

SJR

25

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SENATE COMMITTEE REPORT

DATE: 2/27/04

FURTHER:

DATE TURNED
IN TO OFFICE: 3/31/04

State Affairs Committee considered SENATE JOINT RESOLUTION NO. 25

SJR 25 FLOODING AND EROSION CONTROL ASSISTANCE

Recommending that certain federal funding restrictions be eased so that more villages in Alaska would qualify for assistance relating to flooding and erosion.

and recommends:

- be replaced with _____ CS _____ (_____)
- adopt previous _____ CS _____ (_____)
- attached amendment(s)
- adopt Letter of Intent by _____ Committee
- further referral to _____ Committee

Senate Bill:

- Same Title
- New Title

House Bill:

- Same Title
- Technical Title Change
- New Title w/ SCR # _____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Zero	Indet.	FN#

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Zero	Indet.	FN#
DCED	7/25/04		✓		1

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	Do PASS	Do NOT PASS	No REC	AMEND
<i>Adrian Cavender</i>	✓			
<i>Robert K. Thompson</i>	✓			
<i>Robert K. Thompson</i>	✓			
CHAIR: <i>[Signature]</i>	✓			

FISCAL NOTE

STATE OF ALASKA
2004 LEGISLATIVE SESSION

Fiscal Note Number: 1
 Bill Version: SJR 25
 (S) Publish Date: 2/27/04

Revision Date/Time (Note if correction): _____ Dept. Affected: DCED
 Title Flooding & Erosion Control Assistance RDU Comm Assist & Ec Dev (405)
 Component Community Advocacy
 Sponsor Senator Olson
 Requester Senate Community & Regional Affairs Component No. 2703

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2004) cost: 0.0
 Mark this box (X) if funding for this bill is included in the Governor's FY 2005 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This resolution urges the federal government to ease the cost and benefit analysis rules associated with federal assistance for flood and erosion damage, and moves to help communities in the state that are threatened by erosion and flooding.

This resolution has no fiscal impact upon the operations of the division.

Prepared by: Gene Kane, Director Phone (907) 269-4578
 Division: Community Advocacy Date/Time 2/25/04 11:54 AM
 Approved by: Edgar Blatchford, Commissioner Date 2/25/2004
 Agency: Department of Community & Economic Development

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SENATOR DONALD C. OLSON

DISTRICT T

Sponsor Statement

SJR 25, FLOODING AND EROSION CONTROL ASSISTANCE

Alakanuk
Ambler
Anaktuvuk Pass
Atkasuk
Barrow
Brevig Mission
Browerville
Buckland
Chevak
Deering
Diomedea
Elim
Emmonak
Gambell
Golovin
Hooper Bay
Kaktovik
Kiana
Kivalina
Kobuk
Kotlik
Kotzebue
Koyuk
Mountain Village
Noatak
Nome
Noorvik
Nuiqsut
Nunam Iqua
Pilot Station
Pitka's Point
Point Hope
Point Lay
Savoonga
Scammon Bay
Selawik
Shaktolik
Shishmaref
Shungnak
St. Mary's
St. Michael
Stobbins
Teller
Unalakleet
Wainwright
Wales
White Mountain

SJR 25 is a resolution requesting the Army Corp of Engineers ease their cost and benefit analysis for projects in rural Alaska.

I have proposed this resolution in response to many concerns voiced by my constituents with regards to the erosion and flooding problems that plague western Alaska. Currently many of the villages in western Alaska are not receiving the assistance needed for the protection of life and property.

On November 8, 2003 a winter storm hit western Alaska. This storm caused considerable damage to Unalakleet, Shishmaref, and some of Nome's surrounding areas. While the Governor has declared a state of disaster because of this storm, the continued effects of erosion on the villages of Alaska are not going to be solved by emergency disaster

declarations. A more comprehensive, coordinated effort is required by the Army Corps of Engineers and other federal and state agencies.

I respectfully urge your support for this resolution to focus attention on this serious problem.

December 2003

ALASKA NATIVE VILLAGES

Most Are Affected by
Flooding and Erosion,
but Few Qualify for
Federal Assistance



G A O

Accountability * Integrity * Reliability

Several bills have been introduced to authorize tribal governments also to bundle federal funding for economic development programs and for alcohol and substance abuse programs. For example, in the 106th, 107th, and 108th sessions of Congress, bills were introduced to authorize the integration and coordination of federal funding for community, business, and economic development of Native American communities.²⁴ Under these bills, tribal governments or their agencies may identify federal assistance programs to be integrated for the purpose of supporting economic development projects. Similarly, in the 107th and 108th Congresses, S. 210 and S. 285 were introduced to authorize, respectively, the integration and consolidation of alcohol and substance abuse programs and services provided by tribal governments.

Conclusion

Alaska Native villages that are not making plans to relocate, but are severely affected by flooding and erosion, must find ways to respond to these problems. However, many of these villages have difficulty finding assistance under several federal programs, largely because the economic costs of the proposed project to control flooding and erosion exceed the expected economic benefits. As a result, many private homes and other infrastructure continue to be threatened and are in danger from flooding and erosion. In addition, many Alaska Native villages that are small, remote, and have a subsistence lifestyle, lack the resources to help them respond to flooding and erosion. Given the unique circumstances of Alaska Native villages, special measures may be required to ensure that these communities receive assistance in responding to flooding and erosion.

