

LEG. FINANCE - BILLS 1979 - 1980 1277

SB 130 thru SB 131 1377

March 27, 1979

GARREY -

ATTACHED IS THE AMENDED COMMITTEE REPORT INDICATING SENATE FINANCE COMMITTEE PASSAGE OF THE HESS COMMITTEE SUBSTITUTE FOR SB 130.

ALSO ATTACHED IS AN AMENDMENT TO THE COMMITTEE SUBSTITUTE DELETING SUBPARAGRAPH (n).

SB 130 IS ON THE FLOOR TODAY IN SECOND READING.

A CHECK WITH THE DOCUMENTS ROOM INDICATES NO COMMITTEE SUBSTITUTE ISSUING FROM THE RULES COMMITTEE.

{ SENATOR SACKETT SHOULD CHECK WITH SENATE SECRETARY PEGGY MULLIGAN CONCERNING READING OF THE AMENDED COMMITTEE REPORT ACROSS THE SENATE SECRETARY'S DESK.

→ DONE - WILL BE READ
ACROSS TODAY 3/27/79

SB130

House added Sec's

2-9.

Com:
Kendalla
Randy
Sandy

Original sponsors: Rodey, Hackney
and Sackett

Offered: 4/29/79
Referred: Rules

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2 HOUSE CS FOR CS FOR SENATE BILL NO. 130 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the student loan program; and
7 providing for an effective date."

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

9 * Section 1. The legislature determines that

10 (1) there are no incentives in the student loan program for resi-
11 dents of Alaska to attend colleges and universities in Alaska as compared
12 with colleges and universities outside Alaska;

13 (2) the result of this lack of incentives is that 64.9 per cent of
14 all undergraduate student loans and 92.9 per cent of graduate student loans
15 go to students attending colleges and universities outside Alaska;

16 (3) the amount of the average loan to undergraduate students
17 attending colleges and universities in Alaska is lower than the average of
18 similar loans in all but one of the 10 western states and the amount of the
19 average loan for graduate students is the lowest in the West;

20 (4) the funds spent on education in Alaskan colleges and univer-
21 sities go further than when the funds are spent out of state; and

22 (5) it would be an aid to the Alaskan economy if the funds in the
23 student loan program were spent for education in Alaskan colleges and univer-
24 sities.

25 * Sec. 2. AS 14.40.767 is repealed and re-enacted to read:

26 Sec. 14.40.767. SELECTION CRITERIA. In selecting from among the
27 eligible students those students who will be awarded loans, the selec-
28 tion committee shall grant loans based on total point accumulations
29 under this subsection with priority going to those students with the

highest point accumulations. Points shall be awarded to applicants based upon student status and continuous Alaskan residency, according to the following schedule:

(1) student status:

- (A) continuing students with loans.....4 points
- (B) continuing students without loans.....3 points
- (C) freshmen.....2 points
- (D) new graduate students.....1 point

(2) continuous Alaskan residency:

- (A) students with continuous Alaskan residency of 10 years or more.....3 points
- (B) students with continuous Alaskan residency of 5 to 9 years.....2 points
- (C) students with continuous Alaskan residency of 4 years or less.....1 point

(3) students attending Alaska

colleges or universities.....2 points.

* Sec. 3. AS 14.40.763(b) is amended to read:

(b) the loans may only be used to attend a career education program [APPROVED BY THE COMMISSION] or a college or university approved by the commission, and if the loans are federally insured, by the United States Commissioner of Education [ACCREDITED BY THE ACCREDITATION ASSOCIATION FOR THE REGION IN WHICH THE COLLEGE OR UNIVERSITY IS LOCATED].

* Sec. 4. AS 14.40.763(e) is amended to read:

(e) Loans are interest [NON-INTEREST] bearing while a student is enrolled under (c) of this section or is receiving a deferment of payments under (k) of this section; however, a student shall be entitled to have a portion of the interest paid on his behalf and for his account in accordance with (1) of this section.

1 * Sec. 5. AS 14.40.763(g) is repealed and re-enacted to read:

2 (g) The required repayment of the principal amount of the loan and
3 any interest on the loan begins no earlier than nine months nor later
4 than one year after the student terminates his studies. The loan shall
5 provide for repayment of the total amount owed in periodic installments
6 in not less than five nor more than 10 years from the commencement of
7 repayment or more than 15 years from the date of execution of the
8 original promissory note evidencing the disbursement of the loan, except
9 as provided for in (k) and (m) of this section. Notwithstanding the
10 provisions of this subsection a student may at his option make payments
11 earlier than this subsection requires.

12 * Sec. 6. AS 14.40.763(j) is amended to read:

13 (j) A portion of a loan shall be paid on behalf of the borrower
14 by the state [CONSIDERED A GRANT] if, upon completion of the course of
15 study for which the loan was granted, the borrower [GRANTEE] spends at
16 least two years employed in the state. The portion of the loan which
17 shall be paid by the state [REGARDED AS A GRANT] shall be the following
18 percentages of the total loan received plus [ACCRUED] interest for up
19 to a total of 40 per cent:

20 (1) two - three years residency, 10 per cent;

21 (2) three - four years residency, an additional 10 [20] per
22 cent;

23 (3) four - five years residency, an additional 10 [30] per
24 cent;

25 (4) over five years residency, an additional 10 [40] per
26 cent.

27 * Sec. 7. AS 14.40.763(k) is repealed and re-enacted to read:

28 (k) Periodic installments of principal shall be deferred, but
29 interest shall accrue and be paid unless the student is eligible for

1 interest payment benefits under (1) of this section during any of the
2 following;

3 (1) return to student status as provided in (c) of this
4 section;

5 (2) serving on active duty as a member of the armed forces of
6 the United States;

7 (3) serving, for up to three years, as a full-time volunteer
8 under the Peace Corps Act;

9 (4) serving, for up to three years, as a full-time volunteer
10 under the Domestic Volunteer Service Act of 1973;

11 (5) for a one-time period up to 12 months in which the bor-
12 rower is seeking and unable to find employment in the United States; or

13 (6) if the borrower becomes 50 per cent or more disabled as
14 certified by competent medical authority.

15 * Sec. 8. AS 14.40.763 is amended by adding new subsections to read:

16 (1) The state will pay the interest on that portion of a loan that
17 is not federally insured during

18 (1) the period before the beginning of the repayment period
19 of the loan; and

20 (2) deferments under (k) of this section.

21 (m) In case of hardship, the committee may extend repayment of a
22 loan for an additional period of up to five years in increments no
23 longer than six months each, within the 15-year requirement of (g) of
24 this section.

25 (n) Each year spent attending a college or university in Alaska
26 qualifies as a year of employment and residency under (j) of this
27 section, if the borrower resides no less than two years in Alaska after
28 completion of the course for which the loan was granted, and has a total
29 Alaskan residency of 10 years time.

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* Sec. 9. AS 14.40.806 is amended by adding a new paragraph to read:

(8) "federally insured" means a loan covered by the provisions of the Guaranteed Student Loan Program of Title IV, Part B, of the Higher Education Act of 1965 (P.L. 89-329), as amended.

* Sec. 10. This Act takes effect July 1, 1979.

Original sponsors: Rodey, Hackney
and Sackett

Offered: 3/15/79
Referred: Finance

1 IN THE SENATE

BY THE HEALTH, EDUCATION AND
SOCIAL SERVICES COMMITTEE

2

CS FOR SENATE BILL NO. 130 am

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

ELEVENTH LEGISLATURE - FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act relating to the student loan program; and
7 providing for an effective date."

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

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(1) there are no incentives in the student loan program for resi-
11 dents of Alaska to attend colleges and universities in Alaska as compared
12 with colleges and universities outside Alaska;

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(2) the result of this lack of incentives is that 64.9 per cent of
14 all undergraduate student loans and 92.9 per cent of graduate student loans
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(3) the amount of the average loan to undergraduate students
17 attending colleges and universities in Alaska is lower than the average of
18 similar loans in all but one of the 10 western states and the amount of the
19 average loan for graduate students is the lowest in the West;

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23 student loan program were spent for education in Alaskan colleges and univer-
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27 gram [APPROVED BY THE COMMISSION] or a college or university approved
28 by the commission, and if the loans are federally insured, by the

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United States Commissioner of Education [ACCREDITED BY THE ACCREDITATION

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3 (e) Loans are interest [NON-INTEREST] bearing while a student is
4 enrolled under (c) of this section or is receiving a deferment of pay-
5 ments under (k) of this section; however, a student shall be entitled
6 to have a portion of the interest paid on his behalf and for his account
7 in accordance with (l) of this section.

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14 repayment or more than 15 years from the date of execution of the
15 original promissory note evidencing the disbursement of the loan, except
16 as provided for in (k) and (m) of this section. Notwithstanding the
17 provisions of this subsection a student may at his option make payments
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23 least two years employed in the state. The portion of the loan which
24 shall be paid by the state [REGARDED AS A GRANT] shall be the following
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9 following;

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11 section;

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13 the United States;

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AMENDED
COMMITTEE REPORT
SENATE

3/15/79

FURTHER:

Date: March 27, 1979

Mr. President:

CORRECTED SENATE FINANCE COMMITTEE
REPORT

The Committee on FINANCE has had SB 130

establishing incentives for students to attend colleges and universities in Alaska

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass do not pass
- do pass with attached amendments(s)
- replace with /CS for HESS SB 130 same title new title
- and recommends _____
- AND attaches a "Letter of Intent" New Fiscal Note
with individual.
- reports it back without recommendation & attached amendment
- referred to the _____ Committee

MEMBERS SIGNING
DO PASS

Steve Jackson

Ken Stinson

Banker

MEMBERS HAVING
OTHER RECOMMENDATIONS:

Stinson no

Bill Ray no

John Jackson

CHAIRMAN
Do Pass

A M E N D M E N T

OFFERED IN THE SENATE:

By: SENATE FINANCE

To: HESS CS for SENATE BILL No. 130

HOUSE BILL No. _____

PAGE: 4

LINE: 4 through 6

Delete all of subparagraph (n).

Original sponsors: Rodey, Hackney
and Sackett

Offered: 3/15/79
Referred: Finance

*Finance committee
did not pass
this C.S.*

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BY THE HEALTH, EDUCATION AND
SOCIAL SERVICES COMMITTEE

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CS FOR SENATE BILL NO. 130

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10 Higher Education Act of 1965 (P.L. 89-329), as amended.

11 * Sec. 9. This Act takes effect July 1, 1979.

