the Alaska delegation to come up with the necessary full funding for the joint facility needs in a timely manner so that financing and contract awards etc. could happen.

The growing needs of YKHC has forced us to withdraw from our joint efforts and for YKHC to down scale our building and but together a financing plan to build a community service facility to consolidate our operations under one roof. It was a good common sense approach, that made economic sense.

As it has become apparent that the US Congress can not timely (if ever) meet their share of the three way funding envisioned for this project; we hope the State legislative appropriation of \$1,000,000.00 that has been but on hold to await the determination of the Federal share from the US Congress can be used for construction of a very much needed Public Health Nursing facility in Bethel.

P.O. Box 528 • Bethel, Alaska 99559 • Phone: (907) 543-6000 • 1-800-178-3321 • Fax: (907) 543-6006

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Again I would like to thank you for your help and wish you luck in securing the needed funding for your facility needs either for new construction or some lease arrangements in Bethel. YKHC cannot afford to continue to wait and continue to pay increasing lease costs in several facilities in Bethel. We must consolidate our operations.

We will build on the site designated for the community service building across from the hospital, and would like to coordinate our site plans with your facility requirements. Please arrange for a mutual time to meet on this issue.

To illustrate our growing needs I have enclosed two graphs for your review. I am sure that your public health encounters and needs have increased also; we hope you can keep all your positions filled to serve the delta villages and meet the inoculation and other needs of all people in the service area.

Respectfully,

Yukon Kuskokwim Health Corporation



Orie Williams - Exc. Vice President

cc. Dr. Peter Nakamura  
Ms. Janet Clark  
Mr. Steve Flodin  
Livingston Sloan  
Gene Peltola

9(h)  
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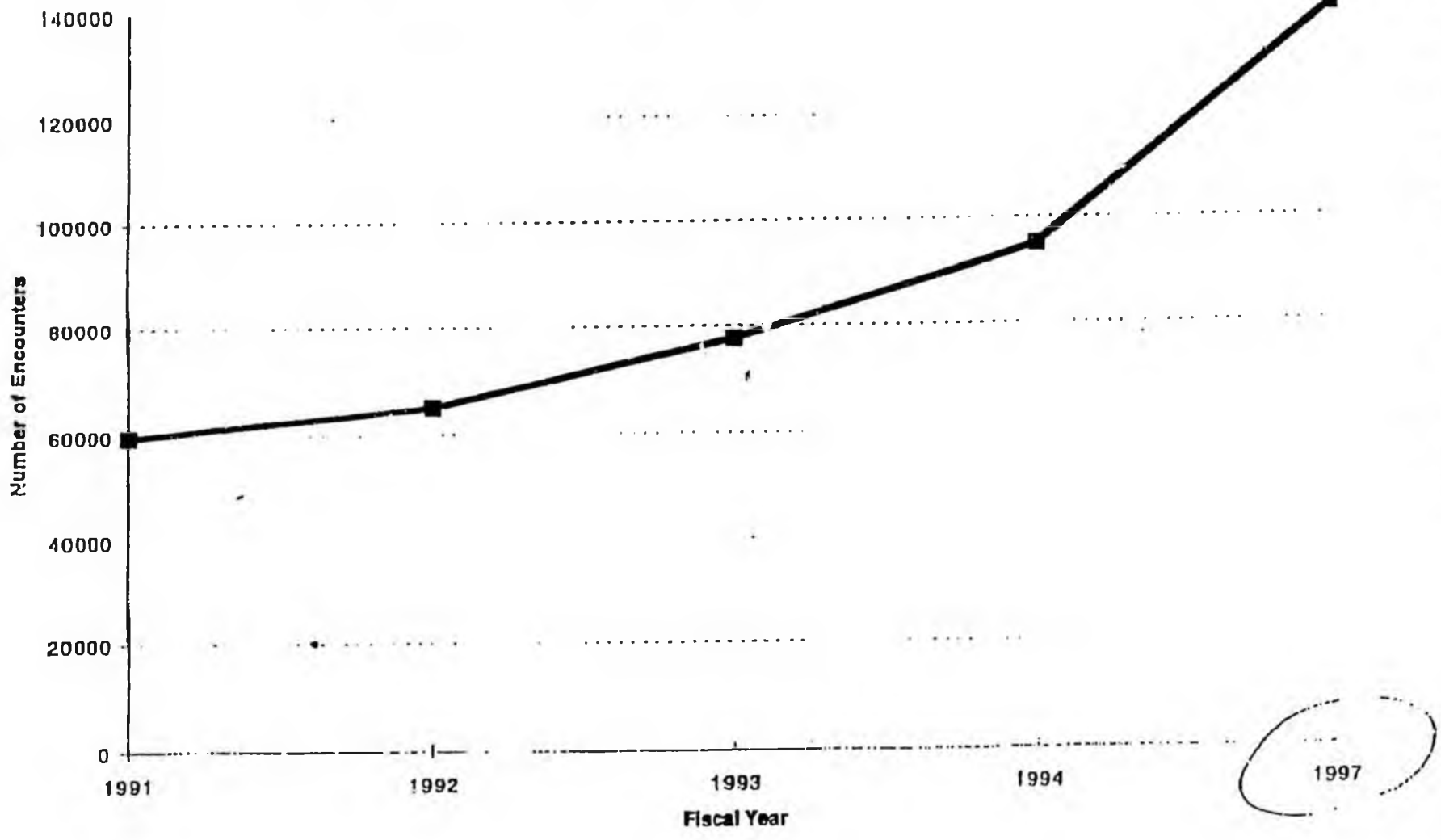
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YKHC ADMIN.