Alaska Native villages that cannot be protected from flooding and erosion through engineering structures and must relocate face a particularly daunting challenge. These villages are working with federal and state agencies to find ways to address this challenge. Any potential solution, however, whether a single erosion protection project or full relocation, goes through stages of planning and execution that can take years to complete. In the interim, investment decisions must be made regarding delivery of services such as building new structures or renovating and upgrading existing structures. Such decisions for villages should be made in light of the status of their efforts to address flooding and erosion. We identified a number of instances where projects were approved and

²⁴The bills introduced in the 106th, 107th, and 108th Congresses were S. 2052, S. 343, and S. 1528, respectively.

designed without considering a village's relocation plans. Investing in infrastructure that cannot be easily moved or may be costly to move may not be the best use of limited federal funds. It is encouraging that the Denali Commission is working on a policy to ensure that investments are made in a conscientious and sustainable manner for villages threatened by flooding and erosion. Successful implementation of such a policy will depend in part on its adoption by individual federal agencies that also fund infrastructure development in Alaska Native villages.

Recommendations for Executive Action

In order to ensure that federal funds are expended in the most effective and efficient manner possible, we recommend that the federal cochairperson of the Denali Commission, in conjunction with the state of Alaska cochairperson, adopt a policy to guide future investment decisions and project designs in Alaska Native villages affected by flooding and erosion. The policy should ensure that (1) the Commission is aware of villages' efforts to address flooding and erosion and (2) projects are designed appropriately in light of a village's plans to address its flooding and erosion problems.

Matter for Congressional Consideration

Determining the appropriate level of service for Alaska Native villages is a policy decision that rests with Congress. We present four alternatives that Congress may wish to consider as it deliberates over how, and to what extent, federal programs could better respond to flooding and erosion in Alaska Native villages. In any such decision, two factors that would be important to consider are the cost and the national policy implications of implementing any alternative or combination of alternatives. If Congress would like to provide additional federal assistance to Alaska Native villages, it may wish to consider directing relevant executive agencies and the Denali Commission to assess the cost and policy implications of implementing the alternatives that we have identified or others that may be appropriate.

Agency Comments and Our Evaluation

We provided copies of our draft report to the Departments of Agriculture, Defense, Health and Human Services, Housing and Urban Development, the Interior, and Transportation; the Denali Commission; and the state of Alaska. The Departments of Defense, Housing and Urban Development, and the Interior, as well as the Denali Commission and the state of Alaska provided official written comments. (See appendixes IV through VIII,

respectively, for the full text of the comments received from these agencies and our responses.) The comments were generally technical in nature with few comments on the report's overall findings, recommendation, and alternatives. The Departments of Health and Human Services and Transportation provided informal technical comments, and the Department of Agriculture had no comments on the report. We made changes to the draft report, where appropriate, based on the technical comments provided by the seven entities that commented on the draft report.

The Denali Commission was the only entity to comment on our recommendation that the commission adopt an investment policy. The commission agreed with the recommendation and noted that such a policy should help avoid flawed decision making in the future. Furthermore, the commission commented that it was not sufficient for it alone to have an investment policy, but believed that all funding agencies should use a similar policy to guide investments. We acknowledge the commission's concerns that other funding agencies should also make sound investment decisions. As noted in our report, the Denali Commission has signed a memorandum of understanding with 31 federal and state agencies with the goal of systematic planning and coordination for investments in infrastructure, economic development, and training, and we believe that this memorandum could serve as a vehicle by which other federal agencies would follow the lead of the commission regarding decisions to invest in communities.

Of the four alternatives presented in the report, the alternative to funnel funding for flooding and erosion projects through the Denali Commission received the most comments. The Denali Commission, the U.S. Army (commenting on behalf of the Department of Defense), and the Department of Housing and Urban Development all raised some concerns about this alternative. The Denali Commission commented that it is not convinced that expanding its role to include responsibilities for managing a flooding and erosion program is the appropriate response. The Army commented that the alternative to expand the role of the Denali Commission to manage a flooding and erosion program might exceed the capabilities of the organization. Lastly, the Department of Housing and Urban Development commented that the Denali Commission, as an independent agency, does not have the capacity to be fully integrated with the efforts of federal agencies to address this issue. Moreover, while each of these entities recognized the need for improved coordination of federal efforts to address flooding and erosion in Alaska Native villages, none of them provided any specific suggestions on how or by whom this should be accomplished. As

discussed in our report, the Denali Commission currently does not have the authority to manage a flooding and erosion program, and should Congress choose this alternative, the commission would need to develop such a program. Consequently, we still believe that expanding the role of the commission continues to be a possible option for helping to mitigate the barriers that villages face in obtaining federal services.

We are sending copies of this report to the Secretaries of Agriculture, the Army, Health and Human Services, Housing and Urban Development, the Interior, and Transportation, as well as to the federal and state cochairs of the Denali Commission, the Governor of the state of Alaska, appropriate congressional committees, and other interested Members of Congress. We will also make copies available to others upon request. In addition, the report will be available at no charge on the GAO Web site at <http://www.gao.gov>.

If you or your staff have questions about this report, please contact me at (202) 512-3841. Key contributors to this report are listed in appendix IX.



Anu Mittal
Director, Natural Resources
and Environment