COMMITTEE REPORT
SENATE

3/15/79

FURTHER:

Date: March 15, 1979

Mr. President:

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establishing incentives for students to attend colleges and universities in Alaska

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass do not pass
- do pass with attached amendments(s)
- replace with CS for _____ same title
 new title
- and recommends _____
- AND attaches a "Letter of Intent" New Fiscal Note
- reports it back ^{without} ~~without~~ recommendation
- referred to the _____ Committee

MEMBERS SIGNING
DO PASS

[Signature]

[Signature]

[Signature]

MEMBERS HAVING
OTHER RECOMMENDATIONS:

[Signature]

[Signature]

[Signature]

[Signature]

CHAIRMAN

[Signature]

Introduced: 2/12/79
Referred: Health, Education
& Social Services and
Finance

1 IN THE SENATE

BY RODEY, HACKNEY AND SACKETT

2 SENATE BILL NO. 130

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

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* Sec. 3. This Act takes effect July 1, 1979.

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CS SB 130
Title _____
Requested by _____ Date March 15, 1979

II. FISCAL DETAIL

Agency Affected Education (Alaska Commission on Postsecondary Education)
Program Category Affected Education
BRU, Program, or Subprogram(s) Affected Student Scholarship Loan
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.	0	0				
TOTAL	0	0				

FUNDING (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
GENERAL FUND	0	0	(360.0)	(408.0)	(449.0)	(493.0)
FEDERAL FUNDS	0	0	360.0	408.0	449.0	493.0
OTHER (Specify Fund Source)						

POSITIONS

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
FULL TIME	0	0	0	0	0	0
PART TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

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

FY 82, 83, 84 is based roughly upon a 10% annual increase in loan volume.

Federal receipts will be used to supplant general fund support.

IV. DATE March 15, 1979

PREPARED BY *Ferry D. Rosecurr*
AGENCY Alaska Commission on Postsecondary Education
PHONE 465-2855

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

GUARANTEED STUDENT LOAN PROGRAM

The Guaranteed Student Loan Program (GSL) was originally enacted under Title IV, Part B of the Higher Education Act of 1965. The purpose is to: encourage State and private non-profit agencies to establish adequate loan insurance programs for students in eligible institutions; provide a Federal program of student loan insurance for students not having reasonable access to a state or private non-profit student loan program (FISL); and pay Federal interest subsidy on loans made under these programs as well as on loans made under direct state loan programs.

Under this program students may borrow up to \$2,500 as an undergraduate and up to \$5,000 as a graduate student per year. Repayment is to include a maximum of 7% interest on the loans.

While a student is enrolled in school or under the following deferments:

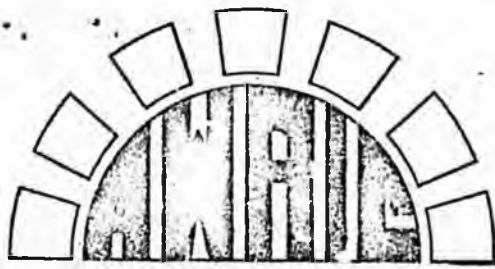
1. return to full-time student status,
2. active duty in Armed Forces (up to 3 years),
3. service in the Peace Corps or VISTA (up to 3 years),
4. seeking and unable to secure employment (up to 12 months), and
5. totally disabled

the federal program will pay, on behalf of the student borrower, the interest on the loan(s).

If a borrower defaults, files bankruptcy, or dies, the holder of the note is reimbursed the entire amount due, interest and principal. That is, the federal program "guarantees" the payment of the loan.

The program also provides for additional payments if defaulted loans are pursued and collected and annual administrative cost allowances. The administrative cost allowances are based upon loan volume for the preceding year.

SB 130



A Safe Shelter for Battered Women and Their Children

March 23, 1979

A
Answered
we did!

Senator John Sackett
Pouch V
Juneau, Alaska 99811

Dear Senator Sackett:

Roger Lang introduced us two weeks ago; our discussion was brief and to the point with you asking me to define what it is we want and how much it will cost. I stopped by your office Tuesday of this week and left a note outlining the response to your question with the thought that you might find time to discuss it. On reflection, given your schedule, and the simplicity of your request it seemed most useful to mail you a fuller response.

There are two specific concerns in the area of domestic violence that your finance committee will be addressing: one is appropriations for shelters which is already before you in the Health and Social Services budget; the second is CSHB130 which may or may not reach you this session. Speaking to the former, I am asking that your committee increase the appropriate for each of the shelters serving rural Alaska -- Fairbanks, Nome Bethel, and Juneau to be increased by \$15,000 each. A crippling budget cut last year by the Governor meant that those shelters which were commencing their initial year could only operate for ten months. In fact, Fairbanks couldn't open a shelter facility until January of this year. What these four facilities are now faced with is continuing operations based on a full 12-month year with the same amount of funds plus six percent. These shelters have done an incredible job and we can provide testimony from any region in the State from women and their families if that is needed. The increase we are asking for may be viewed as pitifully small. It is based on our concern for the fiscal constraint that we heard being expressed this year. It will provide at least one person in each location to staff these 24-hour facilities.

It somehow had escaped all of us in the shelter network that there was an option for budget planning which would include appropriation increases. We were not asked for input prior to Social Services submission and these four shelters had more or less resigned themselves to somehow surviving without staff or with part time coverage.

> add 9% when bill comes to (S) Finance
(H) Finance 6% added - (S) Finance
would bring it up to the 15% requested

It was Roger Lang who pointed out that we could ask either finance committee to make changes in these items. We felt support from your committee was the critical factor and so chose to approach you. We have had assurances from House Finance that if this increase is approved by you, they will have no problem with it.

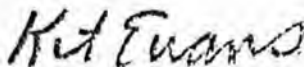
Our major piece of legislation this year, which is CSHB 130, will carry a fiscal note of between \$40,000-\$50,000. It is an administrative bill in that it details our relationship to the Department of Health and Social Services and how decisions will be made at the State level in relation to family violence programs in Alaska.

To be absolutely brief, we are proposing that a different model for decision making be used. We are proposing that people in the communities affected by those decisions make those decisions. It is our intent to create an Office on Domestic Violence and Sexual Assault. It will consist of a board with, in addition to others, specific seats for community persons who have organized, delivered, and/or received services. This board is empowered to review and approve proposals and make funding decisions. The office will be staffed by one and one half persons who will advise the board and facilitate its decisions. This is the exact opposite of the present model used in the social services system in Alaska; to date, community people have only been allowed to give "input" or advise while State employees have held the decision making power. The shelter system has operated for two years with consensus group decisions. We are attempting legislation that will leave the power within the communities. The fiscal note for this model including the quarterly meetings of the board is less than what Social Services proposed we pay for staff alone under SSHB 130, a previous version for which they wrote a fiscal note. This legislation was produced by a statewide network, the Alaska Council on Family Violence. We have had, for over a year, participants from Barrow, Nome, Fairbanks, Ketchikan, Bethel, Juneau, Kodiak, Anchorage and Kenai.

Whether this bill reaches your committee this year or next, we hope very much for your support in our modest experiment at changing how social services decisions are made in Alaska. If you have any questions regarding this legislation or the groups supporting it, please feel free to contact me, Representative Hugh Malone, or David Rogers, Administrative Assistant to Representative Bill Miles.

Thank you for your time and consideration of our request.

Sincerely,



Kit Evans, Executive Director
AWAIC, Inc.

KE/dg

In addition to the requested 15% for the existing
70% Fed. funding } set up Council
30% State funding } 1 Council Director
1 Admin. Asst.

Original sponsor: Health, Education and
Social Services Committee

Fed. funding good for 3 yrs.
only Fed. Statewide proj.

BY THE HEALTH, EDUCATION AND
SOCIAL SERVICES COMMITTEE

IN THE HOUSE

CS FOR SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 130

IN THE LEGISLATURE OF THE STATE OF ALASKA

ELEVENTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act establishing the State Council on Domestic and
Sexual Assault."

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

* Section 1. AS 18 is amended by adding a new chapter to read:

CHAPTER 69. STATE COUNCIL ON DOMESTIC AND SEXUAL ASSAULT.

Sec. 18.69.010. STATE COUNCIL ON DOMESTIC AND SEXUAL ASSAULT.

There is established within the Department of Health and Social Services
the State Council on Domestic and Sexual Assault.

Sec. 18.69.020. COMPOSITION. (a) The council consists of five
members. One member shall be appointed from each of the five regions
described in (b) of this section to represent all of the domestic or
sexual assault programs within that region.

(b) The five regions from which members shall be appointed to the
council in accordance with (a) of this section include those areas
within the borders of the regional corporations established in accor-
dance with section 1606 of the Alaska Native Claims Settlement Act (43
U.S.C. secs. 1601 et seq.) as follows:

(1) Southeast Region, including the area within the boundary
of the Sealaska Corporation;

(2) Southcentral Region, including the area within the bound-
aries of the Cook Inlet Regional Corporation, Ahtna Incorporated,
Chugach Incorporated, Koniag Incorporated, and the Aleut Corporation;

(3) Southwest Region, including the area within the bound-
aries of the Calista Corporation and the Bristol Bay Corporation;

1 (4) Northwest Region, including the area within the bound-
2 aries of the W.A.N.A. Regional Corporation and the Bering Strait Native
3 Corporation; and

4 (5) Northcentral Region, including the area within the bound-
5 aries of Doyon Limited and the Arctic Slope Regional Corporation.

6 (c) The director of the division of social services, or his desig-
7 nee, within the Department of Health and Social Services shall serve on
8 the council as a nonvoting, ex officio member.

9 (d) The council shall annually elect a chairman from among its
10 members.

11 Sec. 18.69.030. APPOINTMENT OF COUNCIL MEMBERS. All members of
12 the council shall be appointed by the governor from a list of nominees
13 provided by the Alaska Council on Intrafamily Violence, Inc.

14 Sec. 18.69.040. TERMS OF OFFICE. The members of the council shall
15 be appointed for terms of two years. Members of the council may be
16 reappointed. Each member of the council shall hold office for the term
17 of the member's appointment and until a successor has been appointed. A
18 vacancy in a membership shall be filled in the same manner as the origi-
19 nal appointment. A member appointed by the governor to fill a vacancy
20 serves for the unexpired term of the member he succeeds.

21 Sec. 18.69.050. QUORUM. Three members constitute a quorum for the
22 transaction of business of the council.

23 Sec. 18.69.060. COMPENSATION AND EXPENSES. Members of the council
24 receive no salary, but are entitled to per diem and travel expenses
25 authorized by law for boards and commissions.

26 Sec. 18.69.070. POWERS OF COUNCIL. The council may

27 (1) receive and disburse state, federal and private funds,
28 grants and contributions, as provided by appropriation, according to
29 disbursement criteria adopted by the council;

1 (2) monitor and evaluate domestic or sexual assault programs
2 receiving state and federal funds;

3 (3) adopt regulations for shelter programs in accordance with
4 the Administrative Procedure Act (AS 44.62);

5 (4) adopt standards and guidelines for domestic or sexual
6 assault programs;

7 (5) appoint, with the approval of the commissioner of health
8 and social services, a person to coordinate the activities of the
9 council;

10 (6) hold public hearings;

11 (7) provide technical assistance to domestic or sexual
12 assault programs;

13 (8) hire staff as needed and as funds permit;

14 (9) delegate powers or responsibilities to staff and contract
15 for services;

16 (10) adopt policies reasonably necessary for carrying out the
17 functions described in (1) - (9) of this section.

