

LEGISLATIVE FINANCE - HOUSE / SENATE FINANCE COMM. FILES 8879

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407(b) of such Act (as amended by subsection (a) of this section) is amended--

(A)(i) by inserting "(1)" after "(b)";

(ii) by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B), respectively;

(iii) by redesignating subparagraphs (A), (B), and (C) of such paragraph (1) as clauses (i), (ii), and (iii), respectively;

(iv) by redesignating subparagraphs (A), (B), (C), and (D) of such paragraph (2) as clauses (i), (ii), (iii), and (iv), respectively; and

(v) by redesignating clauses (i) and (ii) of subparagraph (C) of both such paragraphs (1) and (2) as subclauses (I) and (II), respectively;

(B) in paragraph (1)(A) (as so redesignated by subparagraph (A) of this paragraph, and as amended by subsection (a)(2)(A) of this section before such redesignation), by inserting "subject to paragraph (2)," before "shall require"; and

(C) by adding at the end the following new paragraph:

"(2)(A) In carrying out the program under this section, a State may design its program to reflect the individual needs of the State and to emphasize education, training, and employment services for unemployed parents and their spouses who are eligible for aid to families with dependent children by reason of this section, to the extent provided under this paragraph.

"(B)(i) Subject to clauses (ii) and (iii), with respect to the requirement under section 402(a)(41), a State may, at its option, limit the number of months with respect to which a family receives aid to families with dependent children to the extent determined appropriate by the State for the operation of its program under this section.

"(ii)(I) A State may not limit the number of months under clause (i) for which a family may receive aid to families with dependent children unless it provides in its plan assurances to the Secretary that it has a program (that meets such requirements as the Secretary may in regulation prescribe) for providing education, training, and employment services (including any activity authorized under section 402(a)(19) or under part F) in order to assist parents of children described in subsection (a) in preparing for and obtaining employment.

"(II) In exercising the option under clause (i), a State plan may not provide for the denial of aid to families with dependent children to a family otherwise eligible for such aid for any month unless the family has received such aid (on the basis of the unemployment of the parent who is the principal earner) in at least 6 of the preceding 12 months.

"(iii) Each State which, on September 26, 1988, has a program in effect under this section shall continue to operate such program without a time limitation.

"(C) With respect to the participation in the program under section 402(a)(19) and part F of a family eligible for aid to families with dependent children by reason of this section, a State may, at its option--

"(i) except as otherwise provided in such section and such part, require that any parent participating in such program engage in program activities for up to 40 hours per week; and

"(ii) provide for the payment of aid to families with dependent children at regular intervals of no greater than one month but after the performance of assigned program activities."

(2) Section 402(a)(19)(B)(i)(II) of such Act (as added by the amendment made by section 201(a) of this Act) is amended by inserting "(and individuals who would be recipients of such aid if the State had not exercised the option under section 407(b)(2)(B)(i))" after "children".

(3)(A) Section 407(b)(1)(B) of such Act (as so redesignated by paragraph (1)(A) of this subsection) is amended by striking "paragraph (1)(A)" each

place it appears and inserting in lieu thereof "subparagraph (A)(i)".

(B) Section 407(c) of such Act is amended--

(i) by striking "subparagraph (A) of subsection (b)(1)" and inserting in lieu thereof "subsection (b)(1)(A)(i)";

(ii) by striking "subparagraph (B) of such subsection" and inserting in lieu thereof "subsection (b)(1)(A)(ii)"; and

(iii) by striking "subparagraph (A) of subsection (b)(2)" and inserting in lieu thereof "subsection (b)(1)(B)(i)".

(C) Section 407(d)(3) of such Act is amended by striking "section 407(b)(1)(C)" and inserting in lieu thereof "subsection (b)(1)(A)(iii)".

(c) Participation in Training and Education Programs as a Quarter of Work.--(1) Section 407(d)(1) of such Act is amended--

(A) by inserting "(A)" after "means a calendar quarter"; and

(B) by inserting before the semicolon at the end the following: ", or (B) at the option of the State, a calendar quarter in which such individual attended, full-time, an elementary school, a secondary school, or a vocational or technical training course (approved by the Secretary) that is designed to prepare the individual for gainful employment, or in which such individual participated in an education or training program established under the Job Training Partnership Act".

(2) Section 407(d) of such Act is amended by adding at the end the following new sentence:

"Notwithstanding section 402(a)(1), a State that chooses to exercise the option provided under paragraph (1)(B) may provide that the definition of calendar quarter under such option apply in one or more political subdivisions of the State."

(3) Section 407(b)(1)(A)(iii)(I) of such Act (as so redesignated by subsection (b)(1)(A) of this section) is amended by inserting ", no more than 4 of which may be quarters of work defined in subsection (d)(1)(B)," after "(d)(1)".

(4)(A) Section 407(b)(2)(B)(ii) of such Act (as added by the amendment made by subsection (b)(1)(C) of this section) is amended by adding at the end the following new subclause:

"(III) Any family that is otherwise eligible for aid to families with dependent children that does not receive such aid in any month solely by reason of the State exercising the option under clause (i) shall be deemed, for purposes of determining the period under paragraph (1)(A)(iii)(I), to be receiving such aid in such month."

(B) Section 407(d)(1) of such Act (as amended by paragraph (1) of this subsection) is amended by striking "a community work experience" and all that follows through the semicolon and inserting in lieu thereof "the program under section 402(a)(19) and part F";

(d) Expansion of Medicaid Coverage for Two-Parent Families.--(1) Section 1902(a)(10)(A)(i) of such Act is amended--

(A) by striking "or" at the end of subclause (III),

(B) by adding "or" at the end of subclause (IV), and

(C) by adding at the end the following new subclause:

"(V) who are qualified family members as defined in section 1905(m)(1);"

(2) Section 1905 of such Act is amended by inserting after subsection (1) the following new subsection:

"(m)(1) Subject to paragraph (2), the term 'qualified family member' means an individual (other than a qualified pregnant woman or child, as defined in subsection (n)) who is a member of a family that would be receiving aid under the State plan under part A of title IV pursuant to section 407 if the State had not exercised the option under section 407(b)(2)(B)(i).

"(2) No individual shall be a qualified family member for any period after September 30, 1998."

(e) Evaluation and Report.--(1) The Secretary of Health and Human Services shall evaluate the time-limited and conventional State programs conducted under section 407 of the Social Security Act (as amended by this section), including the effects of the work requirement applicable to families receiving benefits under such section.

(2) The Secretary shall, not later than July 1, 1996, submit to the Congress an interim report containing the findings of such evaluation together with recommendations for any changes in such program, and shall, not later than July 1, 1998, submit to the Congress a final report containing such findings and recommendations.

(f) Section 402(a) of such Act (as amended by sections 201(a) and 401(a) of this Act) is amended--

(1) by striking "and" at the end of paragraph (40);

(2) by striking the period at the end of paragraph (41) and inserting "and"; and

(3) by inserting immediately after paragraph (41) the following new paragraph:

"(42) provide that if, under section 407(b)(2)(B)(i), the State limits the number of months for which a family may receive aid to families with dependent children, the State shall provide medical assistance to all members of the family under the State's plan approved under title XIX, without time limitation.

(g) Effective Date.--(1) Except as provided in paragraph (2), and in section 1905(m)(2) of the Social Security Act (as added by subsection (d)(2) of this section), the amendments made by this section shall become effective on October 1, 1990.

(2) The amendments made by this section shall not become effective with respect to Puerto Rico, American Samoa, Guam, or the Virgin Islands, until October 1, 1992.

(h) Termination.--Effective September 30, 1998, the amendments made by this section (other than by subsection (d)) are repealed, and the provisions of law so amended (as in effect immediately before the effective date of such amendments) shall apply as if such amendments had never been made.

SEC. 402. CHANGES IN EARNED INCOME DISREGARDS.

(a) Limit on Disregard of Child Care Costs Increased; Child Care Disregard To Be Applied Last.--Section 402(a)(8)(A)(iii) of the Social Security Act is amended--

(1) by inserting "after applying the other clauses of this subparagraph," before "shall disregard";

(2) by striking "\$160" and inserting in lieu thereof "\$175"; and

(3) by inserting before the semicolon ", or, in the case such child is under age 2, \$200".

(b) Standard Disregard Increased.--Section 402(a)(8)(A)(ii) of such Act is amended by striking "\$75" and inserting in lieu thereof "\$90".

(c) Disregard of Advance Payments or Refund of Earned Income Tax Credit.--(1) Section 402(a)(8)(A) of such Act is amended--

(A) by striking "and" at the end of clause (vi); and

(B) by adding at the end the following new clause:

"(viii) shall disregard any refund of Federal income taxes made to a family receiving aid to families with dependent children by reason of section 32 of the Internal Revenue Code of 1986 (relating to earned income tax credit) and any payment made to such a family by an employer under section 3507 of such Code (relating to advance payment of earned income credit); and".

(2)(A) Section 402(d) of such Act is repealed.

(B) Section 402(a)(30) of such Act is amended by striking "subsection (d)" and inserting in lieu thereof "subsection (e)".

(d) Effective Date.--The amendments made by this section shall become effective on October 1, 1989.

SEC. 403. HOUSEHOLDS HEADED BY MINOR PARENTS.

(a) In General.--Section 402(a) of the Social Security Act (as amended by sections 201(a), 401(a), and 401(f) of this Act) is amended--

(1) by striking "and" at the end of paragraph (41);

(2) by striking the period at the end of paragraph (42) and inserting "; and"; and

(3) by inserting immediately after paragraph (42) the following new paragraph:

"(43) at the option of the State, provide that--

"(A) subject to subparagraph (B), in the case of any individual who is under the age of 18 and has never married, and who has a dependent child in his or her care (or is pregnant and is eligible for aid to families with dependent children under the State plan)--

"(i) such individual may receive aid to families with dependent children under the plan for the individual and such child (or for herself in the case of a pregnant woman) only if such individual and child (or such pregnant woman) reside in a place of residence maintained by a parent, legal guardian, or other adult relative of such individual as such parent's, guardian's, or adult relative's own home, or reside in a foster home, maternity home, or other adult-supervised supportive living arrangement; and

"(ii) such aid (where possible) shall be provided to the parent, legal guardian, or other adult relative on behalf of such individual and child; and

"(B) subparagraph (A) does not apply in the case where--

"(i) such individual has no parent or legal guardian of his or her own who is living and whose whereabouts are known:

"(ii) no living parent or legal guardian of such individual allows the individual to live in the home of such parent or guardian;

"(iii) the State agency determines that the physical or emotional health or safety of such individual or such dependent child would be jeopardized if such individual and such dependent child lived in the same residence with such individual's own parent or legal guardian;

"(iv) such individual lived apart from his or her own parent or legal guardian for a period of at least one year before either the birth of any such dependent child or the individual having made application for aid to families with dependent children under the plan; or

"(v) the State agency otherwise determines (in accordance with regulations issued by the Secretary) that there is good cause for waiving such subparagraph."

(b) Effective Date.--The amendments made by this section shall become effective on the first day of the first calendar quarter to begin one year or more after the date of the enactment of this Act.

SEC. 404. PERIODIC REEVALUATION OF NEED AND PAYMENT STANDARDS.

(a) In General.--Section 402 of the Social Security Act (as amended by section 301 of this Act) is amended by adding at the end the following new subsection:

"(h)(1) Each State shall reevaluate the need standard and payment standard

Under its plan at least once every 3 years, in accordance with a schedule established by the Secretary, and report the results of the reevaluation to the Secretary and the public at such time and in such form and manner as the Secretary may require.

"(2) The report required by paragraph (1) shall include a statement of--

"(A) the manner in which the need standard of the State is determined,

"(B) the relationship between the need standard and the payment standard (expressed as a percentage or in any other manner determined by the Secretary to be appropriate), and

"(C) any changes in the need standard or the payment standard in the preceding 3-year period.

"(3) The Secretary shall report promptly to the Congress the results of the reevaluations required by paragraph (1)."

(b) Effective Date.--The amendment made by subsection (a) shall become effective on the date of the enactment of this Act.

SEC. 405. CBO STUDY ON IMPLEMENTATION OF NATIONAL MINIMUM PAYMENT STANDARD.

(a) In General.--The Congressional Budget Office shall conduct a study on the implementation of the amendments proposed by section 101 of the bill introduced in the Senate of the United States during the 100th Congress and designated S. 862 (relating to the requirement of a minimum payment standard under part A of title IV of the Social Security Act with a Federal matching rate of 90 percent).

(b) Description of Study.--The study conducted under subsection (a) shall assess the extent to which--

(1) the goal of budget neutrality may be preserved by repealing the programs included in, but not limited to, the programs described in the amendments proposed by section 301 of the bill described in subsection (a) over a more gradual period of time in conjunction with corresponding increases (up to 90 percent) in the Federal matching rates under part A of title IV, and title XIX, of the Social Security Act; and

(2) the effects on local governments of repealing Federal programs could be mitigated by providing, over a period of time that corresponds with more gradual increases in the Federal matching rates under such part A and title XIX, general revenue supplements to those localities with the lowest levels of fiscal capacity and pass-throughs to units of local government.

(c) Report to Congress.--The Congressional Budget Office shall report on the results of the study conducted under this section not later than 12 months after the date of the enactment of this Act.

(d) Authorization of Appropriations.--There are authorized to be appropriated such sums as may be necessary to carry out this section.

SEC. 406. STUDY OF NEW NATIONAL APPROACHES TO WELFARE BENEFITS FOR LOW-INCOME FAMILIES WITH CHILDREN.

(a) In General.--The Secretary of Health and Human Services shall enter into a contract or arrangement with the National Academy of Sciences for the study of a new national system of welfare benefits for low-income families with children, giving particular attention to what an appropriate national minimum benefit might be and how it should be calculated. The study shall give consideration to alternative minimum benefit proposals including proposals for benefits based on a family living standard, on weighted national median income, on State median income, and on the poverty level, and shall take into account the probable impact of a national minimum benefit on individuals and on State and local governments.

(b) Methodology.--(1) The study under this section shall include the development of a uniform national methodology which could be used to calculate State-specific family living standards and benefits based on other minimum benefit proposals.

(2) The methodology so developed shall be designed to identify a single uniform measure suitable for application in each State, and shall--

(A) take into account actual living costs in each State while permitting variances in such costs as between the different geographic areas of the State;

(B) take into account variations in actual living costs in each State for families of different sizes and composition; and

(C) specify an effective process for reassessing and updating both the methodology and the resulting family living standards and benefits based on other minimum benefit policies at least once every 4 years.

(3) The methodology so developed shall reflect the costs of basic necessities including housing, furnishings, food, clothing, transportation, utilities, and other maintenance items; and the study shall take into account variations in costs for different geographic areas of the State where such costs may be substantially different, and variations in costs for families of different sizes and composition.

(c) Other Considerations; Progression to Proposed Minimum Benefit Level: --In order to assess the implications of States moving to a new system of welfare benefits, the study shall include an analysis of the relationship between a State's fiscal capacity and other circumstances and constraints and the application of a full family living standard or other minimum benefit policy. The study shall propose a formula designed to achieve a uniform progression from the level of assistance currently being provided for low-income families with children under the AFDC program, the food stamp program, and the low-income energy assistance program, by each State, to a level based on the full family living standard or other minimum benefit policy for that State. For this purpose the Secretary shall define the term "low-income families with children" in a manner which reflects all families that include dependent children as defined for purposes of the AFDC program.

(d) Report and Recommendations.--The Academy shall report its recommendations resulting from the study under this section to the Secretary no later than 24 months after the date of the enactment of this Act; and the Secretary shall promptly transmit such recommendations to the Congress.

(e) Authorization of Funds.--There are authorized to be appropriated such sums as may be necessary to carry out this section.

TITLE V--DEMONSTRATION PROJECTS

SEC. 501. FAMILY SUPPORT DEMONSTRATION PROJECTS.

(a) Demonstration Projects To Test the Effect of Early Childhood Development Programs.--(1) In order to test the effect of in-home early childhood development programs and pre-school center-based development programs (emphasizing the use of volunteers and including academic credit for student volunteers) on families receiving aid under State plans approved under section 402 of the Social Security Act and participating in the job opportunities and basic skills training program under part of title IV of such Act, up to 10 States may undertake and carry out demonstration projects utilizing such development programs to enhance the cognitive skills and linguistic ability of children under the age of 5, to improve the communications skills of such children, and to develop their ability to read, write, and speak the English language effectively. Such projects may include parents along with their eligible children in family-centered education programs that assist children directly in achieving the goals stated in the preceding sentence and also help parents contribute to the proper development and education of their young children. Demonstration projects under this subsection shall meet such conditions and requirements as the Secretary of Health and Human Services (in

this section referred to as the "Secretary") shall prescribe, and no such project shall be conducted for a period of more than 3 years.

(2) The Secretary shall consider all applications received from States desiring to conduct demonstration projects under this subsection, shall approve up to 10 applications involving projects which appear likely to contribute significantly to the achievement of the purpose of this subsection, and shall make grants to the States whose applications are approved to assist them in carrying out such projects.

(3) The Secretary shall submit to the Congress with respect to each project undertaken by a State under this subsection, after such project has been carried out for one year and again when such project is completed, a detailed evaluation of the project and of its contribution to the achievement of the purpose of this subsection.

(b) State Demonstration Projects To Encourage Innovative Education and Training Programs for Children.--In order to encourage States to develop innovative education and training programs for children receiving aid under State plans approved under section 402 of the Social Security Act, any State may establish and conduct one or more demonstration projects, targeted to such children, designed to test financial incentives and interdisciplinary approaches to reducing school dropouts, encouraging skill development, and avoiding welfare dependence; and the Secretary may make grants to States to assist in financing such projects. Demonstration projects under this subsection shall meet such conditions and requirements as the Secretary shall prescribe, and no such project shall be conducted for a period of less than one year or more than 5 years.

(c) Demonstrations To Ensure Long Term Family Self-Sufficiency Through Community-Based Services.--Any State, using funds made available to it from appropriations made pursuant to subsection (d) in conjunction with its other resources, may conduct demonstrations to test more effective methods of providing coordination and services to ensure long term family self-sufficiency through community-based comprehensive family support services involving a partnership between the State agency administering or supervising the administering of the State's plan under section 402 of the Social Security Act and community-based organizations having experience and demonstrated effectiveness in providing services.

(d) Authorization of Appropriations.--For the purpose of making grants to States to conduct demonstration projects under this section, there is authorized to be appropriated not to exceed \$6,000,000 for each of the fiscal years 1990, 1991, and 1992.

SEC. 502. DEMONSTRATION PROJECTS TO ENCOURAGE STATES TO EMPLOY PARENTS RECEIVING AFDC AS PAID CHILD CARE PROVIDERS.