# YKHC / STATE Community Health Services Building

## Yukon-Kuskokwim Delta Regional Hospital Outpatient Encounters



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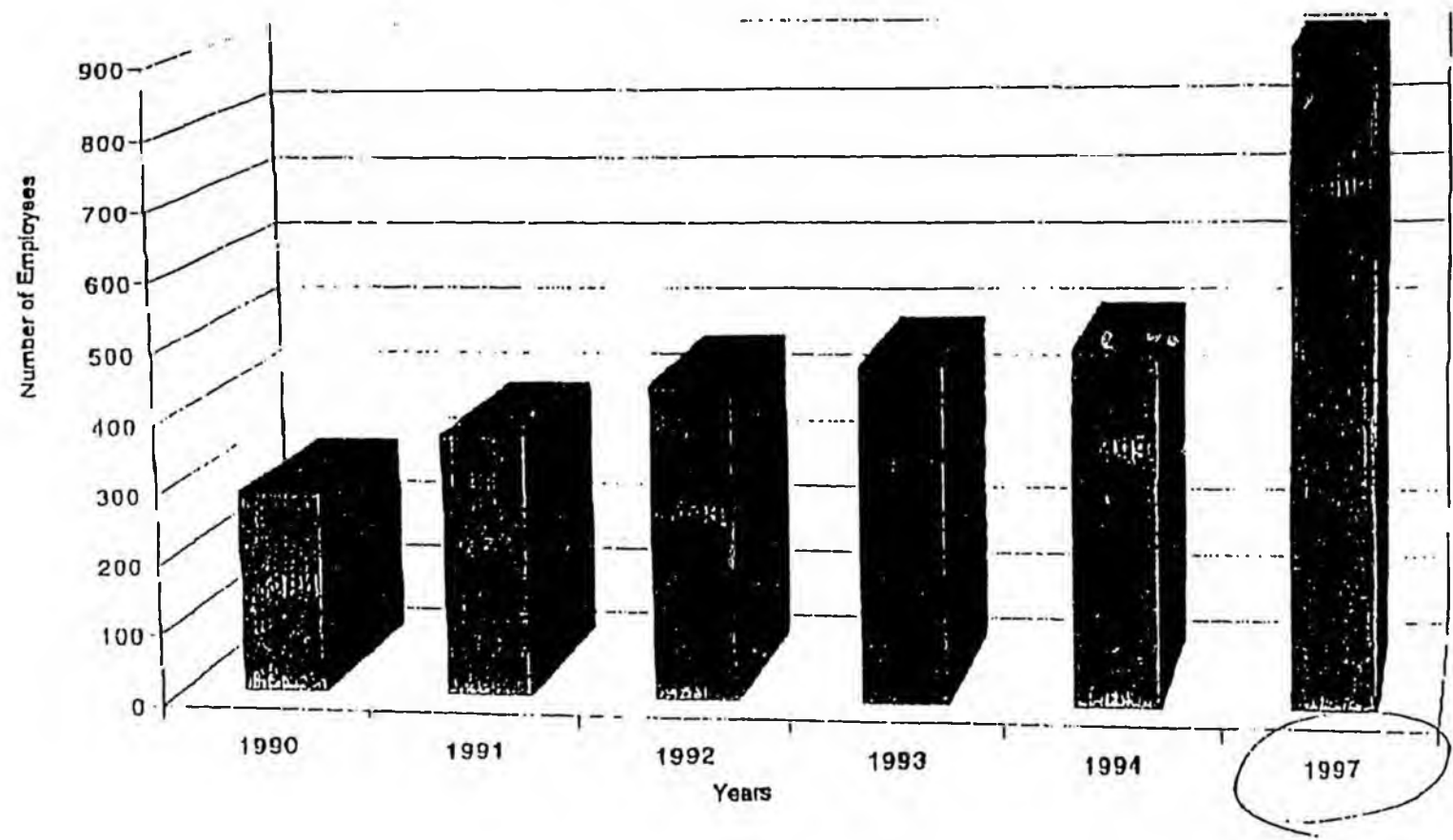
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YKHC ADMIN.

# YKHC / STATE Community Health Services Building

YKHC Direct Hire Employees



\* Does not include Civil Service Commissioned Corps or part time employees.