18 Sec. 18.69.080. DEFINITIONS.. For the purposes of AS 18.69.010 -
19 18.69.080,

20 (1) "council" means the State Council on Domestic and Sexual
21 Assault established in AS 18.69.010;

22 (2) "domestic or sexual assault program" means a program
23 which has as a major purpose the provision of direct services to the
24 victims or perpetrators of domestic or sexual assault;

25 (3) "domestic assault" means actual or imminent danger of
26 physical harm by another person which makes the victim's household un-
27 safe;

28 (4) "sexual assault" means nonconsenting sexual contact;

29 (5) "shelter program" means a program which has as a major

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purpose the provision of emergency or short-term lodging or housing for victims of domestic or sexual assault.

* Sec. 2. AS 44.66.010(a) is amended by adding a new paragraph to read:

(8) State Council on Domestic and Sexual Assault (AS 18.69.-010) -- June 30, 1981.

Dec. 31, 1981

AMENDMENT #2

OFFERED IN THE SENATE:

By: Rodey

To: CS SENATE BILL No. 130 Amended

HOUSE BILL No. _____

PAGE: 4

LINE: _____

Line 4, insert the following language to read:

" (n) Each year spent attending a college or university in Alaska qualifies as a year of employment and residency under (j) of this section, if the borrower resides no less than two years in Alaska after completion of the course for which the loan was granted, AND HAS A TOTAL ALASKAN RESIDENCY OF TEN YEARS TIME.

Sec. 8 remains as written

SENATE FINANCE COMMITTEE
March 16, 1979
8:40 a.m.

Chairman Sackett called the meeting to order at 8:40 a.m. Senators Sumner, Dankworth, Ray, Bennett, Hohman, Hackney and Sackett were present. Also present were: Kerry Romesburg, Director, Postsecondary Education, Pat Hunt, Director, Division of Personnel, Ken Cates, Assistant to the Director, Division of Personnel, and various news reporters.

PRESENT

SB 114 (Act relating to competitive bidding under the Fiscal Procedures Act) was the first order of business for the day. Senator Bradley gave testimony on the bill stating that the Commerce Committee had passed unanimously a CS on the bill. He spoke in favor of the bill, saying the State should certainly give bids to Alaskan bidders when at all possible.

SB 114

Senator Sumner moved and asked unanimous consent to pass CS SB 114 from committee with individual recommendations. There being no objection, it was so ordered. Senators Hohman, Dankworth and Sumner voted do pass. Senators Hackney and Bennett voted do pass if amended. Senators Sackett and Ray voted no recommendation.

MOTION

SB 59 (Act making a special appropriation for feasibility study of a Portage to Whittier transportation system) was brought before the committee.

SB 59

Senator Dankworth moved that SB 59 be passed from committee with individual recommendations. Senator Hohman objected, but removed his objection. There being no other objections, it was so ordered. SB 59 passed as follows: Senators Sackett and Dankworth voted do pass. Senators Hohman, Ray, Hackney, Bennett and Sumner voted no recommendation

MOTION

SB 130 (Act relating to the student loan program) was brought before the committee for discussion with Kerry Romesburg from the Postsecondary Commission offering information. Mr. Romesburg indicated that he would like to address the fiscal note first which provides an incentive for Alaskans to attend colleges and universities in Alaska. After fulfilling residency requirements, students are qualified to apply for state loans to receive education. Each year spent in an Alaskan college or university will apply toward one year as having had worked for the State.

SB 130

The committee discussed various aspects of the bill: the two year residency requirement, challenge of that requirement, vulnerability of being a part of the federal program and cancellation benefits.

3/16/79

Senator Ray moved to delete section N on page 4. No action was taken on the motion. Senator Hohman moved to hold the bill with that amendment until the next meeting. Without objection, it was decided to hold SB 130 until Monday.

MOTION

SB 228 (Act relating to the excise tax on and license fees for sale of intoxicating liquors) was brought up for discussion. Senator Colletta brought additional information to the committee's attention explaining that the CS addresses only the excise tax.

SB 228

Senator Ray moved to increase the malt beverage tax to 30¢ per gallon. There was an objection by Senator Sackett. The chairman asked for a show of hands of those in favor of the motion. The motion failed.

MOTION

Senator Hackney moved and asked unanimous consent to move CS SB 228 from committee with individual recommendations. There being no objection, it was so ordered. Senators Sackett, Hohman, Hackney and Sumner voted do pass. Senators Ray, Bennett and Dankworth voted no recommendation.

MOTION

SB 182 (Act abolishing the Alaska Salary Commission and providing for compensation of public officers and employees) was brought before the committee for discussion. Again Senator Colletta appeared before the committee to provide testimony stating that the Salary Commission was not performing in the manner that it was created to perform. There was discussion regarding salaries of directors and deputy commissioners and how those salaries would remain at the current level under this bill. The bill would not raise legislative salaries.

SB 182

Pat Hunt, Director, Division of Personnel addressed some of the areas left out of the bill. Senator Sackett requested a recommendation to the committee of a level of salaries. Mr. Hunt responded that he had trouble with holding recommendations to salaries. He said he felt the bill in its entirety was not equitable. Directors now make over \$56,000 a year. The 3.75% longevity will still be in effect, making next years salaries over \$57,000.

There were questions regarding including directors and deputy commissioners in the bill. Garrey Peska read some language from HB 220. Chairman Sackett asked if there was any objection to including Sec. 2 of CS HB 220 in the language of SB 182. There was no objection.

Senator Sumner moved and asked unanimous consent to move CSSB 182 (Finance) from committee with individual recommendations. There was no objection. CSSB 182 (Finance) passed as follows: Senators Sackett, Hohman, Hackney, Bennett, Dankworth and Sumner voted do pass. Senator Ray vote no recommendation.

MOTION

Senator Hackney moved to bring up SB 24 (Act relating to insurance coverage for persons receiving benefits under the public employees' and teachers' retirement systems) for discussion. Senator Hackney stated that there had been an amendment passed in Senate HESS to change line 17 to read "90%" rather than "one half" and line 19 to read "10%" rather than "one half". Senator Ray said it was a good bill and he supported it.

SB 24

Senator Sackett moved that SB 24 am be passed from committee with individual recommendations. Without objection it was so ordered. Senators Sackett, Hohman, Ray, Hackney, Bennett, Dankworth and Sumner voted do pass. MOTION

Senator Hackney asked to bring up again SB 130 (Act relating to the Student loan program) and at least pass from the Finance Committee in order to meet the 60-day limit. Senator Hackney moved to pass SB 130 with individual recommendations. Without objection, it was so ordered. SB 130 passed as follows: Senators Sumner, Dankworth, Hackney and Bennett voted do pass if amended. Senators Hohman and Ray voted needs amendment. Senator Sackett voted no recommendation.

SB 130

MOTION

The meeting adjourned at 9:58 a.m.

ADJOURN

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CS SB 130
Title _____
Requested by _____ Date March 15, 1979

II. FISCAL DETAIL

Agency Affected Education (Alaska Commission on Postsecondary Education)
Program Category Affected Education
BRU, Program, or Subprogram(s) Affected Student Scholarship Loan
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.	0	0				
TOTAL	0	0				

FUNDING (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
GENERAL FUND	0	0	(360.0)	(408.0)	(440.0)	(493.0)
FEDERAL FUNDS	0	0	360.0	408.0	440.0	493.0
OTHER (Specify Fund Source)						

POSITIONS

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
FULL TIME	0	0	0	0	0	0
PART TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

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

FY 82, 83, 84 is based roughly upon a 10% annual increase in loan volume.

Federal receipts will be used to supplant general fund support.

IV. DATE March 15, 1979

PREPARED BY Kerry D. Roseburg
AGENCY Alaska Commission on Postsecondary Education
PHONE 465-2855

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

Introduced: 2/12/79
Referred: Health, Education
& Social Services and
Finance

1 IN THE SENATE

BY RODEY, HACKNEY AND SACKETT

2 SENATE BILL NO. 130

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act establishing incentives for students to attend
7 colleges and universities in Alaska; and providing for
8 an effective date."

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

10 * Section 1. The legislature determines that

11 (1) there are no incentives in the student loan program for resi-
12 dents of Alaska to attend colleges and universities in Alaska as compared
13 with colleges and universities outside Alaska;

14 (2) the result of this lack of incentives is that 64.9 per cent of
15 all undergraduate student loans and 92.9 per cent of graduate student loans
16 go to students attending colleges and universities outside Alaska;

17 (3) the amount of the average loan to undergraduate students
18 attending colleges and universities in Alaska is lower than the average of
19 similar loans in all but one of the 10 western states and the amount of the
20 average loan for graduate students is the lowest in the West;

21 (4) the funds spent on education in Alaskan colleges and univer-
22 sities go further than when the funds are spent out of state; and

23 (5) it would be an aid to the Alaskan economy if the funds in the
24 student loan program were spent for education in Alaskan colleges and univer-
25 sities.

26 * Sec. 2. AS 14.40.763 is amended by adding a new subsection to read:

27 (1) Each year spent attending a college or university in Alaska
28 qualifies as a year of employment and residency under (j) of this
29 section.

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* Sec. 3. This Act takes effect July 1, 1979.



RECORDS CERTIFICATION



I, the undersigned, an employee of the State of Alaska, do hereby certify that the microfilm images on this microform are accurate reproductions of the original records of the State of Alaska as accumulated during the regular course of business, and that it is the established policy and practice of this State to microfilm its records and to dispose of the original records after microfilm reproductions have been made.

James O. Smith
Signature of Camera Operator

3/23/90
Date

COMMITTEE REPORT

SENATE

2/12/79

FURTHER: Finance

Date: 2-19-80

Mr. President:

The Committee on COMMUNITY & REGIONAL AFFAIRS has had SB 131 issuance of general obligation bonds in amount of \$8,000,000 for sewerage systems construction

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass do not pass
- do pass with attached amendments(s)
- replace with CS for SB 131 same title
 new title
- and recommends may do pass
- AND attaches a "Letter of Intent" New Fiscal Note
- reports it back without recommendation
- referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

1 PATRICK RODNEY
11 Jerry J. Stinson

2 Tim Kelly - No Rec

1 Artis Sturgulinski
CHAIRMAN
Do Pass

Original sponsor: Kerttula

Offered: 2/20/80
Referred: Finance

1 IN THE SENATE

BY THE COMMUNITY AND
REGIONAL AFFAIRS COMMITTEE

2 CS FOR SENATE BILL NO. 131

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act providing for the issuance of general obliga-
7 tion bonds in the amount of \$41,520,000 for the purpose
8 of paying the cost of water and sewerage system and
9 solid waste facility construction; and providing for an
10 effective date."