(a) In General.--In order to encourage States to employ or arrange for the employment of parents of dependent children receiving aid under State plans approved under section 402(a) of the Social Security Act as providers of child care for other children receiving such aid, up to 5 States may undertake and carry out demonstration projects designed to test whether such employment will effectively facilitate the conduct of the job opportunities and basic skills training program under part F of title IV of such Act by making additional child care services available to meet the requirements of section 402(g)(1)(A) of such Act while affording significant numbers of families receiving such aid a realistic opportunity to avoid welfare dependence through employment as a child care provider.

(b) Consideration of Applications.--The Secretary of Health and Human Services shall consider all applications received from States desiring to conduct demonstration projects under this section, shall approve up to 5 applications involving projects which appear likely to contribute

significantly to the achievement of the purpose of this section, and shall make grants to those States the applications of which are approved to assist them in carrying out such projects. Each project conducted under this section shall meet such conditions and requirements as the Secretary shall prescribe.

(c) Limitation on Authorization of Appropriations.--For the purpose of making grants to States to carry out demonstration projects under this section, there is authorized to be appropriated not to exceed \$1,000,000 for each of the fiscal years 1990, 1991, and 1992.

(d) Effective Date.--This section shall become effective on October 1, 1989.

SEC. 503. DEMONSTRATION PROJECTS TO TEST ALTERNATIVE DEFINITIONS OF UNEMPLOYMENT.

Section 1115 of the Social Security Act is amended by adding at the end the following new subsection:

"(d)(1)(A) The Secretary shall enter into agreements with up to 8 States submitting applications under this subsection for the purpose of conducting demonstration projects in such States to test and evaluate the use, with respect to individuals who received aid under part A of title IV in the preceding month (on the basis of the unemployment of the parent who is the principal earner), of a number greater than 100 for the number of hours per month that such individuals may work and still be considered to be unemployed for purposes of section 407. If any State submits an application under this subsection for the purpose of conducting a demonstration project to test and evaluate the total elimination of the 100-hour rule, the Secretary shall approve at least one such application.

"(B) If any State with an agreement under this subsection so requests, the demonstration project conducted pursuant to such agreement may test and evaluate the complete elimination of the 100-hour rule and of any other durational standard that might be applied in defining unemployment for purposes of determining eligibility under section 407.

"(2) Notwithstanding section 402(a)(1), a demonstration project conducted under this subsection may be conducted in one or more political subdivisions of the State.

"(3) An agreement under this subsection shall be entered into between the Secretary and the State agency designated under section 402(a)(3). Such agreement shall provide for the payment of aid under the applicable State plan under part A of title IV as though section 407 had been modified to reflect the definition of unemployment used in the demonstration project but shall also provide that such project shall otherwise be carried out in accordance with all of the requirements and conditions of section 407 (and, except as provided in paragraph (2), any related requirements and conditions under part A of title IV).

"(4) A demonstration project under this subsection may be commenced any time after September 30, 1990, and shall be conducted for such period of time as the agreement with the Secretary may provide, except that, in no event may a demonstration project under this section be conducted after September 30, 1995.

"(5)(A) Any State with an agreement under this subsection shall evaluate the comparative cost and employment effects of the use of the definition of unemployment in its demonstration project under this section by use of experimental and control groups comprised of a random sample of individuals receiving aid under section 407 and shall furnish the Secretary with such information as the Secretary determines to be necessary to evaluate the results of the project conducted by the State.

"(B) The Secretary shall report the results of the demonstration projects conducted under this subsection to the Congress not later than 6 months after all such projects are completed."

SEC. 504. DEMONSTRATION PROJECTS TO ADDRESS CHILD ACCESS PROBLEMS.

(a) In General.--Any State may establish and conduct one or more demonstration projects (in accordance with such terms, conditions, and requirements as the Secretary of Health and Human Services shall prescribe, except that no such project may include the withholding of aid to families with dependent children pending visitation) to develop, improve, or expand activities designed to increase compliance with child access provisions of court orders.

(b) Activities Under Project.--Activities that may be funded by a grant under this section include (whether conducted through the executive, legislative, or judicial branches of the State) the development of systematic procedures for enforcing access provisions of court orders, the establishment of special staffs to deal with and mediate disputes involving access (both before and after a court order has been issued), and the dissemination of information to parents.

(c) Other Requirements.--In the case of any experimental, pilot, or demonstration project undertaken under this section, the project--

(1) must be designed to improve the financial well-being of families with children or otherwise improve the operation of the program or programs involved; and

(2) may not permit modifications in any program which would have the effect of disadvantaging children in need.

(d) Authorization of Appropriations.--For the purpose of making grants to States to assist in financing the projects established under this section, there is authorized to be appropriated not to exceed \$4,000,000 for each of the fiscal years 1990 and 1991.

(e) Report.--Not later than July 1, 1992, the Secretary of Health and Human Services shall submit to the Congress a report on the effectiveness of the demonstration projects established under this section in--

(1) decreasing the time required for the resolution of disputes related to child access,

(2) reducing litigation relating to access disputes, and

(3) improving compliance with court-ordered child support payments.

SEC. 505. DEMONSTRATION PROJECTS TO EXPAND THE NUMBER OF JOB OPPORTUNITIES AVAILABLE TO CERTAIN LOW-INCOME INDIVIDUALS.

(a) In General.--The Secretary of Health and Human Services (in this section referred to as the "Secretary") shall enter into agreements with not less than 5 nor more than 10 nonprofit organizations (including community development corporations) submitting applications under this section for the purpose of conducting demonstration projects in accordance with subsection (b) to create employment opportunities for certain low-income individuals.

(b) Nature of Project.--(1) Each nonprofit organization conducting a demonstration project under this section shall provide technical and financial assistance to private employers in the community to assist them in creating employment and business opportunities for those individuals eligible to participate in the projects as described in this subsection.

(2) For purposes of this section, a nonprofit organization is any organization (including a community development corporation) exempt from taxation under section 501(a) of the Internal Revenue Code of 1986 by reason of paragraph (3) or (4) of section 501(c) of such Code.

(3) A low-income individual eligible to participate in a project conducted under this section is any individual eligible to receive aid to families with dependent children under part A of title IV of the Social Security Act and any other individual whose income level does not exceed 100 percent of the official poverty line as defined by the Office of Management and Budget and revised in accordance with section 673(2) of the Omnibus Budget Reconciliation Act of 1981.

(c) Content of Applications: Selection Priority.--(1) Each nonprofit organization submitting an application under this section shall, as part of such application, describe--

(A) the technical and financial assistance that will be made available under the project conducted under this section;

(B) the geographic area to be served by the project;

(C) the percentage of low-income individuals (as described in subsection (b)) and individuals receiving aid to families with dependent children under title IV of the Social Security Act in the area to be served by the project; and

(D) unemployment rates in the geographic areas to be served and (to the extent practicable) the jobs available and skills necessary to fill those vacancies in such areas.

(2) In approving applications under this section, the Secretary shall give priority to applications proposing to serve those areas containing the highest percentage of individuals receiving aid to families with dependent children under title IV of such Act.

(d) Administration.--Each nonprofit organization participating in a demonstration project conducted under this section shall provide assurances in its agreement with the Secretary that it has or will have a cooperative relationship with the agency responsible for administering the job opportunities and basic skills training program (as provided for under title IV of the Social Security Act) in the area served by the project.

(e) Duration.--Each demonstration project conducted under this section shall be commenced not later than September 30, 1989, and shall be conducted for a 3-year period; except that the Secretary may terminate a project before the end of such period if he determines that the nonprofit organization conducting the project is not in substantial compliance with the terms of the agreement entered into with the Secretary under this section.

(f) Evaluation and Report.--(1) The Secretary shall conduct an evaluation of the success of each demonstration project conducted under this section in creating job opportunities and may require each nonprofit organization conducting such a project to provide the Secretary with such information as the Secretary determines is necessary to prepare the report described in paragraph (2).

(2) Not later than January 1, 1993, the Secretary shall submit to the Congress a report containing a summary of the evaluations conducted under paragraph (1), together with such recommendations as the Secretary determines are appropriate.

(g) Authorization of Appropriations.--For the purpose of making grants to conduct demonstration projects under this section, there is authorized to be appropriated not to exceed \$6,500,000 for each of the fiscal years 1990, 1991, and 1992.

SEC. 506. DEMONSTRATION PROJECTS TO PROVIDE COUNSELING AND SERVICES TO HIGH-RISK TEENAGERS.

(a) Findings and Purpose.--(1) The Congress finds that--

(A) the incidences of teenage pregnancy, suicide, substance abuse, and school dropout are increasing;

(B) research to date has established a link between low self-esteem, perceived limited life options and the risk of teenage pregnancy, suicide, substance abuse, and school dropout;

(C) little data currently exists on how to improve the self-image of and expand the life options available to high-risk teenagers; and

(D) there currently is no Federal program in place to address the unique and significant problems faced by today's teenagers.

(2) It is the purpose of the demonstration projects conducted under this

section to provide programs in which a range of non-academic services (sports, recreation, the arts) and self-image counseling are provided to high-risk teenagers in order to reduce the rates of pregnancy, suicide, substance abuse, and school dropout among such teenagers.

(b) In General.--The Secretary of Health and Human Services (in this section referred to as the "Secretary") shall enter into an agreement with each of 4 States submitting applications under this section for the purpose of conducting demonstration projects in accordance with this section to provide counseling and services to certain high-risk teenagers.

(c) Nature of Project.--Under each demonstration project conducted under this section--

(1) The State shall establish a "Teen Care Plan" that shall consist of the following:

(A) A clearing house where high-risk teenagers will be referred to and encouraged to participate in non-academic activities (arts, recreation, sports) which are already in place in the community.

(B) A survey of the area to be targeted by the project to determine the need to fund and create new non-academic activities in the area.

(C) Counseling services utilizing qualified, locally licensed psychologists, social psychologists, or other mental health professionals or related experts to provide individual and group counseling to participating high-risk teenagers.

(D) A program to provide participants in the project (to the extent practicable) with such transportation, child care, and equipment as is necessary to carry out the purposes of the project.

(2) The State shall designate two geographical areas within the State to be targeted by the project. One area will serve as the "home base" for the project, where services will be concentrated and in which a local school system will be selected to receive services and provide facilities for resource referral and counseling. The second geographical area will serve as a "peripheral" participant, receiving assistance and services from the home base.

(3) A high-risk teenager is any male or female who has reached the age of 10 years and whose age does not exceed 20 years, and who--

(A) has a history of academic problems;

(B) has a history of behavioral problems both in and out of school;

(C) comes from a one-parent household; or

(D) is pregnant or is a mother of a child.

(d) Applications; Selection Criteria.--(1) In selecting States to conduct demonstration projects under this section, the Secretary--

(A) shall consult with the Consortium on Adolescent Pregnancy;

(B) shall consider--

(i) the rate of teenage pregnancy in each State,

(ii) the teenage school dropout rate in each State,

(iii) the incidence of teenage substance abuse in each State, and

(iv) the incidence of teenage suicide in each State; and

(C) shall give priority to States whose applications--

(i) demonstrate a current strong State commitment aimed at reducing teenage pregnancy, suicide, drug abuse, and school dropout;

(ii) contain a "State support agreement" signed by the Governor, the State School Commissioner, the State Department of Human Services, and the State Department of Education, pledging their commitment to the project;

(iii) describe facilities and services to be made available by the State to assist in carrying out the project; and

(iv) indicate a demonstrably high rate of alcoholism among its

SCR

23

SENATE COMMITTEE REPORT

FIRST COMMITTEE OF REFERRAL

Date of 5-DAY NOTICE Waived 2/23/89
IN ACCORDANCE WITH UNIFORM RULE 23

FURTHER

**FISCAL NOTE(S) MUST BE ATTACHED
IN ACCORDANCE WITH AS 24.08.035

DATE TURNED INTO OFFICE 2/24/89

2/23/89

Mr. President:

FINANCE

Committee considered

SCR 23

Health Care Cost Containment Task Force

and recommended:

- replace with CS _____ same title
- attached amendment(s) and new title
- _____ letter of intent adopted

do pass

do not pass

no recommendation

individual recommendations

further referral to _____

FISCAL NOTE(S) attached zero ^{POA}

appropriation no FN attached

fiscal impact ^{SFC:} 3.0 FY89/3.5 FY90

Gov. FN introduced w/ bill

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

[Signature] *DUPRAK*

[Signature] *FRANK*

[Signature] *PEARCE*

[Signature] *SHAROFF*

[Signature] *Chairman signature and recommendation*

Committee backup attached

[Signature] *DO PASS*
in name Birdy

r/o 2-24-90

STATE OF ALASKA
1989 LEGISLATIVE SESSION

BILL VERSION: SCR 23
PUBLISH DATE: _____

FISCAL NOTE

REQUEST: _____

REVISION DATE: _____ AGENCY: Legislative Affairs Agency
TITLE: Relating to a Health Care BRU: Legislative Council
Cost Containment Task Force
SPONSOR: Senate Finance Committee COMPONENTS: Council & Subcommittees
REQUESTOR: _____

EXPENDITURES/REVENUES: (THOUSANDS OF DOLLARS)

	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
OPERATING						
PERS. SERVICES	-0-	-0-	-0-	-0-	-0-	-0-
TRAVEL	-0-	-0-	-0-	-0-	-0-	-0-
CONTRACTUAL	3.0	3.5	-0-	-0-	-0-	-0-
SUPPLIES	-0-	-0-	-0-	-0-	-0-	-0-
EQUIPMENT	-0-	-0-	-0-	-0-	-0-	-0-
LAND/BUILD.	-0-	-0-	-0-	-0-	-0-	-0-
GRANTS/CLAIMS	-0-	-0-	-0-	-0-	-0-	-0-
MISCELLANEOUS	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL	3.0	3.5	-0-	-0-	-0-	-0-
CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
REVENUE	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING: (THOUSANDS OF DOLLARS)

GENERAL FUNDS	3.0	3.5	-0-	-0-	-0-	-0-
FEDERAL FUNDS	-0-	-0-	-0-	-0-	-0-	-0-
OTHER	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL	3.0	3.5	-0-	-0-	-0-	-0-

POSITIONS:

FULL-TIME	-0-	-0-	-0-	-0-	-0-	-0-
PART-TIME	-0-	-0-	-0-	-0-	-0-	-0-
TEMPORARY	-0-	-0-	-0-	-0-	-0-	-0-

ANALYSIS:

PREPARED BY: 
SENATOR RICK UEHLING, CO-CHAIRMAN
SENATE FINANCE COMMITTEE

DATE: February 24, 1989

PHONE No.: 465-4821

R/0 2-24-89

FISCAL NOTE

REQUEST:

Revision Date: _____ Agency Affected: Department of Administration
 Title: A Resolution relating to a Health BRU: Retirement and Benefits
Care Cost Containment Task Force
 Sponsor: Kelly Components: Retirement and Benefits
 Requestor: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	0	0	0	0	0
CAPITAL	0	0	0	0	0	0
REVENUE	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

ANALYSIS: (Attach a separate page if necessary)

This analysis is written with the assumption that the services of the division's independent benefit consultant will not be required.

Prepared By: *M. B. Caughlin* Phone: 465-4470
 Division: Retirement and Benefits Date: 2/24/89

Approved by Commissioner: John M. Andrews Date: 2-24-89
 Agency: Department of Administration

Distribution (by preparer):
 Legislative Finance
 Legislative Sponsor
 Requestor
 Office of Management and Budget
 Impacted Agency(ies)

[Handwritten signature]
 TO: _____

98-45-5 0/9

1 FURTHER RESOLVED that members of the task force shall consist of two
2 members of the Senate, appointed by the President of the Senate, two mem-
3 bers of the House of Representatives, appointed by the Speaker of the House
4 of Representatives, three members representing the executive branch, ap-
5 pointed by the Governor, three members representing unions, one appointed
6 by the President of the Senate, one appointed by the Speaker of the House
7 of Representatives, and one appointed by the Governor; the members of the
8 task force shall select a person to act as chair; and be it

9 FURTHER RESOLVED that the terms of the task force members shall begin
10 immediately, that the task force may meet between sessions of the legisla-
11 ture, and that the task force terminates on January 31, 1990; and be it

12 FURTHER RESOLVED that the task force shall submit a report of its
13 findings and proposed legislation to the Governor and the Legislature by
14 January 31, 1990.

2 S
2 H
3 Gov
3 Unions
10 = Total Bill

2 S
2 H
3 Gov
2 Unions
3 Health Industry
12 = Orig Draft

R/0 2-24-89

Introduced: 2/23/89
Referred: Finance

6-0872A

1 IN THE SENATE BY THE FINANCE COMMITTEE

2 SENATE CONCURRENT RESOLUTION NO. 23

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - FIRST SESSION

5 Relating to a Health Care Cost Contain-
6 ment Task Force.

7 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

8 WHEREAS the state is experiencing rapidly increasing costs for group
9 health insurance coverage; and

10 WHEREAS providing comprehensive group health care at a reasonable cost
11 to state employees is an important concern of the state; and

12 WHEREAS a complete review of the costs of providing group health care
13 insurance is necessary in order to contain or reduce the cost to the state
14 in an era of declining revenues; and

15 WHEREAS after reviewing applicable statutes, and practices of the
16 insurance industry, legislation may be necessary to implement long-range
17 methods to contain or reduce the cost of group health insurance for the
18 state and its political subdivisions;

19 BE IT RESOLVED by the Alaska State Legislature that a Health Care Cost
20 Containment Task Force is established to study state statutes, practices of
21 health insurers, and to determine ways of containing or reducing the cost
22 of group health insurance to the state and its political subdivisions; and
23 be it

24 FURTHER RESOLVED that the task force shall first determine and recom-
25 mend immediate measures necessary to contain or reduce group health care
26 costs in fiscal years 1989 and 1990; and be it

27 FURTHER RESOLVED that the task force will also determine any changes
28 to the statutes appropriate and necessary to contain or reduce group health
29 care costs in the long term; and be it

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2 SENATE CONCURRENT RESOLUTION NO.

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - FIRST SESSION

5 Relating to a Health Care Cost Contain-
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14 in an era of declining revenues; and

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12 members

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4 of Representatives, three members representing the executive branch, ap-
5 pointed by the Governor, two members representing unions, one appointed by
6 the President of the Senate and one appointed by the Speaker of the House
7 of Representatives, two members representing the health industry, appointed
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13 FURTHER RESOLVED that the task force shall submit a report of its
14 findings and proposed legislation to the Governor and the Legislature by
15 January 31, 1990.