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

12 * Section 1. For the purpose of paying the cost of water and sewerage
13 system and solid waste facility construction, general obligation bonds of the
14 state in the principal amount of not more than \$41,520,000 shall be issued
15 and sold. The full faith, credit and resources of the state are pledged to
16 the payment of the principal of and interest and redemption premium, if any,
17 on these bonds. These bonds shall be issued under the provisions of AS 37.15
18 as those provisions read at the time of issuance.

19 * Sec. 2. If the issuance of these bonds is authorized by the qualified
20 voters of the state, a special fund of the state to be known as the "1980
21 Water Supply and Sewerage Systems and Solid Waste Facilities Construction
22 Fund" shall be established, to which shall be credited the proceeds of the
23 sale of the bonds described in sec. 1 of this Act except for the accrued
24 interest and premiums. The amount of \$41,520,000 is appropriated from the
25 "1980 Water Supply and Sewerage Systems and Solid Waste Facilities Construc-
26 tion Fund" to the Department of Environmental Conservation to be allocated as
27 follows:

28 Project	Location	Amount
(1) village safe water construction		

1	grants	statewide	\$ 2,520,000
2	(2) municipal water supply, sewerage		
3	system and solid waste facilities		
4	construction grants	statewide	39,000,000

5 * Sec. 3. If the issuance of these bonds is authorized by the qualified
6 voters of the state, the amount of \$146,000 or as much of that amount as is
7 found necessary is appropriated from the general fund of the state to the
8 state bond committee to carry out the provisions of this Act and to pay
9 expenses incident to the sale and issuance of the bonds authorized in this
10 Act. The amounts expended from the appropriation authorized by this section
11 shall be reimbursed to the general fund from the proceeds of the sale of the
12 bonds authorized by this Act.

13 * Sec. 4. The question whether the bonds authorized in this Act are to be
14 issued shall be submitted to the qualified voters of the state at the next
15 general election and shall read substantially as follows:

16 Proposition

17 State General Obligation Water Supply and Sewerage
18 Systems and Solid Waste Facilities Construction

19 Bonds \$41,520,000

20 Shall the State of Alaska issue its general obligation bonds
21 in the principal amount of not more than \$41,520,000 for the
22 purpose of paying the cost of village and municipal water
23 supply, sewerage system, and solid waste facilities construction?

24 Bonds Yes []

25 Bonds No []

26 * Sec. 5. This Act takes effect immediately in accordance with AS 01.10.-
27 070(c).

Introduced: 2/12/79
Referred: Community &
Regional Affairs and
Finance

1 IN THE SENATE

131

BY KERTTULA

2 SENATE BILL NO.

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act providing for the issuance of general obliga-
7 tion bonds in the amount of \$8,000,000 for the purpose
8 of paying the cost of sewerage systems construction;
9 and providing for an effective date."

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

11 * Section 1. For the purpose of paying the cost of sewerage systems con-
12 struction, general obligation bonds of the state in the principal amount of
13 not more than \$8,000,000 shall be issued and sold. The full faith, credit
14 and resources of the state are pledged to the payment of the principal of and
15 interest and redemption premium, if any, on these bonds. These bonds shall
16 be issued under the provisions of AS 37.15 as those provisions read at the
17 time of issuance.

18 * Sec. 2. If the issuance of these bonds is authorized by the qualified
19 voters of the state, a special fund of the state to be known as the "1979
20 Sewerage Systems Construction Fund" shall be established, to which shall be
21 credited the proceeds of the sale of the bonds described in sec. 1 of this
22 Act except for the accrued interest and premiums. The amount of \$8,000,000
23 is appropriated from the "1979 Sewerage Systems Construction Fund" to the
24 Department of Environmental Conservation. The specific uses of the proceeds
25 of the bonds shall be determined by the governor in accordance with AS 46.-
26 03.030, except the grant percentage shall be 90 per cent of the eligible
27 cost.

28 * Sec. 3. If the issuance of these bonds is authorized by the qualified
29 voters of the state, the amount of \$28,000 or as much of that amount as is

SB 131

COMMUNITY COPY

1 found necessary is appropriated from the general fund of the state to the
2 state bond committee to carry out the provisions of this Act and to pay
3 expenses incident to the sale and issuance of the bonds authorized in this
4 Act. The amounts expended from the appropriation authorized by this section
5 shall be reimbursed to the general fund from the proceeds of the sale of the
6 bonds authorized by this Act.

7 * Sec. 4. The question whether the bonds authorized in this Act are to be
8 issued shall be submitted to the qualified voters of the state at the next
9 general election and shall read substantially as follows:

10 Proposition

11 State General Obligation Sewerage Systems Construc-
12 tion Bonds \$8,000,000

13 Shall the State of Alaska issue its general obligation bonds
14 in the principal amount of not more than \$8,000,000 for the
15 purpose of paying the cost of sewerage systems construction?

16 Bonds Yes []

17 Bonds No []

18 * Sec. 5. This Act takes effect immediately in accordance with AS 01.10.-
19 070(c).

ALASKA STATE LEGISLATURE

ELEVENTH Legislature FIRST Session

SENATE BILL NO. 131

By KERTTULA

"An Act providing for the issuance of general obligation bonds in the amount of \$8,000,000 for the purpose of paying the cost of sewerage systems construction; and providing for an effective date."

#6313 - Berrier

Introduced in the Senate 2/12/79

HISTORY IN THE SENATE

19 79

Read first time and referred to Committee on C & RA and Finance

2 12

Reported back with recommendation that *WCS - 3 do pass - 1 no rec to Finance*

Read second time and

Read third time and

PASS Effective Date
Yeas Yeas
Nays Nays
Absent Absent
Excused Excused

Reconsideration

PASS Effective Date
Yeas Yeas
Nays Nays
Absent Absent
Excused Excused

Reported correctly engrossed
Signed by President
Sent to House

SECRETARY OF THE SENATE

HISTORY IN THE HOUSE

19

Read first time and referred to Committee on

Reported back with recommendation that

Read second time and

Read third time and

PASS Effective Date
Yeas Yeas
Nays Nays
Absent Absent
Excused Excused

Reconsideration

PASS Effective Date
Yeas Yeas
Nays Nays
Absent Absent
Excused Excused

Reported correctly engrossed
Signed by Speaker
Returned to Senate

CHIEF CLERK OF THE HOUSE

HISTORY IN THE SENATE

19

Received from House

To enrolling

Reported correctly enrolled

Sent to Governor

..... by Governor

Filed with Lt. Governor

Chapter No.

Y-Back Up?
MAR 24 1980



CITY OF KETCHIKAN

334 FRONT STREET

P. O. BOX 7300

TELEPHONE 907 225-3111

March 17, 1980

Senator John C. Sackett
Senate Finance Committee
Pouch V
Juneau, Alaska 99811

Dear Senator Sackett:

On behalf of the City of Ketchikan, I wish to add support to the passage of Committee Substitute for Senate Bill #436, an act relating to grants for water supply, sewage systems and solid waste facilities and Committee Substitute for Senate Bill #131, an act providing for the issuance of general obligation bonds in the amount of \$41,520,000 for the purpose of paying the costs of water and sewage system and solid waste facility construction.

During the 1978 annual meeting of the Southeast Conference in Petersburg, municipal managers and administrators were instructed to study the solid waste disposal problem in S.E. Alaska communities and return to the Southeast Conference Board with recommendations for solutions. A meeting to address these problems took place in May 1979 in Juneau with municipal representatives, EPA and Department of Environmental Conservation staff and representatives from the private sector present.

As a result of that meeting, the Southeast Conference subcommittee on solid waste disposal requested EPA's assistance in funding a study of individual community and regional solid waste disposal problems as outlined in the enclosed letter dated July 17, 1979. Recently, a representative of EPA stated that a contract with its consultant has been developed and that work on this study will begin soon.

The problems of disposing of solid waste are significant throughout Alaska. The communities of S.E. Alaska have taken a significant step towards solving their individual and collective problems in solving this problem through the

SB 436 Grants for Solid Waste Process & Dispose Fee. In (S) FIN 2.20.80
SB 131 H.O. Bonds / Cost of Sewerage Sys Constr. In (S) FIN 2.20.80

March 17, 1980

Southeast Conference. Soon, through the assistance of EPA and ADEC, the communities of S.E. Alaska will receive the benefits of the proposed technical assistance study.

S.E. communities expect that this study will produce invaluable information on various individual community as well as regional solutions to our solid waste disposal problems. In some cases, additional study may be warranted after the EPA study has concluded. In all cases, given the present status of solid waste disposal in most S.E. communities, expenditures of some magnitude will be required. Committee Substitute for Senate Bill #436 and Committee Substitute for Senate Bill #131 will provide critically important funding assistance to communities like Ketchikan which are working toward reasonable solutions to solid waste disposal problems. Accordingly, on behalf of the City of Ketchikan, I wish to add support to the passage of Committee Substitute for Senate Bill #436, an act relating to grants for water supply, sewage systems and solid waste facilities and Committee Substitute for Senate Bill #131, an act providing for the issuance of general obligation bonds in the amount of \$41,520,000 for the purpose of paying the costs of water and sewage system and solid waste facility construction.

If you have any questions, please contact me. Thank you.

Sincerely,



James A. Van Altvorst
City Manager

JAVA:gw

Enclosure



CITY OF KETCHIKAN

334 FRONT STREET

P. O. BOX 7300

TELEPHONE 907 225-3111

July 17, 1979

Mr. Tobias Hegdahl
Environmental Protection Agency
Region X
1200 Sixth Avenue
Seattle, Washington 98101

Dear Mr. Hegdahl:

During its annual meeting last October, the Southeast Conference instructed municipal managers and administrators to study solid waste disposal in Southeast Alaska communities and return to the conference with recommended solutions. A meeting to address this issue was held on May 24, 1979 in Juneau with municipal representatives, Environmental Protection Agency and Department of Environmental Conservation staff and representatives from the private sector present.

As a result of that meeting, a proposal to request the Environmental Protection Agency (EPA) to provide technical assistance in studying this problem was circulated among the Southeast Conference communities. This proposed study suggested that EPA assist Southeast Alaska communities determine the following in regard to solid waste disposal:

1. Individual alternatives for each participating community.
2. The optimum location for a centralized recovery system to serve the region.
3. Cost of equipment (i.e., compacter-balers, barges, etc.) for a centralized operation with energy-producing capability.
4. Cost (on a pool basis) of shipping out of the community all other refuse such as aluminum cans, car bodies, corrugated paper and wood waste and the marketability of such materials.

July 17, 1979

5. Amount of refuse generated in each community.
6. Amount of refuse necessary for a centralized recovery system to be feasible.
7. Industries interested in locating in communities where the energy from the burning waste could be utilized.

In addition, the municipalities asked that the study include a display and prognosis of proposed regulations affecting solid waste disposal now being promulgated by EPA and the Alaska Department of Environmental Conservation (ADEC).

The following municipalities responded favorably to the proposed study and requested that they be included in the study:

1. The City and Borough of Juneau
2. The City and Borough of Sitka
3. The City of Ketchikan
4. The City of Wrangell
5. The City of Petersburg
6. The City of Haines
7. The City of Skagway
8. The City of Saxman
9. The City of Craig

I am enclosing copies of letters from those municipalities endorsing the study for your review and files.

On behalf of these municipalities, I respectfully request that EPA provide technical assistance to the municipalities identified herein by conducting the proposed study of solid waste disposal problems and solutions in Southeast Alaska as outlined above.

The municipalities do not intend this joint request to preclude in any way the eligibility for any community to separately apply for assistance on an individual basis. Furthermore, the municipalities understand this study will be conducted at no expense to the participants and that prior to issuing the contract for the study, a meeting will take place between the agency and representatives of the participating communities to determine what areas are to be included in the specific study program.

Mr. Tobias Hegdahl

-3-

July 17, 1979

If you have any questions, please contact me. I will be happy to work with you in any way to ensure a successful project. Thank you for your participation during the May 24 meeting and for your assistance in processing this request.

Sincerely,



James A. Van Altvorst
City Manager

JAVA:gw

Enclosures

cc: Mr. C. Deming Cowles, ADEC, Juneau
Mr. Richard Stokes, ADEC, Juneau
Mr. Bruce Hoffman, ADEC, Ketchikan
Ms. Marilyn Miller, Alaska Municipal League, Juneau
Participating S.E. Alaska cities

VILLAGE CANDIDATE SELECTION - VSW

VILLAGE	POP/HOMES TREND	TERRAIN	WATER SUPPLIES	ADEQUACY	PLANNED IMPROVEMENTS	SEWAGE DISPOSAL	SOURCES OF INFORMATION	RECOMMENDATIONS
NEWTOK (CHILISTA) PRIORITY #1	154/25 up	Flat, poorly drained tundra	Rain water used for drink- ing when available Centrally located BIA well/most residents get drinking water here	Only seasonally available Good quality water produced/ quantity limited residents limited to 5 gallons per day	New REAA H.S. planned for 1980/plan to drill well/ no intention to serve village	Indiscriminate dumping of honey buckets	Al Johnson BIA 543-3121 Jordan Suhr 543-2500	Increase village water supply and improve waste disposal and additional services pending negotiation with village
UPPER CENTER (AHTNA) PRIORITY #2	275/100 down	Sandy, rocky soil, some perma- frost	29 individual wells drilled by PHS in 1969 Community Hall well	10 wells not operating remaining wells produce water of poor chemical quality/iron and manganese exceed state drinking water standards/taste and odor problems/very hard water Iron concentra- tions exceed state drinking water standards	none	Individual septic tanks most working	Bill Giles PHS 279-6661 Copper River Health Dept. 822-3333	Renovate abandoned wells, provide treat- ment to operat- ing wells/drill approximately 75 new wells for residents and provide treatment where necessary
ALSON LAGOON (ALEUTIAN/PRIIB) PRIORITY #3	61/17 up	Village built on porous sand spit adjacent to Bering Sea	Nine hand dug wells 6-10' deep. Deep well drilled by PHS 1973 hit salt water School has 8' deep well 16 Mile Lake	Water brackish/ used only for washing clothes Water meets state standards but salty taste unacceptable to villagers Most residents haul water for drinking/route to lake blocked by ice in winter lake produces excellent quality water	none	Indoor toilets sewage to septic tanks	Rory Mayra PHS Sanitarian 279-6661 Aleutian/ Pribilof Island Association 276-2700	Watering point with treatment plus additional services pending negotiations with village
CHISTOCHINA (AHTNA) PRIORITY #4	33/14 down	Soil composed of sand and gravel/ flat terrain adjacent to flood plain	PHS piped water system built in 1970/ well was source of supply Sinona River	Quality and quantity of water good/ system failed in 1974 due to O&M problems Undeveloped unprotected source littered with dead fish in summer	none	Sewer system failed/privies used	Bill Giles PHS Sanitarian 279-6661	Renovate village water system and additional services pending negotiation with village

VILLAGE CANDIDATE SELECTION - VSW

VILLAGE	POP/HOMES TREND	TERRAIN	WATER SUPPLIES	ADEQUACY	PLANNED IMPROVEMENTS	SEWAGE DISPOSAL	SOURCES OF INFORMATION	RECOMMENDATIONS
PORTAGE CREEK (BRISTOL BAY) PRIORITY #5	66/13 stable	Village on hill area well drained	School has 80' well/ 11/13 families use school as watering point	Untreated water, slight iron taste/well runs dry in winter School shuts off supply June-mid August	none	Honey buckets used by village/ school has 1,500 gallon septic tank and drainfield	Ron Perkins PHS 842-5201	Central watering point, bathing, laundry and sewage disposal service
EAGLE VILLAGE (DOYON) PRIORITY #6	54/21 up	On west bank of Yukon River/ poorly drained, subject to flooding	Single community well Eagle City Well Yukon River	Generator and well pump out of order/well no longer used People travel 3 miles to Eagle City well and haul water back Water hauled from Yukon in winter, untreated, un- protected source	none	Outhouses	Ethel Beck Health Aide 729-8001 Tanana Chiefs Conference 452-8251	Community well and water treat- ment
RUBY (DOYON) PRIORITY #7	58/31	Hilly terrain but poorly drained in spots	Nearby creek provides water for all residents School hauls from same creek as village	Water is fine but supply is untreated and unprotected/ water turbid for 2 week per period during breakup/haul distance 2 1/2 miles on good road Two 500 gallon storage tanks, plus chlorina- tion			Rampart Resident 358-8001 George King Principal 358-8001	and sewer system
RUBY (DOYON) PRIORITY #8	220/74 up	Hilly terrain but poorly drained in spots	Primary source is spring, 2,000 gallon storage tank, log spring house 3 mile spring (along highway) 10 mile spring (along highway) Ruby Roadhouse School 235' well	Spring closed by ADEC summer 1979 because of reported episodes of bacteria contamination Unprotected source Unprotected source Residents can buy for 5¢ per gallon Quality good, quantity limited A few residents haul water from school	PHS has plans to drill community well in late 1979 or early 1980	Outhouses School has septic tank/ leachfield	Dan Rogness PHS 279-9628 Stan Justice ADEC 452-1714 City Clerk Ruby 989-8001	Water and sewer system and perhaps other services

VILLAGE CANDIDATE SELECTION - VSW

VILLAGE	POP/HOMES TREND	TERRAIN	WATER SUPPLIES	ADEQUACY	PLANNED IMPROVEMENTS	SEWAGE DISPOSAL	SOURCES OF INFORMATION	RECOMMENDATIONS
CHEFORNAK (CALISTA) PRIORITY #9	204/33 up	Flat, marshy tundra	Rain water collected off roofs River water PHS well School well	Only seasonally available Quality of river water varies with tides/silt and salt problems noted Residents complain of salty taste (482 mg/l TFR) haul distance is 1/2 mile Poor quality water produced/ school well farther from village than PHS well	REAA to complete new school July, 1980/plan to drill well and treat water but no provisions to serve village 28 HUD Houses proposed for 1981 PHS sanitation services to follow	Indiscriminate dumping of honey buckets	Mike Frank Bill Adams LSKD 543-2871 Jordan Shur 543-2500 Steve Haver PHS 543-2251 Pete Tom Chefornak 878-8001 Earl Chase YKHC 543-2506	Need watering point closer to village that produces good quality drinking water and facility to dispose of liquid waste
WILSON BAY (WILSON BAY) PRIORITY #10	88/18 stable	Terrain very rocky	Water hauled from Iliamna Lake	Source of supply produces good tasting drinking water but no treatment provided	none	Honey buckets	Frank Williams PHS 279-6661	Central watering point, bathing laundry and sewage disposal service
STONEY RIVER (CALISTA) PRIORITY #11	69/14 stable	Rolling hills soils probably of sand and gravel	5 or 6 families use hand driven well points with pitcher pumps Rest haul from river in winter and use neighbor's wells in summer months	Good quality Good quantity Water produced River turbid in summer months/ good quality in winter	none	Indiscriminate dumping of honey buckets	Bob McHenry Kuspuk School 675-4320 Jordan Suhr 543-2500	Water supply not pressing problem/ waste disposal system needed
PEDRO BAY (BRISTOL BAY) PRIORITY #12	65/11 stable	Rocky, well drained	Residents haul or pump water from Lake Iliamna	Supply not treated but good tasting water available year round	HUD Houses tentatively scheduled for 1981/PHS sanita- tion improvements to follow	Honey buckets	Frank Williams PHS 279-6661	Central watering point, bathing laundry and sewage disposal facility
PT. LAY (NORTH SLOPE) PRIORITY #13	72/63 stable	Flat poorly drained tundra	Freshwater lake	Village hauls water 1/2 mile/ ice used in winter/un- protected source not treated	\$100,000 in NSB funds earmarked for improvements \$400,000 in State funds available for sanitation improvements NSB plans to move village to new site in March, 1980	Indiscriminate dumping of honey buckets big problem	Art Wyback PHS 452-8251 Amos Agnasagga IRA Council 824-8001	Centralized washeteria/ laundromat at new village site

VILLAGE CANDIDATE SELECTION - VSW

VILLAGE	POP/HOMES TREND	TERRAIN	WATER SUPPLIES	ADEQUACY	PLANNED IMPROVEMENTS	SEWAGE DISPOSAL	SOURCES OF INFORMATION	RECOMMENDATIONS
CANTWELL (AHINA) PRIORITY #14	62/14 stable	Silt and gravel along river/ scattered perma- frost	Individual wells	Good quality Good quantity water produced	20 HUD Houses proposed for 1980/PHS sanitation improvements to follow	Septic tanks/ outhouses	Dan Rogness PHS 279-9628 Jessie Berberich Elenor Dementi Cantwell 768-2282	
SEINWIK (NANA) PRIORITY #15	500/100 up	Flat poorly drained tundra	Complete village safewater facility	Quality of water is ok/residents prefer nearby creek for drinking water	PHS proposes rain catchment system for 18 new HUD houses/ dumpsite for trash and sewage lagoon for VSW effluent	Village Safe Water facility has wastewater treatment plant/ residents dispose of waste in honey buckets	Rich Haskins Mauneluk 442-3311 Greg Drexler PHS 279-9628	Village request funds for solid waste disposal site

STATE OF ALASKA

DEPT. OF ENVIRONMENTAL CONSERVATION

JAY S. HAMMOND, GOVERNOR

FOUCH 0 -- JU:EAU 99911

December 12, 1979

The Honorable John G. Fuller
Box 689
Nome, Alaska 99762

Dear Mr. Fuller:

For the last several months, our Village Safe Water (VSW) program staff has been working with the 12 regional Native health corporations to develop a priority list of candidate villages for future projects, funded under the Village Safe Water Act. Our purpose is to provide you and others in the Alaska Legislature with a prioritized list of 15 villages which we and the regional health corporations feel are most in need of improved sanitation services.