3 Gov
3 univ
3 H
3 S
3 Health industry

12 members when resolution introduced

3 Gov
3 univ
2 H
2 S

10 members RO SFCE

Kelly
10-6

FISCAL NOTE

REQUEST:

Revision Date: _____ Affect Agency Legislative Affairs Agency
 Title: Relating to a Health Care Cost BRU: Legislative Council
Containment Task Force.
 Sponsor: Senate Finance Components Council & Subcommittees
 Requestor: Senate Finance

EXPENDITURES/REVENUES: (THOUSANDS OF DOLLARS)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
Personal Services	0	0	0	0	0	0
Travel	7.3	7.3	0	0	0	0
Contractual	3.0 3.5	3.0 3.5	0	0	0	0
Supplies	0	0	0	0	0	0
Equipment	0	0	0	0	0	0
Land & Structures						
Grants, Claims						
Miscellaneous						
TOTAL OPERATING	3.0 10.8	3.0 10.8	0	0	0	0

CAPITAL	0	0	0	0	0	0
---------	---	---	---	---	---	---

REVENUE	0	0	0	0	0	0
---------	---	---	---	---	---	---

FUNDING: (THOUSANDS OF DOLLARS)

General Fund	3.0 10.8	10.8	0	0	0	0
Federal Fund	0	0	0	0	0	0
Other	0	0	0	0	0	0
TOTAL	3.0 10.8	10.8	0	0	0	0

POSITIONS:

Full-Time	0	0	0	0	0	0
Part-Time	0	0	0	0	0	0
Temporary	0	0	0	0	0	0

ANALYSIS: (ATTACH A SEPARATE PAGE IF NECESSARY)

SCR 23 establishes a Health Care Cost Containment Task Force. The Task Force will be composed of 11 members - 4 from the Legislative Branch, 3 from the Executive Branch and 4 public members - 2 representing the health industry and 2 representing unions.

Prepared By: Pamela A. Stoops, Director *Pamela A. Stoops* Phone: 465-3050
 Division: Administrative Services Date: 2/23/89

Approved By: Warren Endicott, Executive Director *Warren Endicott*
 Agency: Legislative Affairs Agency Date: 2/23/89

DISTRIBUTION (BY PREPARER)
 LEGISLATIVE FINANCE
 LEGISLATIVE SPONSOR

REQUESTOR
 OFFICE OF MANAGEMENT & BUDGET
 AGENCY (IES)

CONTINUATION OF FISCAL ANALYSIS
SCR 23

Projected expenses for the Health Care Cost Containment Task Force are as follows:

Personal Services - Staff for the task force will be absorbed within the Executive and Legislative branches existing staff.

Travel -

3 Executive Branch members - absorbed within existing executive branch department budgets

4 Legislative Branch members - absorbed within existing Legislative Operating Budget or Session Expenses budgets

4 public members - paid by Health Care Cost Containment Task Force funds as projected below:

3 trips @\$366 x 4 members	4,392
3 days per diem (\$80/day)	
3 trips x 4 members	<u>2,880</u>
	7,272

Contractual -

Advertising - public notices	2,000
Transcription of meetings	1,000
Printing & binding of report	<u>500</u>
	3,500

Supplies - will come from existing Legislative or Executive branch supplies

Equipment - will come from existing Legislative or Executive branch equipment

SCR

23

HOUSE COMMITTEE REPORT

(11)

Date Referred: March 8, 1989

FURTHER REFERRALS:

Date of Committee Action: 3/8/89

The FINANCE Committee considered:

SCR 23

SENATE CONCURRENT RESOLUTION NO. 23

[HEALTH CARE COST CONTAINMENT TASK FORCE]

Relating to a Health Care Cost Containment Task Force.

RECOMMENDATIONS:

- [] be replaced with _____ [] the same title
- [] have attached amendment(s) [] a new title
- do pass
- [] do not pass
- [] no recommendation
- [] individual recommendations
- [] additional referral to the _____ Committee

ADOPTS: House Finance letter of intent

ATTACHES NEW FISCAL NOTE(s):
(Dept)

APPROVES PREVIOUS:

(Date/Dept)

- [] fiscal impact _____
- [] zero fiscal note _____
- [] zero with analysis _____

- [] fiscal note(s) 2/24/89 Sen. Finance
- [] zero fiscal note(s) _____
- [] zero fn/analysis _____

SIGNING DO PASS:

SIGNING:

(Check approp. column)

[Signature] HOFFMAN
[Signature] LARSON
[Signature] SWACKHAMMER
[Signature] BROWN
[Signature] KOPONEN
[Signature] ULMER
[Signature] BARNES
[Signature] RIEGER

	Do Not Pass	No Rec	Amend
<u>[Signature]</u> SHULTZ			
<u>[Signature]</u> N. R.		<input checked="" type="checkbox"/>	
<u>[Signature]</u> WALLIS		<input checked="" type="checkbox"/>	

[Signature]
 Chairman's signature

STATE OF ALASKA
1989 LEGISLATIVE SESSION

BILL VERSION: SCR 23
PUBLISH DATE: 2/24/89

FISCAL NOTE

REQUEST: _____

REVISION DATE: _____ AGENCY: Legislative Affairs Agency
TITLE: Relating to a Health Care BRU: Legislative Council
Cost Containment Task Force
SPONSOR: Senate Finance Committee COMPONENTS: Council & Subcommittees
REQUESTOR: _____

EXPENDITURES/REVENUES: (THOUSANDS OF DOLLARS)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERS. SERVICES	-0-	-0-	-0-	-0-	-0-	-0-
TRAVEL	-0-	-0-	-0-	-0-	-0-	-0-
CONTRACTUAL	3.0	3.5	-0-	-0-	-0-	-0-
SUPPLIES	-0-	-0-	-0-	-0-	-0-	-0-
EQUIPMENT	-0-	-0-	-0-	-0-	-0-	-0-
LAND/BUILD.	-0-	-0-	-0-	-0-	-0-	-0-
GRANTS/CLAIMS	-0-	-0-	-0-	-0-	-0-	-0-
MISCELLANEOUS	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL	3.0	3.5	-0-	-0-	-0-	-0-
CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
REVENUE	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING: (THOUSANDS OF DOLLARS)

GENERAL FUNDS	3.0	3.5	-0-	-0-	-0-	-0-
FEDERAL FUNDS	-0-	-0-	-0-	-0-	-0-	-0-
OTHER	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL	3.0	3.5	-0-	-0-	-0-	-0-

POSITIONS:

FULL-TIME	-0-	-0-	-0-	-0-	-0-	-0-
PART-TIME	-0-	-0-	-0-	-0-	-0-	-0-
TEMPORARY	-0-	-0-	-0-	-0-	-0-	-0-

ANALYSIS:

PREPARED BY: _____


SENATOR RICK UEHLING, CO-CHAIRMAN
SENATE FINANCE COMMITTEE

DATE: February 24, 1989

PHONE No.: 465-4821



Official Business

Alaska State Legislature

HOUSE OF REPRESENTATIVES

Committee on Finance

P.O. Box V
State Capitol
Juneau, Alaska 99811

HOUSE FINANCE COMMITTEE

LETTER OF INTENT

FOR

SCR 23

IT IS THE INTENT OF THE LEGISLATURE THAT THE HEALTH CARE COST
CONTAINMENT TASK FORCE PRESENT ITS INITIAL RECOMMENDATIONS TO
THE LEGISLATURE NO LATER THAN APRIL 10, 1989.

A handwritten signature in cursive script, reading "Ronald J. Larson".

CO-CHAIRMAN REP. RON LARSON

A handwritten signature in cursive script, reading "Lyman Hoffman".

CO-CHAIRMAN REP. LYMAN HOFFMAN

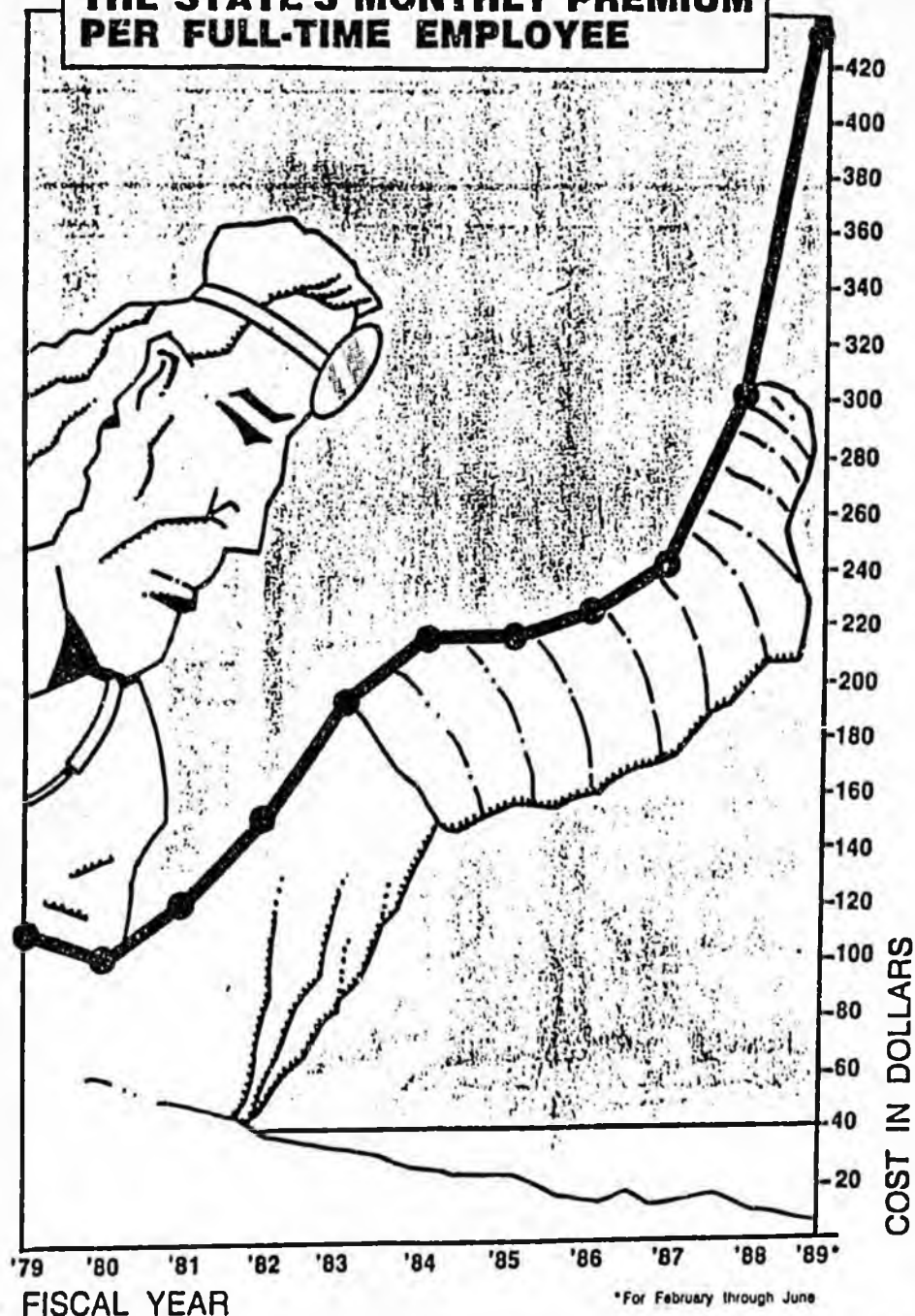
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2 members of the Senate, appointed by the President of the Senate, two mem-
3 bers of the House of Representatives, appointed by the Speaker of the House
4 of Representatives, three members representing the executive branch, ap-
5 pointed by the Governor, three members representing unions; one appointed
6 by the President of the Senate, one appointed by the Speaker of the House
7 of Representatives, and one appointed by the Governor; the members of the
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11 ture, and that the task force terminates on January 31, 1990; and be it

12 FURTHER RESOLVED that the task force shall submit a report of its
13 findings and proposed legislation to the Governor and the Legislature by
14 January 31, 1990.

1 IN THE SENATE BY THE FINANCE COMMITTEE
2 SENATE CONCURRENT RESOLUTION NO. 23
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 SIXTEENTH LEGISLATURE - FIRST SESSION
5 Relating to a Health Care Cost Contain-
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8 WHEREAS the state is experiencing rapidly increasing costs for group
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13 insurance is necessary in order to contain or reduce the cost to the state
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21 health insurers, and to determine ways of containing or reducing the cost
22 of group health insurance to the state and its political subdivisions; and
23 be it
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25 mend immediate measures necessary to contain or reduce group health care
26 costs in fiscal years 1989 and 1990; and be it
27 FURTHER RESOLVED that the task force will also determine any changes
28 to the statutes appropriate and necessary to contain or reduce group health
29 care costs in the long term; and be it

Anch Daily News

**THE STATE'S MONTHLY PREMIUM
PER FULL-TIME EMPLOYEE**


Source: Alaska Department of Labor

Anchorage Daily News/Peter Dunlap-Shohl

State health insurance: \$104 million

Cowper seeks more money for state workers' coverage

By DAVID POSTMAN

Daily News reporter

JUNEAU — State employees' top-of-the-line health insurance policy will cost \$104 million this year, \$20 million more than the state has budgeted to pay for it.

The plan costs the state an average of \$431 a month per employee, 520 percent more than it did a dozen years ago. It covers 90 percent of the costs of everything from plastic surgery to year-long stays in mental hospitals.

"We have the best plan. Everything is covered," said Chuck Taylor, deputy commissioner of the Department of Administration.

Because the policy costs more money than the state has appropriated for it, Gov. Steve Cowper is asking for a special appropriation of about \$20 million to pay for this year's increases. But Cowper, Taylor and legislative leaders say the health coverage may be too expensive for these days of limited money.

The state is locked into the plan through contracts with its labor unions. Those contracts call for the state to provide the same level of coverage even if the costs go up or there is less money to pay for the policy.

"There's not any consideration for what happens in a down economy," Cowper said at last week's budget summit with legislative leaders. "I think it's fair to say that this is just a situation nobody ever anticipated. If everything had kept going up it would have worked just fine."

But as costs skyrocketed, state income dropped and the state is now stuck with a boom-time health plan.

All full-time employees, including legislators, are

Please see Back Page, INSURANCE

INSURANCE: For state workers

Continued from Page A-1

covered by the policy at no cost. Part-time employees can buy into the plan at about half the state's cost, according to Taylor.

Under the policy, Taylor said:

- 90 percent of all medical costs are paid. Only 8 percent of public employee insurance policies in the country have 90 percent coverage.

- 100 percent of the premium for dependent coverage is paid. Alaska is one of 12 states with that provision.

- State employees have a \$100 deductible and pay less out-of-pocket medical expenses than all but 3 percent of public employees nationwide.

As medical costs have gone up, so have insurance costs. But Alaska's public employees' plan, issued by Aetna Life Insurance Company, has also gotten more expensive because of its extremely liberal terms and because people are going to the doctor a lot more often, according to Taylor.

The biggest increases have been for chiropractic care and psychiatric and substance abuse treatment, according to a survey of state employee insurance claims filed during the past two years. Charges for chiropractic care went up 27 percent in the past year. But that is not due so much to higher costs as it is to people going to the chiropractor more often.

State figures show employees visited chiropractors 25 percent more often in the past year.

A Juneau chiropractic clinic, Davis Valley Chiropractic, is No. 9 on the list of payments made to doctors and clinics, receiving \$315,620 from Aetna.

Treatment for mental ill-

ness and substance abuse accounts for 40 percent of all hospital stays paid for by the plan. For Aetna's other Alaska insurance policy holders, mental illness and substance abuse accounted for just 16 percent of all hospital stays.

And the state pays for people to go to whatever hospital they want and to stay as long as they want. Five of the 14 most expensive hospital stays paid for from July 1986 to June 1987 were for mental disorders. One 16-year-old boy, the son of a state worker, spent more than a year in Camelback Hospital in Phoenix, Ariz., at a cost of \$131,000, for neurotic depression. Another 15-year-old spent 350 days at the same hospital for what insurance records show as "childhood mental disorders."

Charter North Hospital, which specializes in mental illness and substance abuse treatment, had the highest charges per hospital admission of any hospital used by state employees last year. Charter North charged an average of \$15,441 per admission compared to Providence Hospital at \$6,115 and Humana Hospital-Alaska at \$5,487.

Taylor said some of the high costs of treatment for mental illness and substance abuse are due to high alcoholism and divorce rates in Alaska and the fact that many people do not have family here and more readily turn to professionals for help.

"It's also my opinion that you are seeing the impact of television advertising," Taylor said. "Turn on the tube and what do you see, 'Problems with your kid? Send them here. Cocaine problems, come see us.'"

Taylor also said the rise

in chiropractic costs might also be attributed to heavy television advertising.

Whatever the reason, state leaders say something must be done to at least slow the rising costs. But since the insurance is part of union contracts, there is little that can be done.

Any change would have to be negotiated with the unions or the legislature would have to amend state labor relation laws to allow Cowper to make changes in the benefit package.

Cowper, House Speaker Sam Cotten and Senate President Tim Kelly agree they will "take a look at" the benefit package, but because of the contract requirements they stop short of saying they will take action to cut the plan.

"If something was to appear before us magically maybe we could take a look at it," Kelly said at last week's budget summit.

But this week Kelly said in an interview that the costs were clearly out of control.

He said it is unfair to the Alaskans that do not share in the plan to keep paying out more and more money to insure state employees. "It comes down to creating an elite class of people who are living better than the people they are working for."

Cotten said that to balance next year's budget it might be necessary to cut services, raise some taxes and repeal an oil-company tax break, and that state employees should not be exempt from taking a hit, too.

But even with changes this year, the cost of the plan will keep going up, according to Taylor. "If I cut the plan and contain costs, I still have to deal with 20 and 30 percent increases each year."

BUSINESS

SUNDAY
SECTION B Jan. 22, 1989

Health insurance costs rise feverishly

Workers at a loss as employers cut back on benefits

By HAL BERNTON
Daily News reporter

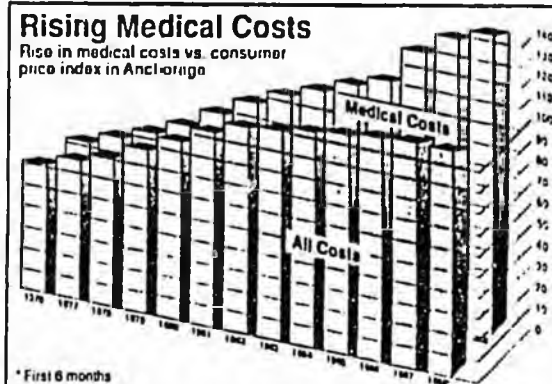
Lester Snow has worked as an Alaska disc jockey for 19 years, and one benefit he always counted on was health insurance. That meant a lot to Snow because his wife, Jennifer, has a serious heart condition that requires medication and close monitoring.

Then last February, Snow got bad news from his employer, Sourdough Broadcasters Inc. Owner Patty Harpel said she couldn't afford the 70 percent price increase demanded by the company's insurer, and couldn't find a cheaper alternative. Group insurance for the station's 15 employees would be dropped.

Snow fell back on a Veterans Administration policy to cover his own ailments but he also needed a family policy for his wife and two teen-age children. He found Jennifer's heart condition drove the cost of that policy out of sight. "My family has nothing," Snow says. "If we have a stroke or heart incident or ill-



Disc jockey Lester Snow was left scrambling when his employer was forced to drop health benefits for employees.



100 percent, according to brokers Walt Baldwin, Bill Purrington and Dave Stratton.

Those rate increases have pushed the cost of many Alaska policies far above the national average. For an Alaska Railroad union worker and family, for example, the total cost of annual insurance is \$5,845, more than double the national average.

In years past, employees tried to dodge rate increases by changing to another insurer. But this year, the market's tightened and finding another insurer is much harder to do, says Baldwin.

Employee exams often are required before new insurers agree to write the policies, and if they don't like what they find they back away or refuse to insure already existing conditions.

The cost of individual policies — a fall back for those whose employers don't offer insurance — also is soaring. Blue Cross of Washington and Alaska, a major state insurer, is seeking an average 70 percent

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Snow is experiencing the harsh edge of a new Alaska business trend — the slashing of employee health-care benefits.

Throughout the state — and particularly in Anchorage — employers already reeling from several years of recession are being shell-shocked by huge annual increases in the cost of health-care benefits.

They're responding by cutting back on these benefits and forcing employees to share more of the costs, and in some cases dropping such coverage altogether. And they're joining a debate already in progress among insurers, those who offer medical services and state officials about why rates are skyrocketing and just what can be done to control them.

Often hit hardest by increases are small employers already operating on thin profit margins.



Disc Jockey Lester Snow was left scrambling when his employer was forced to drop health benefits for employees.

"You just don't get good rates if you have anyone with medical problems," says Harpel, the station manager. "And you never know how long you will be able to keep a policy before it's canceled and you're out on the big wide ocean looking for another lifesaver."

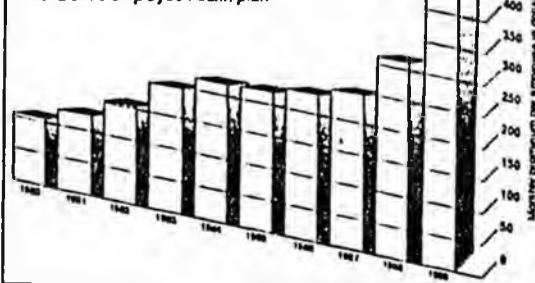
A state survey estimated that 40,000 working Alaskans and their dependents lack any type of health insurance — either from private or public sources.

The state's shrinking health-care coverage represents a sharp reversal from the boom years of the early '80s, when Alaska employers — both public and private — developed some of the nation's best health benefits to help recruit workers from the Lower 48. Many policies were what insurance agents call "caddillacs," featuring minimal out-of-the-pocket expenses for employees.

But many of the "caddillacs" are turning into hum-

Growth in State Insurance Bill

Alaska state employee health plan



Anchorage Daily News charts Ron Engstrom

ble Fords and Chevs, or worse, as employers struggle to cope with the rising insurance costs. That has made health insurance a major issue in state, municipal and private sector union negotiations, and in Juneau, where politicians already have drafted bills to create a new state health insurance corporation.

"It's a serious problem, and one that we're going to face for the rest of our

lives," says Bill Quinn, a union leader who serves on an Alaska Railroad Corp. health insurance committee. "Those of us in the baby boom may not be faced with what kind of health insurance we want when we retire, but whether we'll be able to afford it."

The Alaska health-care inflation parallels a nationwide surge in benefit costs, but premium inflation here

appears to be particularly acute.

Three nationwide surveys reported by Business Insurance, The Wall Street Journal and Health Week cited average 1989 increases of 11 to 25 percent for group health plans.

In Alaska, a few companies contacted by the Daily News report they've managed to hold the line on health costs. Alaska Commercial Co., for example, an Anchorage-based merchandising chain employing 450 people, this year reports no increase in its policy premium.

"We manage the benefits very carefully," says Sam Salkin, Alaska Commercial's president. "We have (medical) authorization procedures, second opinions."

But Alaska Commercial is the exception, not the norm.

Three major Alaska insurance brokers indicated average 1989 increases of 30 to 60 percent are the norm.

And some increases top

Those rate increases have pushed the cost of many Alaska policies far above the national average. For an Alaska Railroad union worker and family, for example, the total cost of annual insurance is \$5,815, more than double the national average.

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Employee exams often are required before new insurers agree to write the policies, and if they don't like what they find, then they back away or refuse to insure already existing conditions.

The cost of individual policies — a fall-back for those whose employers don't offer insurance — also is soaring. Blue Cross of Washington and Alaska, a major state insurer, is seeking an average 70 percent jump in the cost of individual insurance policies.

"The point is not just that it's expensive, but whether it will even be available," said Paul Roller, director of the state Division of Insurance. "People just cannot afford those rates."

The debate over Alaska's rising health costs is often dominated by discord.

Doctors say their Alaska costs are high, because overhead is much higher, and they point the finger at insurance companies.

"I think a lot of the problems, from the physician's perspective, are generated by the insurance companies," says Richard Neubauer, an Anchorage internist. "They set up a lot of obstacles for prompt payment of bills, and maximize the amount of paperwork."

Please see Page B-3. HEALTH

Harvard MBAs take ethics to heart

By PAUL WILKES
The New York Times

BOSTON — At the Harvard Business School earlier this year, a group of students gath-



"I have to agree. This is a business decision, pure and simple. We're paid to make the most profit possible. When you start getting into sociology and all that, you lose sight of what job you're supposed to do."

Office space market closes in on recovery

The latest office space market study documents the



HEALTH INSURANCE: Employers cut benefits in face of rising costs

Continued from Page B-1

"They set up quality insurance programs, review types of things, and call for justification."

Broker Purrington accuses Blue Cross, a major — and non-profit — Alaska insurer, of predatory pricing — cutting rates when major competition shows up, then jacking them up once that competition's gone. In 1955, for example, Blue Cross cut many of its group rates to help fend off an unsuccessful attempt by Humana Care Plus to grab a piece of the Alaska market.

Stephen Clark, executive vice president of Blue Cross, says the problem doesn't lie with the insurance companies. He says Alaska doctors and hospitals charge much more than in the Lower 48, and their company just passes through the ever-inflating costs. Alaska laboratory tests, for example, averaged 77 percent higher in Alaska than Washington, according to Blue Cross data.

"If we are to contain the excessive costs of health care in Alaska, we've got to work in unison with the physicians, hospitals, employers and individual subscribers," Clark says.

State officials don't keep detailed financial data on all of the more than 30 insurers selling health insurance in Alaska. But they do monitor Blue Cross, due to its special status as a non-profit medical service corporation. And in 1987, the last year in which financial information is available, state records indicate Blue Cross roughly broke even in Alaska, paying out \$51 million in claims and administrative costs and taking in the same amount in premiums.

Aetna Life & Casualty, in a report to a state task force, indicated that since 1985, the insurance plan covering state employees lost more than \$10 million.

State insurance division officials cite several major national trends forming up the cost of Alaska health insurance. They include:

- The use of ever-more-costly technology to examine, treat and prolong the life of patients, including victims of AIDS and other terminally ill patients.

- "Our society hasn't reached the point yet where we say we can't afford to absorb the cost of a heart transplant for a 65-year-old guy who's been smoking six packs of cigarettes in his life," says Warren Dvorak, benefits manager for the Anchorage School District.

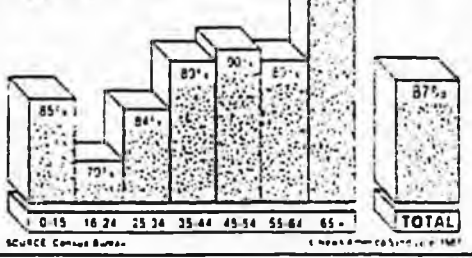
- Increased salaries to help hospitals and other institutions deal with an ever more severe shortage of nurses and other medical personnel.

- Cost shifting. As the federal government cuts

Most Americans have health insurance

Most Americans — 87 percent — have private or government health insurance. By age group, 99 percent of those 65 years and older are covered, compared to 79 percent of those aged 14-24 years.

AMERICANS COVERED BY HEALTH INSURANCE
By age group, in percent



back on Medicare and other medical payments, hospitals are trying to compensate by raising rates for patients with private insurance.

Recent federal laws requiring employers to extend temporary health benefits to former employees and full benefits to some seasonal and temporary employees.

Regional trends also fuel the inflation, according to the state insurance division, industry officials, and a draft report of the Governor's Interim Commission on Health Care.

Huge increases in the cost of Alaska malpractice insurance — both for doctors and hospitals — have been passed on to health care consumers. And the threat of damage suits has prompted more defensive medicine. Doctors order additional, at times unnecessary, tests and exams to help protect them from patients who might later decide to sue.

With the past three years, a major increase in the use of an ever-expanding array of Alaska health care services. Last year, for example, Charter North Medical Corp. opened an expensive new facility for in-patient treatment of disturbed children. That prompted a more than doubling of admissions from state employees and their families. And hospital charges to the state's insurance program soared from \$320,446 in fiscal year 1987 to \$1.2 million in fiscal year 1988.

The increased use, industry officials say, also results from skittish workers who — in a down economy — fear for job security, and want to make sure any health problems are dealt with while they still have coverage.

The sagging economy also has caused a big increase in free medicine by the hospitals. Within the past three years, Providence Hospital's unreimbursed medical services jumped from \$7 mil-

lion to \$17 million. During that same time period, Humana's jumped from \$5 million to \$12 million, the hospitals say.

That tends to drive up the cost of services for those who can afford to pay, state officials say.

In the Lower 48, the struggle to gain control of health care costs — and often intense competition for patient dollars — has triggered a revolution in health care delivery. In many major urban areas, employers can choose from a wide range of programs, such as pre-paid health-care plans in which doctors and hospitals guarantee services for a fixed fee. Other programs involve doctors and hospitals who team up to offer employers discount services in exchange for large volumes of business.

In the health-care industry, such programs are known as "managed care," and many view them as the wave of the future.

"An increasingly high percentage of people who are insured receive some sort of managed care," says Doug Hastings, a Washington, D.C., attorney specializing in hospital and health care issues. "And most experts predict that growth will continue."

But in Alaska, such programs are in their infancy. That's due, in part, to the state's isolation and sparse population, which make it difficult to organize large-volume health care programs profitably.

Another obstacle to their development is the state's doctors, many of whom view such programs with distrust and outright hostility. "I'm extremely happy that those things have not come here,"

"You just don't get good rates if you have anyone with medical problems. And you never know how long you will be able to keep a policy before it's canceled."

— Patty Harpel

said Neubauer, the internist. "... Maybe the cost of insurance will go down, but so will the quality of care and I'm not sure it's worth it."

Neubauer said the managed care systems tend to screen out those who are really sick, since they may need lots of expensive treatment that will cut away the profits from a pre-paid or discount plan.

Other Alaska doctors say managed care means more insurance company bureaucracy and inferior care for everyone: Doctors withholding treatment for fear the next test — or the next operation — will erode the profit from a pre-determined fee.

Insurance companies disagree and are frustrated by the Alaska doctors' reluctance to embrace the new systems. "You're opening a very interesting and very sensitive area," says Robert Simons, a physician employed as Aetna's medical director. Simons said he sent letters to state physicians asking them to join in new managed care program with Aetna, and found "no real interest."

Blue Cross says it will attempt to impose health-care management on physicians by drafting new discount policies that only reimburse patients for the average cost of a physician's service. The average broken arm, for example, costs \$67 to set in Alaska, but some doctors charge \$150.

If a doctor's cost is way over the average — and there are no special complications to justify that, then the new policy would prod the patient to a cheaper doctor, said Clark, the Blue Cross vice president.

Aetna and Blue Cross have had more success dealing with hospitals.

Aetna has convinced Humana to offer a 30 percent discount in services, according to Simons, in return for helping fill the hospital's beds with a steady stream of its insured.

Blue Cross has teamed up with Providence in a similar program. And Providence recently struck out on its own to offer such discounts directly to Alyeska Pipeline Service Co. and several oth-

er large employers.

The employers who purchase such discounted services use an economic hammer to insure their employees go to the right hospital. Employees pay a low deductible if they attend the preferred hospital, a much higher deductible if they attend the competition.

Such plans were first introduced to Anchorage in the mid '80s, and as rates rise, their appeal grows, both to employers and employees.

The Alaska Railroad, for example, after months of tough bargaining reached a 1987 union agreement that included a three-year freeze on employer payments toward health benefits. At the time, it looked like a good settlement because those payments covered all the costs of a gill-edged medical plan jointly insured through the railroad and Aetna.

But last year, Aetna hit the railroad with a 40 percent rate increase for the standard plan. Then they offered a more modest alternative, a 14 percent rate increase for those employees who would join a "preferred hospital" plan with Humana.

Under that plan, employees who chose Providence would have to pocket 40 percent — rather than the standard 20 percent — of initial hospital costs.

Other cost management efforts included insurance company approval of non-emergency surgery and a financial penalty for not obtaining a second opinion on prospective surgery.

Non-union railroad employees chose to sign up for the preferred plan, but union workers opted against it. Then this year, facing another 32 percent increase, the unions decided to go with the preferred option.

Even with the preferred plan, the new insurance doesn't come cheap. A family policy will cost each union member \$2,049 out of pocket.

Quinn, the union leader, said he's talked with the rank and file about cutting benefits to try to bring that expense down farther. But for the moment, his members say no. "The employees still want the plan they have. They aren't willing to downscale it — yet."

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New Year's Clearance

Christmas sales have dropped off, and our year-end inventories are far too high! To reduce our stock we've drastically cut prices on all popular computer systems. All units must go, but prices are limited to stock on hand. save now during the largest inventory clearance in our his

Lawmakers investigate health costs

Insurance will rise 43% this year

By BRIAN S. AKRE

The Associated Press

JUNEAU — Lawmakers are rushing to form a task

force to recommend solutions to a politically thorny problem: how the state can slow the sharp rise in its employee health-insurance costs.

The state's bill for employee health insurance will rise about 43 percent this year, to \$104 million. The legislature will be asked to approve a \$15.5 million supplemental appropriation to cover the increase. Next year's budget is expected to include an additional \$17.5 million to cover anticipated increases in the coming year.

"Without action, this cost



Duncan



Uehling

is expected to continue to grow at a rate of 20 percent a year," Senate President Tim Kelly said.

Sen. Jim Duncan, D-Juneau, said he could think of no other major part of the budget that has risen so dramatically. "It's a problem that just can't wait," he said.

The Senate Finance Committee on Friday approved a resolution to create the Health Care Cost Containment Task Force to look into the problem.

The task force initially would be charged with recommending immediate measures to reduce health insurance costs next year without reducing benefits. There are several such measures that could be taken outside the legislative and union bargaining processes, Duncan said.

The state is obligated to provide a high level of health-care benefits through

HEALTH: Lawmakers look at costs

Continued from Page E-1

its contracts with the employees' unions. Any proposals to cut benefits would have to be negotiated.

Members of the task force would include three executive branch representatives appointed by the governor, two senators, two House members, two union representatives and two health industry representatives.

The resolution goes to the Senate Rules Committee before referral to the full Senate. Sen. Rick Uehling, R-Anchorage, said he expects the Senate to vote on the resolution this week.

The state health-insurance plan costs an average of \$431 a month per employee, and it covers 90 percent of the costs of a wide range of medical procedures.

All full-time state employees, including legislators, are covered by the plan free of charge. Dependent coverage is fully paid by the state, and the plan has a \$100 deductible.

At a recent "budget summit" between Gov. Steve Cowper and legislators, Kelly said the plan's costs have gone out of control. While private employers have had to cut back on coverage or force employees

to pay a greater share, the state continues to absorb the increases, the Anchorage Republican said.

Lawmakers said the idea behind the task force is to bring together everyone involved to work out savings that will help balance the state budget.

"I think if we can get everybody working together, and the people understand the legislature is serious about stopping this cost increase, that we can come up with some short-term cost savings," Uehling said.

"This is not a problem unique to Alaska," Duncan said. "It's not the employees' fault that the costs are going up. It's not the unions' fault. It's a national problem."

The task force probably will hire a consultant to study the health-insurance plan and recommend within 45 days what actions can be taken, Uehling said.

Steps that have been discussed informally include requiring second opinions on surgery, encouraging outpatient rather than inpatient surgery, and increased case review, Duncan said.

Duncan estimated such steps could immediately save the state 10 percent to 12 percent in premium costs.

Please see Page E-2, HEALTH

A POSITION OF UNIFIED ALASKA LABOR

We in Alaska Unified Labor are ready to meet the challenge and encourage a proactive joint resolution to the many problems facing our State. These are times that call for a sprit of cooperation among the people of Alaska to build a stable diversified economy and provide for a resonable standard of living for Alaskan families. This is not a time to diminish support or blame working people for rising costs of health and other essential family benefits.

Unified Alaska Labor has reviewed Governor Cowper's proposal on "Dispute Resolution for Public Employees". Following that review it is evident that the proposed legislation is counterproductive to effective labor/management relations in the public sector in our state. It appears the Administration's approach to dealing with the State's fiscal challenge is misdirected toward changing the process by which sound labor/management relations within the public sector have been conducted for some twenty five years. The proposal prematurely raises undue controversy on issues currently before the State Supreme Court and on close examination would all but destroy public sector collective bargaining within our State.

The proposal removes the "collective" from collective bargaining. Solutions to escalating costs are not found by granting either party in the bargaining process unilateral authority to determine terms of an agreement. Moreover, weakening existing binding arbitration or creating a process that could in all probability negate good faith contract bargaining of both parties with "last and final" (versus "last and best") is absolutely not an acceptable approach.

Escalating costs in health care are not unique to our state. Labor and management working jointly can make substantial progress in the area of cost containment and raise user responsibility awareness without impacting the collective bargaining process. Labor representatives who serve as trustees on Taft-Hartly (private sector) benefit trusts have extensive experience in management of health benefit plans within our State and stand ready to enter into a process with the Legislative and Executive Branch of State Government to develop joint short term solutions and long range strategy to address this and other issues that impact the fiscal integrity of our economy.