The selection process began last July when letters were sent to each health corporation, asking them to select up to three communities in their area to be considered along with candidate villages from the other 11 regions. To guide their deliberations, the health directors were asked to consider a number of factors, the most important being the availability of safe drinking water. For instance, melting ice or collecting river water for drinking is less safe and convenient than having a protected community well nearby. In addition, to avoid duplication of effort we asked the health corporations not to consider communities where sanitation improvements are proposed by the U.S. Public Health Service (PHS) or some other agency. We also reminded the health directors that the Attorney General recently ruled that Village Safe Water funds cannot be used for solid waste disposal facilities. So only villages needing water supply, sewage disposal, bathing and/or laundry services were to be considered.

Seven of the 12 health corporations responded with candidate villages and supporting background information on each. Some of those that chose not to participate indicated that the Public Health Service had already provided sanitation services for all villages in their regions. VSW program staff then reviewed and checked the information submitted and used it to develop the following statewide priority list.

<u>Regional Health Corporation</u>	<u>Village</u>	<u>Priority</u>
Yukon Kuskokwim Health Department	Newtok	1
Copper River Health Department	Copper Center	2
Aleutian Pribilof Island Association	Nelson Lagoon	3
Copper River Health Department	Chistochina	4
Bristol Bay Health Department	Portage Creek	5
Tanana Chiefs Health Authority	Eagle Village	6
Tanana Chiefs Health Authority	Rampart	7
Tanana Chiefs Health Authority	Ruby	8
Yukon Kuskokwim Health Department	Chefornak	9
Bristol Bay Health Department	Kokhanok	10
Yukon Kuskokwim Health Department	Stoney River	11
Bristol Bay Health Department	Pedro Bay	12
North Slope Borough Health Department	Point Lay	13
Copper River Health Department	Cantwell	14
Mauneluk Association	Selawik	15

This list reflects the relative need for improved sanitation services in each village, with special emphasis on the need for safe drinking water. For example Newtok, a community of 154 people, was placed at the top of the list because residents can only use rainwater for drinking, and it is only seasonally available. Water can be obtained at the BIA School, but residents are limited to 5 to 10 gallons per family per day. While the regional school district plans to drill a well to serve a new high school in Newtok, there are no provisions to extend service to the village. In addition, PHS does not plan to improve sanitation services in this community.

Copper Center, population 275, is number two on the list. In this interior community some residents obtain their drinking water from individual home wells drilled by PHS in 1965. However, of the original 29 wells, 10 are not operating, and most of the others produce water of poor chemical quality. Iron and manganese concentrations exceed drinking water standards and create taste, color and odor

C&RA

MAR 4 1980

Committee Substitute for Senate Bill 131 presently reflects:

1. Title and body contents of SB 342
2. \$10 million G.O. Bond increase - covering solid waste facilities, plus new wording when relating to same.
3. \$ 6 million G.O. Bond increase - raising State share from 50% to 75%

C&RA

Committee Substitute for Senate Bill 436 presently reflects:

1. Page 1, line 10, section 1 - new wording (per Dept. Environmental Conservation request) to incorporate the raising of the State share from 50% to 75%
2. Amending typewriter error, page 1, line 28 to read (d) instead of (e)
3. Page 2, Line 21, Section 5 - adding a new paragraph stating "solid waste" definition as stated in HB 353, (per D.E.C. request and in answer to Mr. Baldwin's concern, our bill drafter.)

problems. Due to community growth since 1965, there are now about 75 homes in need of an acceptable water supply. With Copper Center anticipating electrical service from a hydroelectric system, the difficulty of powering sanitation systems may be less than in some other villages.

At Nelson Lagoon, which is number three on the list, residents must travel 16 miles to obtain drinking water. The shallow, hand driven wells in the village produce brackish water suitable only for washing clothes. Also Nelson Lagoon has excellent potential for the use of wind power to generate electricity. It is very likely that a VSW facility in this village could be powered by wind energy.

The fourth village is Chistochina, population 33, where residents obtain their drinking water from Sinona Creek, which is littered with dead salmon during the summer months. Water and sewer systems installed by PHS in 1970 have failed.

Number five on the list is the Bristol Bay community of Portage Creek, where water is available from the school. Eleven of 13 families use this source. However, the school is closed for the summer months, and in the winter the well occasionally runs dry.

In Eagle Village, sixth on the list, residents must drive three miles in the summer to the City of Eagle for drinking water. In the winter months the Yukon River is the preferred source of supply. This community has no water system and there are no prospects for improvements from other agencies.

Rampart, with a population of 58, is seventh on the list. Village residents haul water from a nearby creek except for a two week period during breakup.

In Ruby (eighth) and Chefornek (ninth) there is critical need for sanitation improvements, but PHS plans projects in those villages in the near future.

In Kokhanok, Stoney River and Pedro Bay (tenth, eleventh and twelfth respectively), good sources of drinking water are available to residents, but sewage disposal problems may exist.

Point Lay was placed thirteenth on the priority list because \$400,000 in VSW Funds have already been authorized for sanitation improvements there. Also, the North Slope Borough assembly has apparently appropriated an additional \$100,000 for this purpose.

Cantwell and Selawik were placed at the bottom of the list because water and sewer facilities already exist in those communities, and additional improvements are scheduled in the near future by the PHS.

More detailed background information on each of these communities can be found in the enclosed village data summary.

Estimating the cost of Village Safe Water projects in specific villages is nearly impossible at the time a bond bill is being considered. Costs can vary from \$100,000 to more than \$1 million depending on what services are to be included, and local factors such as availability of water, type of treatment required, waste disposal options, power availability, and soil conditions.

What services will be provided by a VSW facility (i.e. the scope of the project) is largely a matter of choice by the village receiving it. Choices authorized by the VSW Act are water supply, sewage disposal, bathing and laundry services. The project scope must be negotiated with the village after funding for their facility has been approved in a bond election.

After project scope is established, the cost of providing the selected services can be estimated based on local conditions and preliminary engineering investigations. At this time alternate sources of energy to power the VSW facility are investigated. The technical and economic feasibility of appropriate alternate energy sources are evaluated, and incorporated into the design of the facility whenever possible.

To accommodate the problem of having to identify funds for VSW projects before their costs are known with any accuracy, the Department recommends a "group funding" approach. This technique is based on the assumption that the cost of groups of five projects varies much less than the cost of individual projects. From past construction experience in the VSW program, the total cost of several randomly selected groups of five projects was determined in 1981 construction dollars. The average cost of these groups of five projects is \$6.5 million in equivalent 1981 dollars, or \$1.3 million per project.

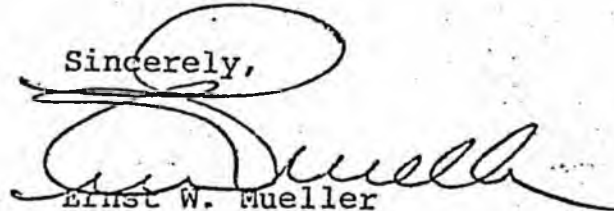
Because VSW facilities, and virtually any other village utilities project will fail prematurely without some degree of technical, management and financial assistance, this Department has been requesting and receiving general fund

December 12, 1979

appropriations for operation and maintenance assistance to villages receiving VSW facilities. An inevitable consequence of constructing more VSW facilities is the need for larger appropriations for operation and maintenance assistance as the facilities are completed.

If you have any questions on the VSW priority list or desire additional background information on any of the communities involved, please contact me.

Sincerely,



Ernst W. Mueller
Commissioner

Enclosure

Issue Paper
Water and Sewer Construction Grants
December 1979

The Department, through the Facilities Construction and Operation section, administers a grant program which is directed toward providing incorporated communities with assistance in the construction of water and sewerage services. Two basic grant programs are administered: the State general obligation bond water and sewer grant program authorized by AS 46.03.030; and the federal wastewater pollution control program authorized by the Clean Water Act of 1977.

Under the State water and sewer grant program, incorporated municipalities may apply for grants to fund up to 50 percent of project costs for new water and sewerage facilities. If federal funding is involved in a project, State grants are limited to half the non-federal share of eligible project costs. Funded projects include facilities needed for community expansion as well as facilities needed to correct existing public health and environmental problems.

The Department performs the following administrative responsibilities in support of this program:

- review of grant applications
- review of project plans and specifications
- analysis of project construction and operating costs

- processing of grant offers and payment requests
- inspection of projects during construction and following completion
- preparation of project audit reports to ensure that grant funds were properly utilized by grantees.

Eligible projects are presently funded as need arises, after a review to ensure that projects are capable of meeting the need identified at an acceptable life cycle cost. The source of funding for these grants is general obligation bond funds which have been periodically authorized by the voters. Presently, approximately \$18,112,626 are available for obligation to projects through this program.

Since July, 1976, \$37,358,030 has been obligated to water and sewage projects throughout the state. Of this total, \$14,465,180 (38.7%) was for community water supply projects; \$9,450,000 (25.3%) was for sewage treatment and interceptor facilities (matching EPA funding); and \$13,442,850 (36.0%) was for sewage collection facilities. These grants have supported projects in major communities in all regions of the state. The program is not heavily used by bush communities because the Public Health Service and the State Village Safe Water programs are addressing utility needs of remote areas. It is also usually difficult for small remote communities to raise the 50 percent matching requirements. In some instances, however, projects in remote areas are funded through the program in conjunction with other federal, state, or local funding sources.

The grant program for construction of sewage treatment facilities is administered under the authorization of the federal Clean Water Act of 1977. This Act mandates that community sewage treatment works achieve secondary treatment by 1983, except those communities capable of discharging effluent into marine coastal waters which receive good tidal mixing may be allowed to follow less stringent requirements. Secondary treatment is a broad term for many methods of treating sewage through the use of biological processes, and usually results in removal of 85% of the pollutants. Depending upon congressional appropriations from year to year, Alaska is allocated \$16-25 million annually. These funds are then available to communities to finance 75 percent of the cost of sewage treatment and interceptor projects. The State water and sewage grant program mentioned above contributes an additional 12 1/2 percent toward such projects leaving only 12 1/2 percent to be funded locally.

The Clean Water Act assigns the Environmental Protection Agency the responsibility for this grant program. The Act also stipulates that EPA may delegate the administration of the program to the states, and makes funding available to those states which assume administration of the program. Alaska assumed responsibility for a major portion of the program in December of 1978 (one of the first states to do so) and was awarded a grant of \$245,349 to cover costs of administration through June, 1980. EPA has reserved funding to defray State administration expenses in subsequent fiscal years.