Unified Alaska Labor supports the proposal of establishment of a Joint Committee on Cost Containment that does not interfere with the collective bargaining process with representatives of Labor, Management and Legislative Leaders working in unison for solutions to the rising costs of medical benefits for Alaskan families.

SCR

244

SENATE COMMITTEE REPORT

FURTHER

3/30/89

DATE TURNED INTO OFFICE _____

Mr. President:

_____ Finance _____ Committee considered _____ SCR 24 _____

state's Russian Orthodox churches

and recommended

- replace with _____ CS _____) same title
- or adopt _____ CS _____) new title
- attached amendment(s) and technical title change (HB only)
- _____ letter of intent adopted

do pass

do not pass

no recommendation

individual recommendations

further referral to _____

FISCAL NOTE(S) zero fiscal impact appropriation no FN
 new updated previous
 same as previous fiscal note(s) published _____

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

Chairman signature and recommendation

Committee Backup attached

SENATE COMMITTEE REPORT

FIRST COMMITTEE OF REFERRAL

Date of 5-DAY NOTICE
IN ACCORDANCE WITH UNIFORM RULE 23

**FISCAL NOTE(S) MUST BE ATTACHED
IN ACCORDANCE WITH AS 24.08.035

3/8/89
Mr. President:

FURTHER

DATE TURNED INTO OFFICE 3/29/89

SCR 24

Resources Committee considered

relating to the
state's Russian Orthodox churches

and recommended:

replace with CS SCR 24 (Resources) same title

attached amendment(s) and 0

_____ letter of intent adopted

do pass

do not pass

no recommendation

individual recommendations

further referral to FINANCE ~~per attached letter~~

FISCAL NOTE(S) attached zero
 appropriation no FN attached

fiscal impact
 Gov. FN introduced w/ bill

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

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note

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Chairman signature and recommendation

Committee backup attached

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Introduced: 3/30/89
Referred: Finance

6-0910E

Original sponsors: Faiks, Zharoff,
Sturgulewski, and Kelly

1 IN THE SENATE BY THE RESOURCES COMMITTEE
2 CS FOR SENATE CONCURRENT RESOLUTION NO. 24 (Resources)
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 SIXTEENTH LEGISLATURE - FIRST SESSION

5 Relating to the state's Russian Orthodox
6 churches.

7 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

8 WHEREAS the history of the state has been enriched by the contribu-
9 tions of its early Russian settlers; and

10 WHEREAS the state's Russian Orthodox churches and the cathedrals at
11 Unalaska and Sitka represent the Russian Heritage that is today reflected
12 in the religion and traditions of many of the state's Native people; and

13 WHEREAS Unalaska's Holy Ascension Russian Orthodox Church, portions of
14 which may date from 1826, has a rich collection of icons, which are reli-
15 gious objects executed in the Russian Orthodox style, books, and other
16 artifacts that convey the craftsmanship and artistry of the Aleut and
17 Russian people; and

18 WHEREAS in 1970 the United States Secretary of the Interior designated
19 Holy Ascension Russian Orthodox Church as a national historic landmark
20 because of its exceptional value to our nation's history; and

21 WHEREAS the long-term preservation of the church and the valuable
22 artifacts that it contains is being jeopardized by the serious deterio-
23 ration of the church, thus endangering one of the most significant col-
24 lections of Russian Orthodox art in the state; and

25 WHEREAS it is important that steps be taken to preserve our history
26 and to ensure that future generations can benefit from the rich cultural
27 and religious contributions of Russia; and

28 WHEREAS the Alaska Regional Office of the United States National Park
29 Service, which is preparing an historic American building survey, and the
S

1 Icon Preservation Task Force have expressed an interest in participating
2 with the state in compiling an inventory and documentation of the Russian
3 Orthodox churches in the state;

4 BE IT RESOLVED that the Alaska State Legislature requests the Governor
5 and the state office of history and archeology to inventory and document
6 the art and architecture of the state's Russian Orthodox churches listed in
7 the National Register of Historic Places including, in particular, the Holy
8 Ascension Russian Orthodox Church in Unalaska.

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BY FAIKS, ZHAROFF,
STURGULEWSKI AND
KELLY

1 IN THE SENATE

2 SENATE CONCURRENT RESOLUTION NO. 24

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - FIRST SESSION

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Alaska State Legislature

Senate Resources Committee

Senator Bettye Fahrenkamp, Chairman

Senator Jay Kerttula, Vice Chairman
Senator Dick Eliason
Senator Steve Frank
Senator Rick Halford
Senator Arliss Sturgulewski
Senator Fred Zharoff



P.O. Box V
Juneau, Alaska 99811
(907) 465-4907

March 29, 1989

Senator Tim Kelly,
Senate President
Capitol 111
Juneau, Alaska 99811

Dear Senator Kelly:

The Senate Resources Committee, in considering SCR 24, Relating to the state's Russian Orthodox churches, received a fiscal note of \$41,500 from the Department of Natural Resources to inventory and document the art and architecture of the state's Russian Orthodox churches.

Because of the fiscal impact, the committee recommended that the resolution receive an additional referral to the Finance Committee. The committee was also concerned that the proposed funding would only be sufficient to inventory churches at St. George and St. Paul, while the resolution calls for documentation of all of the state's Russian Orthodox churches listed in the National Register of Historic Places.

Thank you for your consideration.

Sincerely,

A handwritten signature in cursive script that reads "Bettye".

Bettye Fahrenkamp
Chairman

BF:dc.dnr



SENATOR FRED F. ZHAROFF
ALASKA STATE LEGISLATURE

P.O. BOX 405, KODIAK, ALASKA 99615 (907) 486-5259
DURING SESSION:
P.O. BOX V, JUNEAU, ALASKA 99811 • (907) 485-3473 • 485-3474

APR 3 1989

DISTRICT N

ALASKA PENINSULA • ALEUTIAN CHAIN • BRISTOL BAY • KODIAK ISLAND • LAKE CLARK/LAKE ILIAMNA • PRIBILOF ISLANDS • SHUMAGIN ISLANDS

MARCH 31, 1989

MEMORANDUM

TO: SENATOR JOHNE BINKLEY, Chair, Senate Finance Committee
SENATOR RICK UEHLING, Co-Chair, Senate Finance Committee

FROM: SENATOR FRED F. ZHAROFF 

RE: SCR 24

I respectfully request a committee hearing on the Resources Committee Substitute for Senate Concurrent Resolution 24, relating to the state's Russian Orthodox churches.

CS for SCR 24 requests the Governor and the State Office of History and Archeology to inventory and document the art and architecture of the state's Russian Orthodox churches listed in the National Register of Historic Places. This measure also specifically requests that the Church of the Holy Ascension in Unalaska be surveyed.

To show the exact costs of this project, Senator Jan Faiks has requested a fiscal note from the Department of Natural Resources based on the budget proposal provided by the Icon Preservation Task Force. The amount shown in this fiscal note covers both the church in Unalaska as well as 19 others across the state that have a priority listing among the state's 48 historical churches.

There was some question in the minds of the Resources Committee members as to the relationship of the budget items to the intent of the resolution. The budget proposal has since been simplified and revised to more explicitly reflect the costs of the two-pronged project. A new fiscal note has also been requested to show the changes.

Next year, many communities will be commemorating the advent of the Russian Era in our state. These historical Russian Orthodox churches are one of the major legacies of the Russian occupation. As such they are deserving of some much needed attention, particularly documentation and renovation. This resolution is a step in that direction.

I would greatly appreciate a hearing on this resolution at your earliest convenience. Thank you for your consideration.

cc: Senator Faiks, Senator Sturgulewski, Senator Kelly, Senator Eliason

BACK GROUND INFORMATION

RECEIVED MAR 24 1989

ICON PRESERVATION TASK FORCE
c/o Alaska Pacific University
Anchorage, Alaska 99508

March 20, 1989

Senator Fred F. Zharoff
Alaska State Legislature
P.O. Box V,
Juneau, Alaska 99811

RE: Senate Concurrent Resolution 24

Dear Senator Zharoff,

Please accept this letter in full support of Senate Concurrent Resolution No. 24. Your efforts and those of your cosponsors in the introduction of SCR 24 are important first steps towards the inventory and preservation of the unique historic architecture and art of the Russian heritage in Alaska.

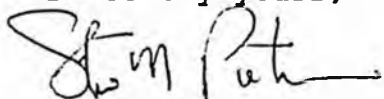
As you know, the Icon Preservation Task Force (IPTF) is a secular group organized in the spring of 1986 dedicated towards the inventory, preservation and restoration of the architecture and art of the Russian culture in Alaska. It is the belief of the IPTF that this heritage resource is significant to all people of Alaska and to the nation as a whole.

IPTF efforts to this point have focused upon the inventory of the orthodox churches and the art within. The inventories complement the architectural drawings and building condition assessments that have typically been prepared by the National Park Service. The end product is a comprehensive record and priority of preservation needs for each property. Additional scheduled inventory work will be undertaken in 1989 in the Pribilof islands as part of a cultural exchange with the Soviet Union. Support for our efforts has come from many sources, both private and governmental. The IPTF believes that if we are prudent and can all pull towards a common goal of inventory and preservation we can make a significant dent in the preservation of this heritage resource. The IPTF wishes to work with the State of Alaska and serve as a catalyst in this effort.

I have enclosed for your information a copy of our latest newsletter, The Icon News. If we can be of any further assistance to you please contact Barbara Smith at 343-6179 or Steven Peterson at 257-2667 (2900 Wentworth, Anchorage, AK 99508).

SCR 24 is a worthy beginning in the identification and preservation of a heritage resource which is important to all Alaskan's. We thank you for your assistance and support.

Sincerely yours,

A handwritten signature in cursive script, appearing to read "Steven M. Peterson".

Steven M Peterson
Chairman, IPTF

ICON NEWS

Published by the Icon Preservation Task Force
c/o Alaska Pacific University
Anchorage, AK 99508

Newsletter #2, March 1989



ICON PANEL AT ANNUAL MEETING

Three contemporary icon painters of the Anchorage area will be the guest speakers at the second annual meeting of the Icon Preservation Task Force. The panel discussion, "Icon Perspectives," will be held in the Conference Room, ground floor of the Z. J. Loussac Library, at 7:30 p.m., Tuesday, March 21.

Byron Birdsall, a contemporary interpreter of the icon tradition, and two local church iconographers will discuss the challenge of painting icons in the 1980s. Ron Rollins, iconographer at Holy Transfiguration Greek Orthodox Church in Anchorage, and Robin Armstrong of St. John the Evangelist Antiochian Orthodox Cathedral in Chugiak will join Birdsall. Each of the speakers will present slides of their work.

Rollins paints in a traditional style using tempera on wood. Armstrong recently attended a workshop in Pennsylvania on iconography sponsored by the St. John of Damascus Iconographic Society. She will report on new thinking about interpreting the ancient forms.

Birdsall, a commercial artist, began painting icons two years ago. His interpretations of some of the world's most famous icons, rendered in nontraditional media, have been a spectacular success in art galleries in Anchorage and Seattle.

An original painting of Alaska's four Orthodox Saints, presented by Birdsall as a gift to St. Innocent Orthodox Cathedral in Anchorage, was blessed by Bishop Gregory and consecrated as an icon in services at the cathedral a year ago. Offset prints of this icon are being sold by the cathedral and Artique, Ltd., with proceeds to benefit the construction fund

of the cathedral.

Birdsall is offering one of these prints to the Task Force for a membership drawing (see story on page 4.)

The panel discussion will be preceded by the annual business meeting of the Task Force, including a report on an inventory of the icons and liturgical furnishings of the Church of the Holy Assumption in Kenai.

Future projects, including an international exchange with Soviet architectural historians, will be described.

The public is invited to this event. There is no charge.

NATIONAL PARK SUPPORT

The National Park Service has been active in its support of the IPTF during the past year. Cooperative efforts will continue during the coming summer when the NPS will conduct building condition assessments and architecture documentation of the churches at St. Paul and St. George in the Pribilof Islands. Both churches are National Historic Landmarks. Soviet architects will assist as part of an international cultural exchange between the USA and the USSR.

If the IPTF can find additional funds, the architectural documentation project will be supplemented with the inventory and documentation of the icons and objects in these churches. It is our hope that by the end of the summer we will have completed the inventory of three National Historic Landmarks.

REMEMBER
OUR ANNUAL
MEETING

March 21

7:30 p.m.

Loussac Library

Conference Room

Everyone Invited

YEARLY REPORT

This past year has been a busy one indeed. We have been actively pursuing our goals to inventory and document the icons and the architecture of the historic Orthodox churches on several fronts. We have had discussions with state and federal agencies, representatives of private foundations, and Native corporations.

These efforts combined with the continued dialogue between the IPTF and the Orthodox Church in Alaska have allowed us to move forward in a positive manner. With each discussion of the project, enthusiasm builds. We are excited about our progress in 1988.

Kenai Inventory Completed

In April, the IPTF coordinated an inventory of the Church of the Holy Assumption at Kenai. (See article on page 3.) The results are exciting, and the end product represents the first written and visual record of the architecture and art of an Orthodox church in Alaska.

Legislative Support Sought

In November, Senator Jan Faiks asked us to present a proposal for the inventory and documentation of the Church of the Holy Ascension in Unalaska. Senator Faiks is concerned about the preservation of the building and the icons and historic art objects inside. A resolution in support of the IPTF proposal is winding its way through the legislature.

IPTF Incorporates

In December, the IPTF, now a subcommittee of the Alaska Association for Historic Preservation, began the process of incorporation as a nonprofit organization under its own charter. Bylaws were drafted and filed with our Articles of Incorporation. Attorneys Jim Wanamaker and LeRoy DeVeaux of Wanamaker and DeVeaux donated their time to provide assistance to the IPTF.

ICON TASK FORCE

The Icon Preservation Task Force (ICPTF) is a secular group organized in the spring of 1986 to launch a major effort aimed at preserving and, where necessary, restoring the remarkable legacy of Russian culture in Alaska—a heritage resource significant to the people of Alaska and to the nation as a whole.

As time passes, these irreplaceable treasures are becoming increasingly vulnerable to deterioration, vandalism, and destruction. The effort to preserve these treasures must be multifaceted and support must come from many sources. The IPTF wants to work with other organizations to achieve our common goals.

With full support of the Orthodox Church officials in Alaska, the IPTF has resolved to undertake a long-range program to insure the preservation of the cultural resources by:

- *creating public awareness and educational opportunities for the people of Alaska,*
- *sponsoring an inventory and documentation program to record the objects and historic structures within Alaska, both to serve as a*

useful historical and cultural reference,

• in a cooperative effort, assisting the Orthodox Church, the owners of the art objects, in the restoration, preservation, and maintenance of the art objects, icons, and selected structures.

In our last Newsletter, we printed a letter from Bishop Gregory wherein he clearly states our intentions: "We understand that the intention is to retain all of the icons in the churches where they now reside. If they are removed, it will only be for necessary restoration, and/or brief display in an educational program." He continues, "It is my pleasure to be associated with this dedicated group of Alaskans who have taken on such a big task, which we all know will take many years. Please be assured that my blessings are with your efforts."

Bishop Gregory is right. These goals will take many years to accomplish, but the time to begin is now. We welcome your support for this endeavor and encourage you to become a Task Force member today. (See membership application on page 5.)

World War II Damage Assessments

Finally, in January of 1989, a proposal was submitted to the the Aleutian/Pribilof Islands Association to assist them in their efforts to substantiate damages to the church properties as a result of World War II under the War Reparations Act, which was passed by Congress in 1988.

In summary, our year has been very busy and rewarding. We anticipate that next year will be equally as rewarding as we continue with our inventory efforts and hopefully begin with some of our restoration tasks.

—Steve Peterson

Icon Preservation Task Force Board of Directors

Dr. Robert D. Craig
Kathleen Lindfors
Father Paul Mercurief
Steven M. Peterson
Barbara Sweetland Smith

Editors of Newsletter

Robert D. Craig
Darcy Lockhart

THANKS TO CONTRIBUTORS

We gratefully express our appreciation to the following individuals and organizations who have graciously contributed their services, talents, and money to the Icon Preservation Task force:

Alaska Humanities Forum
Alaska Pacific University
Byron Birdsall
Gerri Clark
LeRoy DeVeaux
ERA Aviation
Ayse Gilbert
Mark Air
National Park Service
Southcentral Air
The Alaska Association for
Historic Preservation
University of Alaska
Jim Wanamaker

And to the following donors (of Anchorage except where noted):

Alaska State Museum (Juneau)
Joan M. Antonson
John R. Barns (Harrisburg, PA)
Byron Birdsall
Alan Borass (Soldotna)
Phyllis I. Carlson
Cordova Historical Society
Lucien Coutu (Montreal, Canada)
Mr. & Mrs. Ed Crittenden
Dr. Nancy Yaw Davis
Ty Dilliplane (Providence, RI)
James H. Ducker
Robert C. Ely
Leslie Starr Hart
Virginia Heiner (Vancouver, WA)
Robert Isly
Louise Kellogg (Palmer)
Orin Knee (Portland, OR)
Brooke & Wilda Marston
Isabel Miller (Sitka)
Diane Murgalo (Tuckahoe, NY)
Frank Norris (Seattle, WA)
Lee E. Poleske (Seward)
Alba Pratt
George Shaw (Kenai)
Eva R. Trautman
Richard W. Tyler (Homer)
Carol Urness (Minneapolis, MN)

PILOT INVENTORY COMPLETED

Icons by an Alaskan Native iconographer were among the exciting discoveries emerging from the first church inventory undertaken in April 1988 by the IPTF. Three icons in the Church of the Holy Assumption in Kenai were painted before 1858 by Grigori Petukhov, an Aleut born at Unalaska. Petukhov is one of only two known native Alaskan iconographers from the Russian era. Until his death in 1858, he lived in Sitka, while Vasilii Kriukov, worked at Unalaska.

Another exciting discovery was an 1896-1906 Russian language inventory in the church archives by Reverend Marcarius Targonsky, priest of the parish. This document aided in the dating of many of the items.

Other significant finds include icons donated by monks on Mount Athos in Greece and books used by Abbot Nicholas, the first resident priest.

The inventory of the church was accomplished with money donated by members of the Task Force and with a grant from the National Trust for Historic Preservation.

The Kenai church was selected for the pilot inventory because it has had extensive architectural and historical documentation already, and also for its accessibility. The parish

was founded in 1849, and the present church was built in 1894. Some of the furnishings in the church date from the first church.

The National Park Service has architectural drawings and photographs of this church because of its designation as a National Historic Landmark. These will also become part of the inventory file.

The inventory process included describing, measuring, and photographing 171 items, including icons, vestments, liturgical utensils, altar and table coverings, candlestands, banners, crosses, a baptismal font, and historic photographs.

The collected information has been computerized. Each narrative description also includes both black and white and colored photographs. Slides have also been made for a number of the items.

Heading the inventory project was Barbara Sweetland Smith; Rev. Targonsky; Rev. Paul Merculief, Orthodox diocesan liaison on the project; Patrick McKnight, assistant curator for the Alaska Region of the National Park Service; Barry McWayne, Photograph Curator for the University of Alaska Museum, Fairbanks; and Gerri Clark, a freelance conservator. The National Park Service, the University of Alaska, and Clark donated their services to the project.

Transportation was donated by MarkAir, Southcentral Air, and ERA Aviation.



Barbara Smith measuring Kenai church vestment.

BIRDSALL DONATES PRINT FOR DRAWING

Byron Birdsall continues to be an enthusiastic supporter of the Icon Preservation Task Force. Last year, Byron donated proceeds from the sale of one of his icon prints. This year, Byron has donated a copy of "The Four Saints of Alaska" print which depicts Alaskan Saints Innocent, Herman, Juvenalii, and Peter the Aleut.

In May, the IPTF will hold a drawing for the print as part of its membership drive. New or renewing members will be eligible for the drawing. (See form on page 5.)

The Task Force greatly appreciates Byron's generosity and continued support.



The Four Saints of Alaska by Byron Birdsall
Photo courtesy of Artique, Ltd.

CONCERN FOR UNALASKA CHURCH

In February of this year, representatives of the IPFT met with Senator Fred Zharoff and his assistant, Penelope Goforth, in Anchorage. Senator Zharoff represents the Kodiak-Aleutian region where a major portion of Alaska's Orthodox communities are located. The meeting was an opportunity to introduce the Senator to the goals and objectives of the IPTF and explain how our efforts dovetail with other programs, such as the National Park Service Landmarks at Risk. Senator Zharoff expressed concern over the condition of the Church of Holy Ascension in Unalaska. He is interested in seeking a legislative appropriation for restoration of the structure and for an inventory of the church following the IPTF Kenai model. (See Legislative Support story on page 2.)

DON'T FORGET

Send in your annual
membership form
today

Be eligible for the
special drawing.

Come to our annual
meeting

March 21

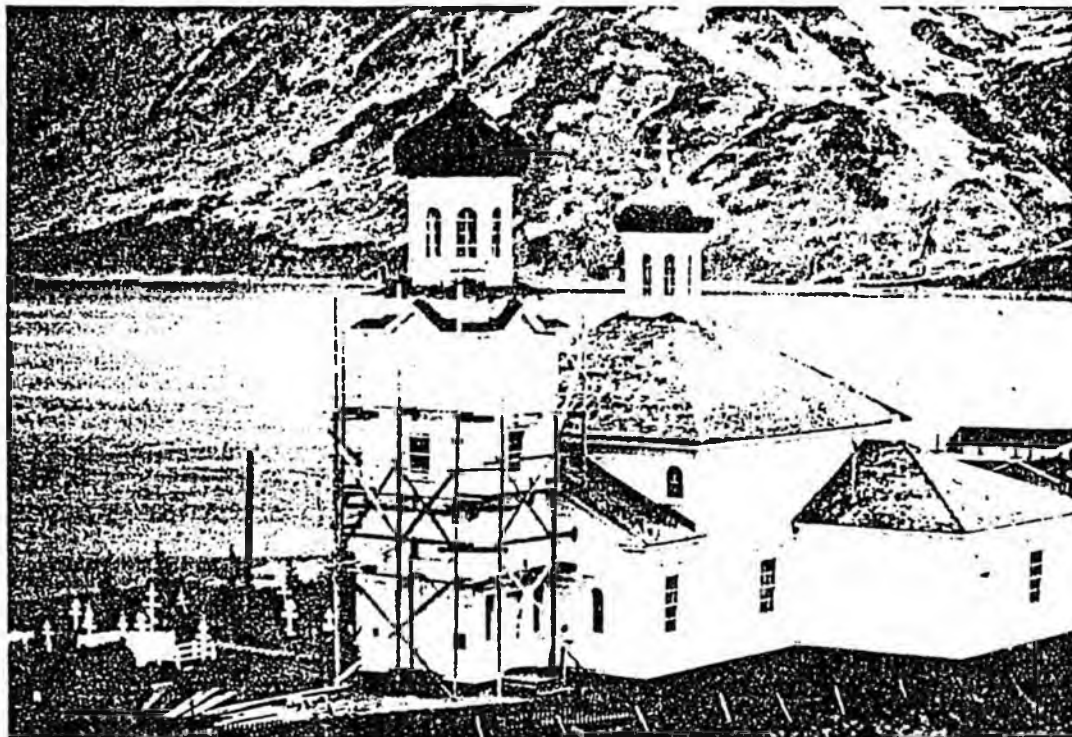
Loussac Library

7:30 p.m.

THE FORGOTTEN FRONTIER

Barbara Smith, one of the founders of the IPTF, has become the guest curator for the Anchorage Museum of History and Fine Art, for an exhibit on Russian America entitled "The Forgotten Frontier." Steven Peterson, cofounder of the IPTF, prepared a short section for the exhibit on the Architecture of the Russian Colonial Period in Alaska which deals with the art and architecture of the Russian Orthodox Church. The exhibit will open in July 1990 at Tacoma, Washington, in conjunction with the Soviet-American Goodwill Games. In the fall, it will travel to Anchorage, where it will celebrate the 250th anniversary in 1991 of the North American discoveries of explorer Vitus Bering.

LANDMARKS AT RISK



Although maintenance work is done on a continuing basis, severe weathering conditions and structural problems threaten the long-term preservation of this magnificent church. Photo: CCC Architects

Landmark Condition

Although the church building is regularly painted and maintained, the cost of undertaking extensive, essential repairs to the foundation, cupola, and roof have been prohibitive for its parishioners. The property's location on the edge of an inlet means that the weathering process is unceasing. At this point, there is a serious structural problem at the bell tower dome and the central nave dome. Intrinsic to the Orthodox faith and fundamental to their services are the iconostasis, religious artifacts, and art objects within the church. These treasures remain in poor condition: uncatalogued, with little protection, and kept in an uncontrolled environment without curatorial care. Major funding will be required to meet the preservation needs of this significant structure for continued public appreciation.

Recommended Work/Costs

Data has been taken from a National Park Service-funded report, "National Historic Landmark Condition Assessment Report: Holy Ascension Orthodox Church, Unalaska, Alaska" by CCC Architects, Anchorage, Alaska. Work recommended for the church exterior totals almost \$423,000. Of that amount, \$198,000 will be needed to cover the costs of work considered critical to the longevity of the church, including partial replacement of foundation piers, major work on the bell tower, and replacement of deteriorated wood in the onion domes and decking. Another \$130,000 will be needed to correct serious exterior problems, such as providing proper ventilation for the foundation and replacing rotted wood "skirting" at the perim-

eter of the foundation. Finally minor problems, consisting mostly of replacing siding that has deteriorated under multiple layers of paint, then repainting with original colors, could be corrected for about \$95,000.

Total interior work is estimated at \$328,000. Of that amount, an estimated \$273,000 is for work deemed critical, including inventorying, cataloging, and cleaning the church icons based on a conservation plan; and replacing rotted flooring. Other interior work rated serious and minor would cost about \$55,000, and includes repairs to rotted horizontal ceiling members in both the central nave and bell tower due to long-term moisture penetration, and replacement of some floor joists. Finally, door trim and frames need repairing, and the entire interior should be repainted to match the original colors.

Incorporating a fire detection system in the church interior, and upgrading heating and electrical systems, are other needs deemed to be critical both to the longevity of the structure and its contents. Providing a fire protection system with auto dialers to the fire department will cost about \$15,000. Installation of an HVAC system to provide proper temperature and humidity control is estimated at \$108,000. An additional \$6,800 will be required to provide a fuel tank appropriate for the proposed HVAC system. The old electrical system will be inadequate when the climate control system is installed; a new panel box, wiring and service to meet code will be required and this is estimated at about \$22,500. Finally, cleaning and polishing the church chandeliers will cost about \$2,500.

The architects' detailed assessment is available from National Park Service offices (see HOW YOU CAN HELP, over).



The chapel's significant art work is in urgent need of conservation. Photo: CCC Architects

298150

HOLY ASCENSION ORTHODOX CHURCH

Unalaska, Alaska

Its earliest portions dating from 1826, Holy Ascension Orthodox Church is significant as the oldest church in Alaska that features a cruciform plan with three altars. (The three-one story wings and the three-story front tower were added in 1894.) Of particular importance is the interior, with its rich collection of icons—religious objects executed in the Russian Orthodox style that convey the craftsmanship and artistry of the Aleut people.

Although the imposing white wood-frame

church almost seems out of place on the shore of a small Aleutian village, its presence is easily explained by historians. After the sale of Alaska to the United States, Unalaska and Sitka became vital economic and religious centers; the church diocese shared administrative responsibilities and each city had its cathedral. This picturesque Church is a visual reminder of the important role of both Russian contact and the Orthodox religion, not only among the Aleuts, but in North America

as well. In 1970, the Secretary of the Interior designated Holy Ascension Orthodox Church a National Historic Landmark for its exceptional value to our Nation's history.

Unfortunately, at this date, the long-term preservation of the Church is being jeopardized because of serious building deterioration. Also at risk is what may represent the largest collection of Russian Orthodox art in Alaska.

LANDMARKS AT RISK HOW YOU CAN HELP

Over 150 deteriorating and endangered National Historic Landmarks across the country need your help now.

You can assist these National Historic Landmarks through donations of money, building materials, or professional services.

The National Historic Landmark Fund, administered by the National Park Foundation in conjunction with the National Park Service, makes possible **TAX DEDUCTIBLE MATERIAL AND CASH DONATIONS** by individuals, organizations, or companies.

Donations may be used to support threatened Landmarks in general or a Landmark of the donor's choice. Donors may select a Landmark to assist based on its associations with specific historic themes, events or individuals; its architectural style; its building type; or its construction material. Landmarks in need of various services or building products which correspond to a donor's business can also be selected.

The National Park Foundation and the National Park Service give priority to those Landmarks in which critical needs have been identified through professional evaluation and planning.

If you want to donate to the National Historic Landmark Fund, or would like additional

information on how you can help Landmarks at Risk, please call or write:

Landmarks at Risk

National Park Service
Preservation Assistance Division
P.O. Box 37127
Washington, DC 20013-7127
(202) 343-9581 or

The National Park Foundation
P.O. Box 57473
Washington, DC 20037
(202) 785-4500

State Historic Preservation Office

Alaska Division of Parks and Outdoor
Recreation
History and Archeology
P.O. Box 7001
Anchorage, AK 99510
(907) 762-4141

Local/State Preservation Groups

Alaska Association for Historic Preservation
524 West Fourth Avenue, Suite 203
Anchorage, AK 99510
(907) 274-2311

Owner Contact

Rev. Ismail Grumoff
P.O. Box 40
Unalaska, AK
(907) 581-1353

For information on how you may help Holy Ascension Orthodox Church in Unalaska, Alaska, contact the following offices and organizations:

National Park Service

Alaska Regional Office Cultural Resource
Division
2525 Gambell St.
Anchorage, AK 99503
(907) 271-2638

STATE OF ALASKA
1989 LEGISLATIVE SESSION

BILL VERSION :CSSCR 24 (Resources)

PUBLISH DATE: _____

FISCAL NOTE

REQUEST:

Revision Date: 5-Apr-89 Agency Affected: Natural Resources
 Title: Russian Orthodox Churches BRU: Parks & Outdoor Recreation
 Sponsor: Senator Faiks Components: Historic Resource Mgt
 Requestor: Senator Faiks

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND&STRUCTURES						
GRANTS,CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0
CAPITAL		41.0				
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND		41.0				
FEDERAL FUNDS						
OTHER						
TOTAL	0.0	41.0				

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

Of the \$41.0, \$37.3 will fund the inventory and documentation of the art and architecture of the 19 Russian Orthodox churches listed on the Register of Historic Places as described in the attached. The remaining \$3.7 is for administration of the project by the State Office of History and Archeology.

Prepared by: ^{MB} Carol Wilson *[Signature]* Phone: 465-2400
 Division: Commissioner's Office Date: 5-Apr-89

Approved by Commissioner: Lennie Gorsuch *[Signature]* Date: 5-Apr-89
 Agency: Department of Natural Resources

Distribution (by preparer) :
 Legislative Finance
 Legislative Sponsor
 Requestor
 Office of Management and Budget
 Impacted Agency(ies)

RECEIVED
 APR 10 1989

A PROPOSAL FOR THE INVENTORY AND DOCUMENTATION
OF
THE CHURCH OF THE HOLY ASCENSION, UNALASKA
AND
HABS PHOTO DOCUMENTATION OF NATIONAL REGISTER CHURCHES

Two Soviet architects will be coming to Alaska in 1989 to assist in the documentation of the landmark churches at St. Paul and St. George as part of an international cultural exchange. With additional funding we hope to expand the scope of this international effort and broaden the cooperative effort of the Icon Preservation Task Force to include the State of Alaska and the federal government.

The work will be accomplished under the supervision of the Icon Preservation Task Force, working with the Alaska Association for Historic Preservation (a nonprofit 501c(3) corporation). The work undertaken with the State funds will be done in cooperation with the National Park Service and the Alaska Dioceses of the Orthodox Church.

SCOPE OF WORK: 1. Prior to October 1, 1989 a team, consisting of a curator, an architect, an historian, members of the church, and an objects photographer are to visit and complete a computer inventory of The Church of the Holy Ascension at Unalaska. The inventory will document, for scholarly purposes, the contents of the church and will serve as a document which establishes priority in the preservation and restoration of the building and the icons and religious artifacts within. A total appropriation of \$21,450 is sought to cover personnel, travel and supplies.

2. A two year photo documentation project of the 37 Russian Orthodox Churches in Alaska will be undertaken. The professional, large format photographs will be used for scholarly purposes, as a permanent record to be kept in the HABS collection of the Library of Congress and for exhibit in Alaska. Funds are needed to cover contracting expenses with an icon expert, transportation, and per idem for the HABS photographer, IPTF liaison, and for supplies. \$15,762 is needed for the first year which will focus on 19 of the 37 churches.

3. The total funds requested for Phase 1 and 11 are \$37,212.

SCOPE OF WORK - ITEM #2 - HISTORIC AMERICAN BUILDING SURVEYS ON 19 CHURCHES
THROUGHOUT ALASKA

a.	HABS photographer	
	30 days in field	
	15 days in lab.....	*
	Per Diem 30 days @ \$80.....	\$ 2,400
b.	Icon Expert	
	1 ea X \$200 X 45 days.....	*
	Per Diem 30 days X \$80.....	*
c.	IPTF Liaison	
	30 days in field.....	*
	Per Diem 30 days X \$80.....	2,400
d.	Transportation for 3 as listed above	
	Juneau (Cordova-Tatitlek, Sitka) @ \$366 ea.....	1,098
	Hoonah, Angoon @ \$100 ea.....	300
	Kodiak @ \$254 ea.....	792
	Kodiak-Old Harbor, Akhiok @ \$140 ea.....	420
	Kodiak-Ousinkie, Port Lions @ \$70 ea.....	210
	Kodiak-Karluk @ \$130 ea.....	390
	Kodiak-Spruce Island (boat charter).....	200
	Seldovia @ \$183 ea.....	546
	Unalaska @ \$754 ea.....	2,264
	Pribilofs-St. Paul, St. George @ \$866 ea.....	2,598
	Russian Mission @ \$428 ea.....	1,184
	South Naknek @ \$320 ea.....	960

ITEM #2 - COST	\$15,762
ITEM #1 - COST	<u>21,450</u>

TOTAL AMOUNT THIS PROPOSAL \$37,212**

*Funded by National Park Service and private donations

**Plus percentage retained by Office of History
and Archeology for grants administration.

BUDGET PROPOSAL

SCOPE OF WORK - ITEM #1 - INVENTORY AND DOCUMENT ART AND ARCHITECTURE
CHURCH OF THE HOLY ASCENSION
UNALASKA, ALASKA

a.	Curator - National Park Service	
	5 days in field.....	*
	5 days processing inventory.....	*
b.	Supervisory Priest (translator of Russian and Old Church Slavonic records)	
	1 ea X \$120 X 8 days.....	960
	Per Diem @ \$80 X 8 days.....	640
c.	IPTF Historian (Coordinate, assist with field inventory and edit report)	
	1 ea X \$120 X 25 days.....	3,000
	Per Diem @ \$80 X 8 days.....	640
d.	Museum Photographer (photograph every accessioned object, approximately 450)	
	1 ea X \$300 X 8 days.....	2,400
	Per Diem @\$80 X 8 days.....	640
e.	Architect Intern	
	15 days in field	
	45 days preparing HABS drawings.....	8,400
f.	Transportation	
	5 ea @ \$754 (round trip).....	3,770
g.	Supplies	
	film and processing.....	500
	report preparation/printing.....	500

ITEM # 1 - TOTAL COST....\$21,450

(BUDGET continued)

STATE OF ALASKA
1989 LEGISLATIVE SESSION

BILL VERSION: SCR 24
PUBLISH DATE: 3/30/89

FISCAL NOTE

REQUEST:

Revision Date: 29-Mar-89 Agency Affected: Natural Resources
Title: Russian Orthodox Churches BRU: Parks & Outdoor Recreation
Sponsor: Senator Faiks Components: Historic Resource Mgt
Requestor: Senator Faiks

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND&STRUCTURES						
GRANTS,CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL		41.5				
---------	--	------	--	--	--	--

REVENUE						
---------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

GENERAL FUND		41.5				
FEDERAL FUNDS						
OTHER						
TOTAL	0.0	41.5				

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

\$37.7 would be used to fund a proposal to assist Soviet Architects document landmark churches on St. Paul and St. George Islands, as described in the attached project description. Ten percent of this amount, or \$3.8, would be used by the State Office of History and Archeology to administer the project funds.

Prepared by: ^BCarol Wilson Phone: 465-2400
Division: Commissioner's Office Date: 29-Mar-89

Approved by Commissioner: Lennie Gorsuch  Date: 29-Mar-89
Agency: Department of Natural Resources

Distribution (by preparer) :
Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)

A PROPOSAL FOR THE INVENTORY AND DOCUMENTATION
OF
THE CHURCH OF THE HOLY ASCENSION, UNALASKA
AND
HABS PHOTO DOCUMENTATION OF NATIONAL REGISTER CHURCHES

Two Soviet architects will be coming to Alaska in 1989 to assist in the documentation of the landmark churches at St. Paul and St. George as part of an international cultural exchange. With additional funding we hope to expand the scope of this international effort and broaden the cooperative effort of the Icon Preservation Task Force to include the State of Alaska and the federal government.