In order to reduce the significant delays in grant processing which occurred under EPA administration, and to better ensure that projects are consistent with the unique requirements of Alaska, the Department assumed responsibility for the following administrative tasks:

- preparation of annual project priority list
- review of grant applications
- review of consultant agreements
- review and approval of plans and specifications
- review and approval of project change orders
- review and approval of O & M manuals.

Under agreement with EPA, State certification of these items will be accepted as if performed by EPA staff (subject to periodic audit). It is expected that additional administrative tasks will be delegated to the state, including:

- facility plan approval
- interim and final project inspections
- eligibility determinations
- review and approval of planning documents
- preparation of necessary environmental assessments
- issuance of numerous other technical approvals required for each project.

Since 1975, grants averaging \$20,000,000 a year have been awarded to 30 communities throughout the state. As with the State water and sewer grant program, mainly the larger communities have benefitted from the program. Recent modifications of the Clean Water Act present opportunities for making funding available to smaller communities for innovative, individual, or non-conventional sewage handling facilities.

VILLAGE SAFE WATER

The Village Safe Water Act of 1970 was passed for the purpose of providing safe water and hygienic sewage disposal facilities in remote Villages of the State. In order to accomplish this objective, the VSW Program is organized into three activities: Construction, operation & maintenance and planning. Currently, two people are employed in the program: A program administrator and a planner,

CONSTRUCTION:

Twelve VSW facilities have been constructed to date. Villages served range in size from 50 in council to nearly 500 in Selawik. Projects consist of central sanitation facilities where residents can obtain drinking water, dispose of sewage, bathe and do laundry. No piped water distribution or sewage collection systems have been constructed, except for service lines to schools. Since 1976, these facilities have been designed and constructed by engineering firms selected by the villages working under the direction of VSW program administrator.

OPERATION and MAINTENANCE:

The VSW Program also offers technical management, and financial assistance to villages with VSW facilities. If the community accepts this offer, technical and management assistance is provided by a field engineer and business advisor under contract to the community but working under the direction of the VSW program administrator. The VSW operation & maintenance support program has made it possible for all completed VSW facilities

to serve the public as intended.

PLANNING:

The planning element of the VSW Program includes the following activities: Screening candidate villages where new VSW facilities can be built; annually updating the village sanitation inventory; developing a VSW Program Plan; and liaison with organizations involved in rural sanitation including the Public Health Service, Regional Health Corporations and bush caucus. The planner also is charged with administering 11 projects mandated by the legislature in SB 449, the 1978 Water & Sewer Bond bill.

GC/ls

Water and Sewer Construction Grants

The Department of Environmental Conservation administers a grant program which provides incorporated communities with assistance in the construction of water and sewerage services. Two basic grant programs are administered: the State general obligation bond water and sewer grant program and the federal water pollution control program.

Under the State water and sewer grant program, incorporated municipalities may apply for grants to fund up to 50 percent of project costs for new water and sewerage facilities or one-half the non-Federal share of eligible costs if federal funding is involved. Funded projects include facilities needed for community growth as well as facilities needed to correct existing public health and environmental problems.

Eligible projects presently are funded as need arises. The source of funding for these grants is general obligation bond funds which have been authorized by the voters. Presently, approximately \$18 million is available for obligation to projects through this program.

These grants have supported projects in major communities in all regions of the state. The program is not heavily used by bush communities because the Public Health Service and the State Village Safe Water programs are addressing utility needs of remote areas and it is usually difficult for small remote communities to raise the 50 percent matching requirements. In some instances, however, projects in remote areas are funded through the program in conjunction with other federal, state, or local funding sources.

The grant program for construction of sewage treatment facilities is administered under the authorization of the federal Clean Water Act of 1977. Depending upon congressional appropriations from year to year, Alaska is allocated \$16-25 million annually. These funds are then available to communities to finance 75 percent of the cost of sewage treatment and interceptor projects. The State water and sewage grant program mentioned above contributes an additional 12 1/2 percent toward such projects leaving only 12 1/2 percent to be funded locally.

The Environmental Protection Agency is responsible for this grant program. However, EPA may delegate the administration of the program to the states, and make funding available to those states which assume administration of the program. In order to reduce the delays in grant processing which occurred under EPA administration, Alaska assumed responsibility for a major portion of the program in December of 1978 (one of the first states to do so).

Since 1975, approximately \$20 million of Federal funds a year has been awarded to 30 communities throughout the State. As with the State water and sewer grant program, the larger communities have benefitted the most from the program. Recent changes to the Clean Water Act present opportunities for making funding available to smaller communities for innovative, individual, or non-conventional sewage handling facilities.

Village Safe Water

The Village Safe Water Act calls for at least one facility for safe water and hygienic sewage disposal in each village in Alaska.

Since 1972, eleven VSW facilities have been constructed. They are in the villages of Northway, Chevak, Alakanuk, Selawik, Nulato, Koyukuk, Beaver, Pitkas Point, Kongiganank, Tanana and Council. A facility is being designed for Akiachak and will be constructed during the summer and fall of 1980.

In these eleven villages the VSW projects consist of sanitation facilities to which village residents can come to obtain water supply and sewage disposal services; with bathing and laundry services available in all except Council. No piped water-distribution or sewage collection systems are involved except for water and sewer service lines to schools.

Construction methods used so far have included: 1) competitive bid construction contracts administered by what was then the Alaska Department of Public Works, 2) competitive bid construction contracts administered by the Alaska Department of Environmental Conservation (ADEC), and 3) force account construction by the village through construction management contracts with engineering consultants.

The force account/construction management method of construction has been the most satisfactory of the three methods used. Facilities constructed that way have been built cheaper and faster than those built under competitive bid construction contracts; the quality of construction has been better; and the villages have been more intimately involved in, and satisfied with, their projects.

VSW facilities have cost from \$118,000 at Council for a project begun in FY 78, to over \$1,400,000 at Tanana, of which \$755,000 were VSW funds. Villages served have ranged in size from 60 (Council) to over 550 (Selawik).

Experience in the VSW project has proved that financial, technical, and/or management assistance to the villages is necessary to ensure that the facilities continue to operate. ADEC provides technical and management assistance to the eleven villages. The VSW operation and maintenance support program has made it possible for all completed VSW facilities to serve the public as intended. It is instructive to note that the operation and maintenance cost per village has been decreasing in actual dollars (i.e., ignoring inflation) over the last few years.

ADEC has been working on a comprehensive planning effort intended to define the roles of State and federal agencies and other groups involved in providing rural sanitation services. The Department has sought close cooperation with the U.S. Public Health Service and the regional Native health corporations in carrying out the planning. In fact the Directors of the health corporations have served as an advisory board for the VSW program.

An early step in the planning was to inventory all village sanitation facilities. The inventory is updated annually and is widely viewed as the single most complete and dependable source of information on village sanitation.

Current plans are to investigate certain questions concerning how the VSW program should operate over the long term. Among the questions to be investigated are: 1) What services should VSW facilities provide (e.g., solid waste, piped service to individual homes, saunas)?; 2) Should there be village eligibility criteria for VSW program assistance?; 3) How should construction priorities be set?; 4) How fast should VSW facilities be built (i.e., how much construction money over what period of time)?; 5) What funding sources other than water and sewer bonds can be coordinated into VSW projects? and 6) What should the State's role be in operation and maintenance of VSW facilities, and perhaps other village sanitation facilities as well?

Authority: 46.07

Alaska MUNICIPAL League

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*The C&RA committee sub-
accomplishes this - SB 131*

The Alaska Municipal League urges amendment of CSSB 131 to provide for up to 75% state funding of municipal water and sewer projects that are not already receiving 75% EPA funding.

Currently EPA participates only in sewer interceptors and treatment plants. Sewerage collection and water distribution systems do not receive federal funding except for a few projects that have small EDA grants of 10%.

Equity: The state increasing the percentage of state support for those projects will go a long way toward reducing the inequitable burden that property owners must bear in paying for necessary basic water and sewer services. As it stands now, the property owner pays anywhere from 12.5% to 50%, depending on the nature of the project.

Relief for Property owners and Tax Payers: As I'm sure you are aware, the local share of water and sewer projects is paid by assessments on local property. Increasing the state share will provide direct relief to property owners and tax payers by reducing local improvement district assessments.

Price of Land: A big issue for the last couple of years has been the high cost of land. One reason for the high prices in developable suburban areas is the high cost of installing water and sewer systems. Increasing state participation in providing those systems will help to lower the cost of making land available for use.

I realize there is a problem with language in the bill to incorporate the proposed change. Because we are not advocating increasing the state share on EPA funded projects, we cannot simply change the 50% in the current law to 75%. I'm sure, however, if the committee accepts the concept, the professional bill drafters will be able to find acceptable language.

CRITERIA SYSTEM
for
Allocation of Federal Water Pollution Control Grant Funds

The Federal Water Pollution Control Act Amendments of 1972 (PL 92-500) as amended by the Clean Water Act of 1977 (PL 95-217) provide grant funds to assist municipalities with facility plans (Step 1), engineering designs (Step 2) and project construction (Step 3) for water pollution control facilities. These funds are allocated to the State of Alaska for obligation through the Department of Environmental Conservation. The Department develops an annual Priority List for determining which projects will receive grants.

The project Priority List is developed using a criteria system to assign a numerical ranking to eligible projects in accordance with EPA requirements. These requirements stipulate that the type of project, severity of pollution, project step and continuity, receiving water usage, existing population affected, public health and environmental hazards, and the effect on water quality standards be considered in developing the Priority List.

The point values for the criteria system have been revised in accordance with PL 95-217 and have been used to prepare the Priority List for allocation of available federal funds. Each project appearing on the Priority List has been assigned appropriate points in each of nine categories. The points for each category are summed and the total used to determine the project rank on the Priority List. The project with the highest point total will be the highest priority project.

In developing the criteria system, the State can not consider "readiness to proceed" as a category for ranking projects. However, "readiness to proceed" can be a reason for moving a project into the fundable portion of the priority list if a higher ranking project will be unable to proceed on schedule, before the end of the fundable year.

When it appears that a project on the fundable portion of the priority list will not be ready to proceed within the fundable year, the State, with EPA concurrence, will notify the applicant that their project is being by-passed in favor of the highest ranking project on the extended portion of the Priority List that is ready to proceed. The applicant being by-passed may appeal this decision to the Department by requesting an adjudicatory hearing conducted under the Administrative Procedure Act. Projects that are by-passed will retain their relative priority rating for consideration on future Priority Lists.

The estimated completion schedules for projects on the fundable portion of the Priority List, by-passed for not being ready to proceed, will be compared with the schedules for compliance contained in the NPDES permit. In those cases where significant delays have occurred, appropriate State and/or EPA enforcement action will be recommended to achieve compliance with permit conditions.