The work will be accomplished under the supervision of the Icon Preservation Task Force, working with the Alaska Association for Historic Preservation (a nonprofit 501c(3) corporation). The work undertaken with the State funds will be done in cooperation with the National Park Service and the Alaska Dioceses of the Orthodox Church.

SCOPE OF WORK: 1. Prior to October 1, 1989 a team, consisting of a curator, an architect, an historian, members of the church, and an objects photographer are to visit and complete a computer inventory of The Church of the Holy Ascension at Unalaska. The inventory will document, for scholarly purposes, the contents of the church and will serve as a document which establishes priority in the preservation and restoration of the building and the icons and religious artifacts within. A total appropriation of \$13,890 is sought to cover personnel, travel and supplies.

2. A two year photo documentation project of the 37 Russian Orthodox Churches in Alaska will be undertaken. The professional, large format photographs will be used for scholarly purposes, as a permanent record to be kept in the HABS collection of the Library of Congress and for exhibit in Alaska. Funds are needed to cover contracting expenses with an icon expert, transportation, and per idem for the HABS photographer, IPTF liaison, and for supplies. \$23,832 is needed for the first year which will focus on 19 of the 37 churches.

3. The total funds requested for Phase 1 and 11 are \$37,722.

BUDGET

SCOPE OF WORK - ITEM #1.....

- a. Curator - NPS
5 days in field
5 days processing inventory.....No cost
- b. Supervisory Priest (translator of Russian
and Old Church Slavonic records)
1 ea x \$120 x 8 days.....\$ 960
Per Diem: 8 days x \$115.....\$ 920
- c. IPTF Historian (Coordinate, assist with
field inventory and edit report)
1 ea x \$120 x 25 days..... 3,000
Per Diem: 8 days x \$115..... 920
- d. Museum Photographer (photograph every
accessioned object, 450 approx)
1 ea x \$300 x 8 days..... 2,400
Per Diem: 8 days x \$115..... 920
- e. Architect (Soviet exchange - NPS)
15 days in field
45 days preparing HABS drawings..... 8,400
- f. Transportation:
5 round trip airfare x \$754..... 3,770
- g. Supplies:
film and processing..... 500
report preparation/printing..... 500

TOTAL COST FOR ITEM #1.....\$22,290

SCOPE OF WORK - ITEM #2 - YEAR #1

- a. HABS Photographer - HABS
30 days in field
15 days in lab.....No cost
Per Diem: 30 days x \$43.....\$ 1,290
- b. Icon Expert
1 ea x \$200 x 45 days..... 9,000
Per Diem: 30 days x \$43..... 1,290
- c. IPTF liaison
30 days in field
Per Diem: 30 days x \$43..... 1,290

d. Transportation - Year #1

Juneau (Cordova-Tatitlek, Sitka)	
\$366 x 3 team members.....	1,098
Hoonah and Angoon	
\$100 x 3.....	300
Kodiak \$254 x 3.....	792
Kodiak-Old Harbor-Akhiok	
\$140 x 3.....	420
Kodiak-Ouzinkie-Port Lions	
\$70 x 3.....	210
Kodiak-Karluk	
\$130 x 3.....	390
Spruce Island (boat from Kodiak).....	200
Seldovia.....\$183 x 3.....	546
Unalaska.....\$754 x 3.....	2,264
St George & St Paul..\$866 x 3.....	2,598
Russian Mission (Marshall)	
\$428 x 3.....	1,184
South Naknek.....\$320 x 3.....	960

TOTAL COST FOR ITEM #2 - YEAR #1.....\$23,832

SCOPE OF WORK - ITEM #2 - YEAR #2.....

- a. The remaining 18 churches will be inventories in FY90. Expenses for year #2 will be the same as year #1.

TOTAL COST FOR ITEM #2 - YEAR #2..... \$23,832

TOTAL REQUESTED SUPPORT- FY89.....\$37,722**

**plus percentage retained by History and Archeology for grants administration.

SCR

25

CORRECTION

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

R

C

S

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S

SENATE COMMITTEE REPORT

FURTHER

4/26/89

DATE TURNED INTO OFFICE

1/22/90

Mr. President:

FINANCE

Committee considered

SCR 25

plan for expansion of and major improvements to the Alaska transportation system

and recommended

- replace with _____ CS SCR 25 (Finance)) same title
- or adopt _____ CS _____) new title
- attached amendment(s) and _____) technical title change (HB only)
- _____ letter of intent adopted

do pass

do not pass

no recommendation

individual recommendations

further referral to _____

- FISCAL NOTE(S) zero fiscal impact appropriation no FN
- new updated previous
- same as previous fiscal note(s) published _____

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

[Handwritten signatures]

[Large handwritten signature]

Chair: _____

signature and recommendation

Committee Backup attached

FISCAL NOTE

REQUEST:

Revision Date: _____
 Title: Expansion of Transportation
System
 Sponsor: Duncan
 Requestor: _____

Agency Affected: Transportation and
BRU: Public Facilities
 Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING						

CAPITAL	75.0	0	0	0	0	0
----------------	------	---	---	---	---	---

REVENUE						
----------------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

GENERAL FUND	75.0	0	0	0	0	0
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)



Prepared by: Senator Rick Uehling, Co-chairman Phone: 465-4821
 Division: Senate Finance Committee Date: 1/22/90

Approved by Commissioner: _____ Date: _____
 Agency: _____

- Distribution (by preparer):
- Legislative Finance
 - Legislative Sponsor
 - Requestor
 - Office of Management and Budget
 - Impacted Agency(ies)

Original sponsor(s): SEN. DUNCAN

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2 CS FOR SENATE CONCURRENT RESOLUTION NO. 25 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - SECOND SESSION

5 Relating to a plan for expansion of the

6 Alaska transportation system.

7 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

8 WHEREAS the purpose of the Alaska transportation system is to provide
9 an intrastate connection between communities and an interstate link between
10 Alaska and the other states; and

11 WHEREAS the development of the Alaska transportation system has helped
12 foster the economic development and social progress of the state and indi-
13 vidual communities; and

14 WHEREAS a principal objective of the Alaska transportation system
15 should be to continue to stimulate the economic and social progress of the
16 state; and

17 WHEREAS there is not a significant source of funds for capital im-
18 provements for expansion of the Alaska transportation system other than the
19 federal highway and aviation programs; and

20 WHEREAS the current emphasis of transportation planning is on improve-
21 ments to existing facilities and few resources are available for long-term
22 planning for expansion of the Alaska transportation system; and

23 WHEREAS the state must allocate its financial resources among benefi-
24 cial projects and must establish priorities among those projects in order
25 to best stimulate the state's economic and social growth through a balanced
26 approach that includes expansion of and improvements to the Alaska trans-
27 portation system; and

28 WHEREAS the state must develop a long-term plan to prioritize major
29 projects for expansion of or improvements to the existing transportation

1 system before the Federal Highway Administration will allow use of federal
2 highway funds for environmental impact statements, design, rights-of-way,
3 or construction of such projects; and

4 WHEREAS no significant expansion of the Alaska transportation system
5 has occurred since the construction of the Dalton Highway;

6 BE IT RESOLVED that the Alaska State Legislature respectfully requests
7 the Governor to direct the Department of Transportation and Public Facil-
8 ities to

9 (1) plan for expansion of the Alaska transportation system,
10 including the Alaska marine highway system, by identifying and selecting
11 new transportation routes; and

12 (2) establish a means for funding projects to expand the Alaska
13 transportation system through the existing allocations of federal funding
14 or through other funding mechanisms identified by the department; and be it

15 FURTHER RESOLVED that the Department of Transportation and Public
16 Facilities report to the legislature by

17 (1) January 15, ~~1991~~, on the department's plan for expansion of
18 the Alaska transportation system and the sources of funding for the expan-
19 sion; and

20 (2) January 15, ~~1992~~, on the department's prioritized list of
21 projects to expand the Alaska transportation system and the proposed source
22 of funding for each project; and be it

23 FURTHER RESOLVED that the Department of Transportation and Public
24 Facilities include in the long-range transportation plans for the state
25 under AS 19.10.140 and AS 44.42.050 those projects to expand the Alaska
26 transportation system that have been identified as high priority projects.
27
28
29

CHRONOLOGY OF EVENTS - JUNEAU ROAD ACCESS

Provided by Senator Jim Duncan, January, 1990

- 1921 Taku Valley Recon. Report prepared for the Alaska Road Commission - Tidewater to the Canadian border.
- 1951-52 Reconnaissance Report on proposed Taku River Route and Photo Recon. Report for the Federal Bureau of Public Roads.
- 1954 December - Reconnaissance survey of the Taku route for the Alaska Road Commission.
- 1963 Taku Glacier Evaluation Study by Maynard Miller for the Alaska Dept. of Highways and Federal Bureau of Public Roads - indicated unstable situation.
- 1964 November - Reconnaissance Report for proposed Forest Highway done for the U.S. Forest Service. Access to timber and the Glacier Bay National Monument the goal.
- 1967 April - Reconnaissance Report on the Chilkat River Crossing by DOT/PF - to pick crossing location. Assumes a west side route.
- 1970 State Dept of. Highways develops plans for Chilkat River Crossing but finds Right of Way problems with Indian Reservation, also environmental issues arise.
- 1974 September - Lynn Canal Environmental Assessment for the Alaska Department of Highway.
- 1974 October - Alaska Department of Highways prepares a cost estimate on the Juneau to Skagway route.
- 1975 Lynn Canal Transportation Corridor Public Hearing Brochure prepared by the Dept. of Highways. Concentrated primarily on surface transportation, transportation costs and environmental issues.

Chronology of Events
Juneau Road Access
Page 2

- 1979 Southeast Transportation Plan by Wilbur Smith & Assoc. Examines Taku route and routes to Haines and Skagway.
- 1980 Cost estimates prepared on Juneau to Haines route by DOT/PF.
- 1981 January - Juneau to Haines location investigation done by R & M Engineering for the Senate Transportation Committee.
- 1986 Evaluation of Corridor Alternatives by Acres International for DOT/PF identifies most attractive options as 1) high-speed shuttle ferry between Echo Cove, Haines and Skagway, and 2) a road up the east side of Lynn Canal to Skagway with a shuttle ferry to Haines. Report also identifies status quo as the least costly option.
- 1987 March - Greater Juneau Chamber of Commerce, Economic Development Committee prepares an Evaluation and Recommendations stating the Acres report did not include important economic factors.
- 1987 May - Senator Duncan appropriates \$100,000 in federal funds to determine the economic feasibility of road access to Juneau.
- 1988 March - the Federal Highway Administration indicates the next step in the process should be an Environmental Impact Statement for a highway connection between Juneau, Haines and Skagway. The FHWA would require a commitment on the part of the Department to build in order to proceed.
- 1988 August - Maynard Miller releases information stating the TAKU Glacier was advancing at an accelerating rate and could dam the Taku River in six to 10 years.
- 1988 September 15 - Maynard Miller retracts his previous statement saying an assistant had confused feet with meters.
- 1988 September - Senator Duncan asks DNR, Fish and Game and the U.S. Geological Survey to determine whether or not the information on the glacial problems on the Taku route was correct.

Chronology of Events
Juneau Road Access
Page 3

- 1988 September - Senator Duncan asks the Juneau Economic Development Council to take the lead in pulling together a community consensus on a road option, by providing objective information on all possible options. The JEDC agrees to take on the project even though no funding is available.
- 1988 November - Senator Coghill asks for and receives a \$6,000 grant from the Senate Leadership funds for Red Swanson.
- 1989 January 18 - Senator Coghill introduces SB 124 and SB 125 which would authorize DOT/PF to construct the Lynn Canal Highway Project and appropriate \$102.0 million in federal and state funds.
- 1989 January 24 - the Juneau City and Borough Assembly endorses the Juneau Economic Development Council approach to improved access to Juneau in support of a rational process that will make obtaining funding a more realistic goal. The Assembly expressed concerns with SB 125, Senator Coghill's Lynn Canal appropriation, as being premature.
- 1989 January 27 - the Juneau Branch, Alaska Miners Association issued the following statement:
- "While the Juneau Branch of the Alaska Miners Association favors the concept of enhanced access to the State Capitol, it chooses at this time not to endorse any particular plan as the Branch feels the issue merits further study."
- 1989 March 3 - Senator Duncan formally asks Bob Ruby of the Federal Highway Administration (FHWA) exactly what the state should do to show a commitment to build a specific road project.
- 1989 March 6 - Bob Ruby, FHWA responds; "It is the FHWA policy that Federal-aid highway funds for preliminary engineering work, such as environment, location or design studies, should not be authorized without a reasonable assurance that construction will proceed within five years following the initial authorization...The normal procedures for this funding commitment would be inclusion of a significant construction project in the Alaska DOT&PF's Six-Year Plan." Mr. Ruby went on to say that "legislation to appropriate funds

Chronology of Events
Juneau Road Access
Page 4

in excess of those available to the State from FHWA can not be considered a satisfactory commitment for Federal-aid highway program purposes."

1989 March 8 - Report released by the Juneau Economic Development Council entitled "Juneau Road Access Improvements" which recommends high speed ferries as the short term alternative with long term commitment to hard link access recommended.

1989 March 8 - in response to the JEDC report, Senator Duncan:

1. requests that DOT/PF complete the Marine Highways' Master Plan and that it include funding for high speed ferries for the Juneau-Haines-Skagway route;

2. requests that the Governor initiate talks with the Canadian government concerning a possible joint project via the Taku route.

1989 March 9 - in response to the JEDC report of March 8, Senator Duncan introduces the following legislation:

SCR 25 - relating to a plan for expansion or major improvements to the Alaska transportation system. This resolution would require the DOT/PF to report to the legislature by January, 1990 on the Department's plan for expansion and major improvements to the Alaska transportation system and provide a prioritized list of such major projects to the Legislature by January of 1991, and include those projects identified through this process in the Department's Six Year Plan.

SB 210 - relating to planning for and funding of major projects. This bill designates ten percent of the annual allocation of federal aid highway funds for planning and construction of projects to expand the state's transportation system. It also amends the State Transportation Plan statute to require the Department to include system expansion and major improvements to our transportation system in their annual planning process.

Chronology of Events
Juneau Road Access
Page 5

SB 211 - appropriates \$600,000 for the Department of Transportation and Public Facilities to do a formal Environmental Impact Statement on the Taku River Valley route and the Lynn Canal route.

- 1989 April - Hearings on all legislation concerning Juneau access are held in the Senate Transportation Committee. SB 210, SB 211 and SCR 25 are amended and moved from committee on April 26.
- 1989 May - Senator Duncan appropriates \$100,000 in State general fund to begin environmental impact statements on the Juneau-Haines route and the Taku River Corridor.
- 1989 August - September - DOT/PF commences formal Public Hearings in Juneau, Haines, Skagway to begin the E.I.S. Expected completion of Phase I of the E.I.S. is January, 1990.
- 1990 February - E.I.S. Scoping Report with Detailed Work Plan and Budget due.

REGIONAL OBLIGATIONS FIWA (federal fiscal year 10/1-9/30)

REGION	1985	1986	1987	1988	4 YEAR TOTAL	% OF TOTAL
CENTRAL	\$65,994,920	\$62,287,166	\$66,332,534	\$56,926,235	\$251,540,855	42.2%
NORTHERN	\$68,325,725	\$68,659,852	\$62,472,840	\$48,367,167	\$247,825,584	41.6%
SOUTHEAST	\$15,810,749	\$13,599,446	\$13,587,649	\$13,179,368	\$56,177,212	9.4%
MARINE HIGHWAY	\$6,134,715	\$2,756,150	\$5,314,384	\$10,291,143	\$24,496,392	4.1%
PLANNING (ALL REGIONS)	\$2,869,019	\$3,456,449	\$3,864,573	\$3,115,518	\$13,305,559	2.2%
STATEWIDE *	\$228,178	\$391,260	\$824,423	\$774,165	\$2,218,026	0.4%
TOTAL OBLIGATED	\$159,363,306	\$151,150,323	\$152,396,403	\$132,653,596	\$595,563,628	100.0%
ALLOCATION FOR 1989						
CENTRAL	\$60,000,000					
NORTHERN	\$50,200,000					
SOUTHEAST	\$12,500,000					
MARINE HIGHWAY	\$7,900,000					
PLANNING (ALL REGIONS)	\$3,200,000					
STATEWIDE *	\$1,000,000					
TOTAL PLANNED	\$134,800,000					
* PROJECTS SUCH AS BRIDGE INSPECTION and GEOREFERENCING MONUMENTATION WHICH APPLY TO ALL REGIONS.						

THE STATE OF TEXAS, DEPARTMENT OF TRANSPORTATION, DIVISION OF HIGHWAYS, OFFICE OF THE COMMISSIONER, 1100 NORTH BRASS CANYON, AUSTIN, TEXAS 78701

802 25

Alaska State Legislature



SENATOR JIM DUNCAN

P. O. Box V JUNEAU, ALASKA 99811-3100

(907) 465-4766

MARCH 8, 1989

COMMITTEES:
FINANCE
VICE CHAIR —
HEALTH EDUCATION
& SOCIAL SERVICES
BUDGET & AUDIT
BANKING &
ECONOMIC
DEVELOPMENT

MR. MARK HICKEY, COMMISSIONER
DEPARTMENT OF TRANSPORTATION AND
PUBLIC FACILITIES
P.O. Box Z
JUNEAU, ALASKA 99811

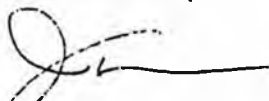
DEAR COMMISSIONER HICKEY:

AS YOU KNOW, LAST SEPTEMBER I ASKED THE JUNEAU ECONOMIC DEVELOPMENT COUNCIL (JEDC) TO EVALUATE ALL POSSIBLE OPTIONS WHICH WOULD PROVIDE IMPROVED ACCESS FOR JUNEAU AND REPORT TO ME ON THEIR FINDINGS. TODAY I HAVE RECEIVED THEIR REPORT ENTITLED "JUNEAU ROAD ACCESS IMPROVEMENTS" AND I PROVIDE YOU WITH A COPY FOR YOUR INFORMATION.

I UNDERSTAND THE MARINE HIGHWAYS' MASTER PLAN WILL BE FINALIZED ON APRIL 15, 1989. IN RESPONSE TO THE JEDC REPORT WHICH IDENTIFIED HIGH SPEED SHUTTLE FERRIES AS THE BEST ALTERNATIVE TO IMPROVED ACCESS IN THE NEAR FUTURE, I ASK THAT YOU INCLUDE FUNDING FOR HIGH SPEED SHUTTLE FERRIES FOR THE LYNN CANAL FROM JUNEAU TO HAINES AND SKAGWAY IN THE MARINE HIGHWAYS' MASTER PLAN WHICH IS PRESENTLY BEING DEVELOPED.

THANK YOU FOR YOUR FAVORABLE CONSIDERATION OF THIS REQUEST.

SINCERELY,


JIM DUNCAN
SENATOR

ATTACHMENT

Alaska State Legislature



SENATOR JIM DUNCAN

P. O. Box V JUNEAU, ALASKA 99811-3100
(907) 465-4766

COMMITTEES:
FINANCE
VICE CHAIR --
HEALTH EDUCATION
& SOCIAL SERVICES
BUDGET & AUDIT
BANKING &
ECONOMIC
DEVELOPMENT

MARCH 3, 1989

MR. BOB RUBY
DIVISION ADMINISTRATOR
FEDERAL HIGHWAY ADMINISTRATION
P.O. Box 21648
JUNEAU, ALASKA 99802-1648

DEAR MR. RUBY:

AS DISCUSSED WITH YOU AND BARRY MOREHEAD AT OUR JANUARY 30, 1989 MEETING WITH COMMISSIONER HICKEY AND JON SCRIBNER OF THE DEPARTMENT OF THE TRANSPORTATION AND PUBLIC FACILITIES (DOT/PF), I WOULD LIKE TO PROCEED WITH AN ENVIRONMENTAL IMPACT STATEMENT ON ROAD ACCESS PROJECTS FOR JUNEAU.

AT THE MEETING YOU INDICATED THAT A STATE COMMITMENT TO THE PROJECT HAD TO BE SHOWN BEFORE FEDERAL DOLLARS COULD BE USED FOR EITHER AN ENVIRONMENTAL IMPACT STATEMENT OR CONSTRUCTION. I WOULD LIKE TO GET CLARIFICATION OF EXACTLY WHAT YOU BELIEVE WOULD CONSTITUTE A SUFFICIENT STATE COMMITMENT TO GUARANTEE FEDERAL PARTICIPATION IN THE PROJECT. FOR EXAMPLE, WOULD ANY OF THE FOLLOWING ACTIONS BE SUFFICIENT TO SHOW SUCH A COMMITMENT?

1. A REPORT FROM THE JUNEAU ECONOMIC DEVELOPMENT COUNCIL (JEDC) DUE ON MARCH 8 WILL PROVIDE SPECIFIC RECOMMENDATIONS AS TO WHICH JUNEAU ACCESS OPTIONS SHOULD BE PURSUED FURTHER, EITHER FOR CONSTRUCTION FUNDING OR ENVIRONMENTAL IMPACT STATEMENTS.
2. INTRODUCTION OF LEGISLATION TO APPROPRIATE THE MINIMUM OF \$100.0 MILLION IN FHWA FUNDS AND STATE MATCH NECESSARY TO CONSTRUCT SUCH A PROJECT. THIS WOULD BE AN APPROPRIATION OF FUNDS WHICH ARE IN ADDITION TO THE ANNUAL STATE APPORTIONMENT FROM THE FHWA, WITHOUT A PREVIOUS COMMITMENT TO BUILD THE PROJECT NOR AN E.I.S. FROM THE DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES, AND WITHOUT A COMMITMENT FROM THE FHWA THAT SUCH ADDITIONAL FUNDS, UNALLOCATED TO ANOTHER STATE, ARE AVAILABLE FOR ALLOCATION TO OUR PROJECT.

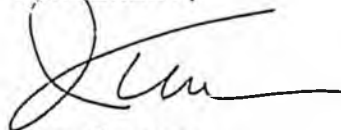
MR. BOB RUBY
FEDERAL HIGHWAY ADMINISTRATION
MARCH 3, 1989
PAGE 2

3. DEVELOPMENT OF A MASTER PLAN BY THE DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES WHICH PRIORITIZES MAJOR PROJECTS STATEWIDE AND PROVIDES A LONG TERM MEANS OF FUNDING THE PROJECTS WHICH ARE FOUND TO BE THE HIGHEST PRIORITIES. THE FUNDING MECHANISM WOULD POSSIBLY BE AN ANNUAL PERCENTAGE OF THE EXISTING STATE ALLOCATION OF FEDERAL HIGHWAY FUNDS. ASSUMING THAT A JUNEAU ACCESS PROJECT RISES TO THE TOP OF THE DEPARTMENT'S STATEWIDE PRIORITIZATION, WOULD THE FHWA THEN PARTICIPATE IN THE PROJECT?

ANOTHER POINT UPON WHICH I WOULD LIKE CLARIFICATION IS, IF I WERE TO APPROPRIATE STATE GENERAL FUNDS TO CONDUCT A FORMAL ENVIRONMENTAL IMPACT STATEMENT ON THE OPTIONS IDENTIFIED BY THE JEDC AND ONE OF THE PROJECTS IN THE E.I.S. IS LATER SLATED FOR CONSTRUCTION BY THE DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES, WOULD THE FHWA CONSIDER REIMBURSING THE STATE FOR THOSE COSTS AT A LATER DATE?

YOUR IMMEDIATE RESPONSE TO THIS INQUIRY WILL BE GREATLY APPRECIATED.

SINCERELY,



JIM DUNCAN
SENATOR

887



U.S. Department
of Transportation
**Federal Highway
Administration**

Alaska Division

P.O. Box 21648
Juneau, Alaska 99802-1648

March 6, 1989

HDA-AK
F-093

The Honorable Jim Duncan
Alaska State Senate
P.O. Box V
Juneau, Alaska 99811

Dear Senator Duncan:

Your March 3 letter requested clarification of the Federal Highway Administration (FHWA) requirement for a State commitment adequate to allow Federal-aid highway funds to be expended on current proposals to extend the highway system from Juneau to a connecting road system.

It is FHWA policy that Federal-aid highway funds for preliminary engineering work, such as environment, location, or design studies, should not be authorized without a reasonable assurance that construction will proceed within five years following the initial authorization. The primary purpose of this policy is to assure the limited amount of available federal funding will not be reduced by financing studies that do not result in the timely construction of highway projects. In accordance with this policy, we have indicated that before we could authorize Federal-aid highway funds for preparation of an environmental impact study or any other engineering studies on any of the Juneau access options, we need a State commitment that funds are available for construction.

The normal procedures for this funding commitment would be inclusion of a significant construction project in the Alaska DOT&PF's Six-Year Plan. For a system expansion of this magnitude a normal scheduling plan would be to authorize for year one and two, engineering funds for preparation of an environmental impact statement for the entire route. For year three, authorize funds for design of a segment of the approved route. For year four, authorize funds for acquisition of right-of-way for the first segment. For year five, authorize funds for preparation of contract documents. For year six, authorize construction of the first segment. Subsequent years would have similar funding authorizations for other segments until the entire route had been constructed. This schedule is only an example of one of several possibilities for an acceptable timeframe for funding commitments.

Senator Duncan

-2-

March 6, 1989

Your letter also presented three specific actions for comment.

In example No. 1, a report recommending development of an EIS or pursuit of construction funding can not be considered a satisfactory commitment for Federal-aid highway program purposes.

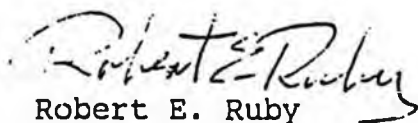
In example No. 2, legislation to appropriate funds in excess of those available to the State from FHWA can not be considered a satisfactory commitment for Federal-aid highway program purposes. This example also mentions additional unallocated funds received from other states. Additional funds are not received from other states. The annual redistribution is obligation authority and does not provide additional funds. To clarify, each year the states are apportioned more funds than they are allowed to spend. The spending limit is called obligation authority. In this fiscal year, Alaska was apportioned approximately \$157 million. The obligation limit for spending was set at approximately \$142 million. In August, this spending limit may be increased if other states have not spent up to their obligation ceiling. Historically, Alaska has received \$6 to \$8 million of additional obligation authority. However, the total funds available to the State will remain at the \$157 million limit.

Example No. 3 addresses our involvement in the statewide prioritization process for major projects. Each State can determine project priorities by whatever method they deem rational. FHWA will accept any major project selected by the State if it is included in the Six-Year Plan.

Your final clarification concerns Federal-aid highway program reimbursement for work done prior to federal authorization. For instance, development of the environmental impact statement with State funds and a later request for reimbursement during construction. The Federal-aid highway program regulations are very strict that any work done prior to the authorization date for Federal-aid fund participation is not eligible for reimbursement.

If any of these responses require further clarification, do not hesitate to contact us.

Sincerely yours,



Robert E. Ruby
Division Administrator

Alaska State Legislature



SENATOR JIM DUNCAN

P.O. Box V JUNEAU, ALASKA 99811-3100
(907) 465-4766

COMMITTEES:
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VICE CHAIR —
HEALTH EDUCATION
& SOCIAL SERVICES
BUDGET & AUDIT
BANKING &
ECONOMIC
DEVELOPMENT

MARCH 8, 1989

THE HONORABLE STEVE COWPER, GOVERNOR
STATE OF ALASKA
POST OFFICE BOX A
JUNEAU, ALASKA 99811-0101

DEAR GOVERNOR COWPER:

IN SEPTEMBER OF 1988 I ASKED THE JUNEAU ECONOMIC DEVELOPMENT COUNCIL (JEDC) TO EVALUATE ALL POSSIBLE OPTIONS WHICH WOULD PROVIDE IMPROVED ACCESS FOR JUNEAU AND REPORT TO ME ON THEIR FINDINGS. TODAY I HAVE RECEIVED THEIR REPORT ENTITLED "JUNEAU ROAD ACCESS IMPROVEMENTS" AND I PROVIDE YOU WITH A COPY FOR YOUR INFORMATION.

RECOMMENDATION IV, ON PAGE 16 OF THE JEDC REPORT, STATES;

"THE STATE OF ALASKA, THROUGH THE OFFICE OF THE GOVERNOR, SHOULD INITIATE IMMEDIATE DISCUSSIONS WITH THE CANADIAN BRITISH COLUMBIA AND FEDERAL GOVERNMENTS FOR THE PURPOSE OF ESTABLISHING DEMAND THRESHOLDS AND THE PROTOCOL FOR THE CONSTRUCTION OF JOINT ROAD PROJECTS."

THIS RECOMMENDATION IS DIRECTLY RELATED TO THE TAKU RIVER CORRIDOR WHICH IS ONE OF THE TWO HARD LINK PROJECTS IDENTIFIED IN THE JEDC REPORT AS BEING WORTHY OF FURTHER EVALUATION. I WOULD APPRECIATE YOUR STAFF INVOLVEMENT IN DISCUSSIONS WITH THE CANADIAN GOVERNMENT CONCERNING THE POSSIBILITY OF A JOINTLY FUNDED PROJECT UP THE TAKU RIVER CORRIDOR.

YOUR FAVORABLE RESPONSE TO THIS REQUEST WILL BE APPRECIATED. I WILL BE HAPPY TO DISCUSS THIS MATTER WITH YOU AT YOUR CONVENIENCE.

SINCERELY,

JIM DUNCAN
SENATOR

ATTACHMENT

DISTRICT C



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STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

March 20, 1989

The Honorable Jim Duncan
Alaska State Senator
P.O. Box V
Juneau, AK 99811

Dear Jim,

Thanks for the copy of the Juneau Economic Development Council's report on "Juneau Road Access Improvements." I'll share it with both Mark Hickey and Ron Clarke. We'll examine the report's recommendations with an eye toward discussions with Canadian officials. Commissioner Hickey will contact you if he needs further information. We'll be in touch after we've looked through the report.

Sincerely,

Steve Cowper
Governor

cc: Commissioner Mark S. Hickey
Department of Transportation
and Public Facilities

Ronald G. Clarke
Special Staff Assistant
to the Governor

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Alaska State Legislature

SENATOR JIM DUNCAN

P. O. BOX V JUNEAU, ALASKA 99811

(907) 465-4766

COMMITTEES:
FINANCE
RESOURCES
BUDGET AND AUDIT

SEPTEMBER 26, 1988

MR. JAMES KOHLER, EXECUTIVE DIRECTOR
JUNEAU ECONOMIC DEVELOPMENT COUNCIL
POST OFFICE BOX 1227
JUNEAU, ALASKA 99802

DEAR MR. KOHLER:

AS YOU ARE AWARE, IMPROVING ACCESS TO JUNEAU IS AN ISSUE UNDER CONTINUING DISCUSSION AND DEBATE IN THIS COMMUNITY.

IT APPEARS THAT THERE ARE VARIOUS INTEREST GROUPS IN FAVOR OF A TAKU ROUTE, FAST FERRIES OR A ROAD LINK NORTH TO HAINES OR SKAGWAY. I FEEL IT IS IMPORTANT FOR SOME GROUP TO TAKE THE LEAD IN PUTTING TOGETHER A TASK FORCE TO EVALUATE THE THREE ALTERNATIVES TO SEE IF THERE IS SUFFICIENT INFORMATION AVAILABLE ON EACH ROUTE TO MAKE AN INFORMED DECISION. IF INSUFFICIENT INFORMATION IS AVAILABLE ON ANY OF THE POSSIBLE SOLUTIONS, I WILL MOVE FORWARD NEXT SESSION TO APPROPRIATE THE FUNDS NECESSARY TO GATHER COMPLETE INFORMATION ON EACH ALTERNATIVE.

I FEEL THE JUNEAU ECONOMIC DEVELOPMENT COUNCIL IS THE APPROPRIATE ORGANIZATION TO PULL TOGETHER THE VARIOUS PROPOSALS INTO A COHESIVE COMMUNITY APPROACH TO IMPROVED ACCESS FOR JUNEAU. THE ISSUE CONTINUES TO BE TOO POLITICAL AND I DO NOT THINK IT CAN BE RESOLVED IN THE POLITICAL ARENA. IT IS TIME TO LOOK AT THE OPTIONS MORE OBJECTIVELY.

I PROPOSE THAT THE JUNEAU ECONOMIC DEVELOPMENT COUNCIL COORDINATE SUCH AN EFFORT AND PRESENT TO MY OFFICE A RATIONAL AND FEASIBLE PROPOSAL FOR ADDRESSING THE ACCESS PROBLEM AS SOON AS POSSIBLE.

I AM WILLING TO ASSIST YOU AND THE COUNCIL IN ANY WAY THAT I CAN. IF I CAN PROVIDE INFORMATION OR ASSISTANCE PLEASE DO NOT HESITATE TO CONTACT ME.

SINCERELY,

JIM DUNCAN
SENATOR

cc: Greg O'Clary

JUNEAU ECONOMIC DEVELOPMENT COUNCIL

1907 463-3662

P.O. Box 21227 • 1107 West 8th St.

Juneau, Alaska 99802

**MEMBERS**

Greg O'Claray, Chairperson
Deborah Haley, Vice-Chairperson

William Brock, Treasurer
Patrick Anderson
William M. Howe

Peter Hildre
Theodore R. Merrell

CIB REPRESENTATIVES
Mayor Ernest E. Polley
Kevin Ruchie

September 28, 1988

Senator Jim Duncan
State Capitol Bldg.
Juneau, Alaska 99811

Dear Senator Duncan:

The Juneau Economic Development Council met this afternoon and took up your request to organize and lead a community task force effort focusing on improved transportation links between Juneau and Canada as part of its regular business.

The JEDC unanimously passed a motion accepting your challenging task. However, the Council felt it was necessary to express one qualification in its acceptance. The JEDC is simply not prepared to invest more than a very limited amount of its financial resources in the execution of this work effort. As a result, the Council may have to report back to you early with a summary of existing information and an outline of additional data requirements that will need to be met to reach any conclusions or recommendations.

With the qualification expressed and understood the JEDC welcomes the opportunity to assist the community focus its energies on a specific project.

Council members who will take a lead role in the execution of this effort are Greg O'Claray and Peter Hildre. I recommend that Greg, Peter and myself meet with you and your staff in the near future, at your convenience, to articulate consensus on expectations, process and schedule.

The entire Council looks forward to working with you on this task.

Sincerely,

James M. Kohler
Executive Director

Alaska State Legislature

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SENATOR JIM DUNCAN

P. O. Box V JUNEAU, ALASKA 99811

(907) 465-4766

COMMITTEES:
FINANCE
RESOURCES
BUDGET AND AUDIT

August 5, 1987

Honorable Ted Stevens
United States Senate
522 Hart Building
Washington, D.C. 20510

Dear Senator Stevens:

The purpose of this letter is to ask you to support a project I believe is crucial to the economic vitality of Alaska's capital city, a Road Link North.

For years the possibility of a road/ferry link to Haines from Juneau has been discussed, and funding has been made available for "feasibility studies" on several occasions.

I believe it is time to quit talking about the Road Link North and build it. The Juneau Chamber of Commerce is highly supportive of the project and has economic analyses (copy attached) which favor construction of a road link to Skagway and on to Haines, rather than a road/ferry link to Haines then on to Skagway. The East side road-only route is estimated at \$365.0 million in construction cost, while a road with a bridge across Lynn Canal near Haines would cost around \$440.0 million.

A project of this magnitude will take a major long-term commitment of capital funds. I inserted \$100,000 in this year's capital budget to initiate work on the environmental and economic feasibility of constructing the project. Our next hurdle is to obtain sufficient federal funding to proceed into the design and construction phases of the project. Since the Federal Highway Administration funds available to Alaska annually amount to under \$150.0 million, and the Southeast region of the state receives less than \$15.0 million of that, or 10%, it seems likely we would need to go outside the normal federal highway allocation for funding. A phased construction seems to be the most reasonable approach, with an initial \$100.0 million commitment and around \$15.0 million annually thereafter for construction.

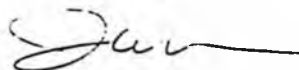
Honorable Frank Murkowski
August 5, 1987
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I would like your thoughts on the possibility of the Juneau Road Link North project being designated a "Demonstration" or "Pilot" project. I understand "Demonstration" projects of similar magnitude were funded in last year's FHWA budget.

This proposal provides the opportunity to replace an extremely expensive to operate ferry system with a relatively inexpensive to operate and maintain roadway. This tradeoff of cost is unique among new road project proposals and can be economically justified in the long term on this basis alone. In fact, the high capital roadway costs needed up front have made it difficult to begin this effort.

Please let me hear from you with any funding ideas for this project.

Sincerely,



Jim Duncan
Senator

Attachment