Project priority rankings are determined according to the following nine categories. Appropriate points are assigned to arrive at a point total and priority ranking for each project:

I. Project Component

In determining the relative priority of the various project components the Department emphasizes the importance of maximizing the benefits to be achieved from limited federal funds. Project components required to achieve compliance with State water quality standards and protect public health will receive higher consideration than project components required by federal law which may provide treatment beyond what is required to protect health or the environment.

Hence, secondary or advanced treatment projects, when required only to satisfy an NPDES permit or other portions of federal law, may be phased on the Priority List so that the initial phase would meet water quality and health considerations, and the final phase would be constructed at a later date, subject to availability of funds. Projects for collection sewers, storm sewers and correction of combined sewer overflows are not considered eligible project categories for use of funds allocated to Alaska.

Projects are assigned a point total by multiplying the point value of the project component by the percentage of cost that a specific component bears to the total eligible project cost and then summing the point values computed for the components.

	<u>Component</u>	<u>Points</u>
a)	Initial phase(s) of treatment into marine water required to protect public health or achieve water quality standards; secondary treatment for discharge into fresh water; or any treatment required prior to discharge to groundwater.	300
b)	Rehabilitation or expansion of treatment facilities or correction of infiltration/inflow in sewage collection systems where existing conditions are disrupting the efficiency of existing treatment facilities.	250
c)	Rehabilitation and correction of infiltration/inflow of sewage collection systems where the required corrections are done in conjunction with a new treatment facility.	200

IV. Public Health Emphasis

Points

Verification from a state or local health official that a project is necessary to avert or correct a public health hazard.

100

V. Receiving Water Usage - Affected By Existing Discharge

Points

a) Freshwater/Groundwater

- 1) Drinking and food processing 100
- 2) Propagation of fish and shellfish used as a food source 50
- 3) Water contact recreation 20

b) Marine water

- 1) Propagation of fish and shellfish as a food source 50
- 2) Water contact recreation 20

VI. Project Continuity

Points

- a) Award of a Step 1 grant or approval of a facility plan developed without a grant qualifies the project for 100 points to help insure sufficient funding to complete the project. 100
- b) Award of a Step 2 or 2 & 3 grant or approval of plans and specifications completed without a grant award qualifies the project for an additional 100 points to help insure sufficient funding to complete the project. 100
- c) Step 3 projects, where construction is phased over several years or where rehabilitation or corrective measures are required to improve the efficiency of existing sewerage facilities constructed under a previous grant shall qualify for an additional 50 points. 50

CORRECTION

**THIS DOCUMENT
HAS BEEN REPHOTOGRAPHED
TO ASSURE LEGIBILITY**

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for
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Any projects on the extended portion of the priority list that are by-passed due to not being ready to proceed will be notified and given the opportunity to appeal. After agreement is reached with the applicants proposed for by-pass, the State will certify to EPA that those projects not ready to proceed may be by-passed to reach a project that will be ready during the fundable period.

In addition to funds obligated to specific projects, reserve accounts from each fiscal year's federal allocation will be set aside for the following purposes:

- 1) Up to two percent of each year's allocation or \$400,000, whichever is greater, may be reserved and granted to the State to manage the grants program and other specified portions of the Water Pollution Control Program.
- 2) Two percent of the federal allocation for FFY 79 and 80 and three percent for FFY 81 shall be reserved for projects incorporating alternative and innovative technology, and may be used to increase a federal grant up to a maximum of 85 percent. A minimum of 0.5 percent of the federal allocation for FFY 79, 80 & 81 shall be for projects using innovative technology.
- 3) Four percent of each year's allocation shall be reserved for alternatives to conventional treatment for communities with populations of 3,500 or less, or sparsely populated areas of larger communities.
- 4) A reserve of not less than five percent of each year's allocation will be maintained for funding grant increases.
- 5) A reserve may also be established to fund Step 1 & 2 projects that may or may not appear on the Priority List. To be funded, these projects must have a priority ranking high enough to appear on the fundable portion of the Priority List.
- 6) A state designation reserve may also be established for funding of project increases that occur prior to grant award.

The amounts set aside in these reserve accounts will vary from year to year depending on the federal allocation to Alaska and on the need for the particular reserve within the limitations described above. The specific amounts to be set aside in these reserves will be designated in the annual Priority List, which is subject to public review and comment.

This criteria system and the Priority List developed using these criteria are subject to annual review and comment at public hearings held for this purpose. These hearings are announced through individual mailings and public notice in newspapers of general circulation a minimum of 45 days prior to the first scheduled hearing. Public input regarding the preparation of the Priority List is welcomed.

Project priority rankings are determined according to the following nine categories. Appropriate points are assigned to arrive at a point total and priority ranking for each project:

I. Project Component

In determining the relative priority of the various project components the Department emphasizes the importance of maximizing the benefits to be achieved from limited federal funds. Project components required to achieve compliance with State water quality standards and protect public health will receive higher consideration than project components required by federal law which may provide treatment beyond what is required to protect health or the environment.

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Projects are assigned a point total by multiplying the point value of the project component by the percentage of cost that a specific component bears to the total eligible project cost and then summing the point values computed for the components.

<u>Component</u>	<u>Points</u>
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b) Rehabilitation or expansion of treatment facilities or correction of infiltration/inflow in sewage collection systems where existing conditions are disrupting the efficiency of existing treatment facilities.	250
c) Rehabilitation and correction of infiltration/inflow of sewage collection systems where the required corrections are done in conjunction with a new treatment facility.	200

- | | | |
|----|---|-----|
| d) | Construction of new interceptor sewers, pump stations and appurtenances. | 150 |
| e) | Upgrading existing treatment facilities to secondary or advanced wastewater treatment levels when required for reasons other than meeting water quality standards or protection of public health. | 100 |

II. Project Water Quality Need

To date the Department has not completed an approved water quality management plan. However, information that will be the basis for this plan was taken into consideration in allocating points to projects in this category.

Points awarded for one section only.

- | | | |
|----|---|-----|
| a) | Project necessary to treat or eliminate a discharge contributing to a documented violation of the Alaska Water Quality Standards. | 400 |
| b) | Project necessary to minimize or eliminate documented "non-point source" contamination of groundwater or surface waters resulting from subsurface sewage disposal systems. | 300 |
| c) | Project necessary to prevent potential water pollution problems or where the environment may be adversely affected due to the impact of accelerated development or industrial growth. | 200 |
| d) | Project only necessary to comply with the effluent limitations contained in an NPDES permit for a point source discharge. | 100 |

III. Regulatory Emphasis for Violation of Water Quality Standards

- | | | <u>Points</u> |
|----|---|---------------|
| a) | Notice of Violation issued by Department of Environmental Conservation or EPA | 50 |
| b) | Compliance order issued by Department of Environmental Conservation or EPA | 80 |
| c) | Charges filed by State Attorney General or legal counsel for EPA | 100 |

IV. Public Health Emphasis

Points

Verification from a state or local health official that a project is necessary to avert or correct a public health hazard.

100

V. Receiving Water Usage - Affected By Existing Discharge

Points

a) Freshwater/Groundwater

- 1) Drinking and food processing 100
- 2) Propagation of fish and shellfish used as a food source 50
- 3) Water contact recreation 20

b) Marine water

- 1) Propagation of fish and shellfish as a food source 50
- 2) Water contact recreation 20

VI. Project Continuity

Points

- a) Award of a Step 1 grant or approval of a facility plan developed without a grant qualifies the project for 100 points to help insure sufficient funding to complete the project. 100
- b) Award of a Step 2 or 2 & 3 grant or approval of plans and specifications completed without a grant award qualifies the project for an additional 100 points to help insure sufficient funding to complete the project. 100
- c) Step 3 projects, where construction is phased over several years or where rehabilitation or corrective measures are required to improve the efficiency of existing sewerage facilities constructed under a previous grant shall qualify for an additional 50 points. 50

<u>VII. Project Step</u>	<u>Points</u>
a) Approved initial application and plan of study	30
b) Approved facility plan	20
c) Approved final design plans and specifications	10

<u>VIII. Existing Population Benefiting from Project</u>	<u>Points</u>
a) under 1,000	30
b) between 1,000 and 3,500	50
c) between 3,500 and 10,000	70
d) over 10,000	100

<u>IX. Alternative or Innovative</u>	<u>Points</u>
Step 2, 2 & 3, or 3 projects identified in an approved facility plan as containing alternative or innovative technology components shall qualify for 50 points in addition to all other points awarded to the project.	50

PROJECT PRIORITY LIST FOR THE ALLOCATION OF
 FEDERAL WATER POLLUTION CONTROL GRANT FUNDS FOR FFY 80

The FFY 80 "Project Priority List" consists of sewage system improvements required in the five year period 1979-1984. The list prioritizes 76 projects, each awarded a numerical score derived in accordance with procedures established in the Criteria System. The fundable portion of the Priority List is represented by those projects targeted for grant award during FFY 80. The remaining projects represent the extended portion of the Priority List and will be funded from future federal appropriations.

In addition to the \$44,984,482, the state must obligate \$6,443,343 from the FFY 78 appropriation by October 1, 1979 or lose it to reallocation. It is anticipated that the following projects will receive grants prior to October 1, 1979:

Palmer-West Interceptor Step 4	\$1,315,703
Soldotna - Step 3	2,175,000
Sitka - Step 3 - Phase I	3,675,000
Eagle River - Step 3	3,765,000
State Management Assistance Grant	154,651
	<u>\$11,085,354</u>

Program funding available for FFY 80 is estimated at \$46,984,482 and is comprised from the following Congressional appropriations:

1) FFY 77 Supplemental Carryover	\$ 3,162,861
2) Title III - Public Works Employment Act of 1976	4,263,723
3) FFY 79 Appropriation*	20,527,414
4) FFY 80 Appropriation (based on \$3.8 billion)	17,000,000
5) FFY 76-73 Carryover	<u>30,484</u>
	\$44,984,482

If the above grants are awarded by October 1, 1979 the FFY 78 appropriation will be depleted and the FFY 79 appropriation will be reduced by \$4,642,011 to \$15,885,403. Therefore, the dollars available for obligation during FFY 80 may be reduced to \$40,342,471. These projects do not appear on the attached priority list since it is expected that they will be awarded prior to October 1, 1979. However, in the event that any of these projects do not receive grant awards by the expiration date of the FFY 79 priority list, they will be placed on the fundable portion of the FFY 80 priority list to be awarded grants from available funds.

For planning purposes the Department assumes that annual federal appropriations to Alaska will be \$22,500,000, through 1984. The total five year funding available is estimated at \$132.5 million. The five year project list, adjusted for inflation, estimated at \$121.7 million will likely exceed the available funding resources, since reserve accounts must be established from these funding sources.

*This balance may be reduced by additional grant awards prior to the adoption of the Priority List, effective October 1, 1979.