

157

HCRA

HB

903

-

SB

120

HB-903

NOME COMMUNITY CENTER INC

HB 903
BOX 98 NOME, ALASKA 99762
(907) 443-5259

April 29, 1976

Mr. Sam R. Cotten
P.O. Box 296
Eagle River, AK 99577

Dear Mr. Cotten:

I highly support HB 903 as this directly affects our seniors. Our seniors are Native and are subsistence living speaking mainly Eskimo. The senior citizens located in different regions in the state also have different needs and are in need of services for them to remain independent and to continue to live in their own homes. Our area is now in the process of losing long-term care facilities available thru the local hospital and if this happens our seniors will have to be shipped to Anchorage where the life is unfamiliar to them with no visitors, diet is different, life is too fast.

There is a great need for statewide coordination between services that are available for seniors. Representatives need to meet at least once a year to discuss needs of the elderly in Alaska. These representatives would be able to compare and discuss all needs of seniors to a greater extent and come thru with more impact.

This is the best proposal and I do hope it will be considered for next year. It is needed to fully serve our seniors.

Please keep me informed.

Thank you.

Sincerely,

Rose Ann Timbers

Rose Ann Timbers
Director

THE LEGISLATURE OF THE STATE OF ALASKA
FISCAL NOTE

Second Session - Ninth Legislature

I. REQUEST

Bill No. HB 903

Title: An act establishing the Division of Senior Citizens

Requested by: House, C&RA and Finance

Date: _____

Return Date Requested: _____

Agency: Community & Regional Affrs. Program: Social Services

II. FISCAL DETAIL

Budget Request Unit(s) Affected: Office of the Aging

A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 76	FY 77	FY 78	FY 79	FY 80	FY 81
100 PERSONAL SERVICES		216.9				
200 TRAVEL		45.3				
300 CONTRACTUAL		35.0				
400 COMMODITIES		3.1				
500 EQUIPMENT		2.0				
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.		1,288.8				
TOTAL		1,591.1				

B. FUNDING: (Thousands of dollars)

GENERAL FUND Match		59.4				
FEDERAL FUNDS		1,466.5				
OTHER General Fund		65.2				

C. POSITIONS:

PERMANENT/TEMPORARY	/	8 /	/	/	/	/
MAN MONTHS (P./T.)	/	96 /	/	/	/	/

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

ASSUMPTIONS

1. Federal guidelines for Title III and VII Programs require quarterly program performance audits of individual sites.
2. Federal guidelines for Title III and VII Programs do not require annual financial compliance audits.
3. All Senior Citizens, over the age of 60 years as defined by the Federal guidelines, qualify for the programs regardless of economic status.
4. The noted changes would be in compliance with Federal Regulations.

IV. ATTACHMENTS

V. DATE: April 19, 1976 PREPARED BY: _____

Lynn A. Wegener
Lynn A. Wegener, Admin. Officer

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

ANALYSIS

If HB 903 became law and the Office of Aging was allowed Divisional Status within the Department of Community and Regional Affairs, the structure of the agency would remain basically the same as it is currently operated within the Department of Health and Social Services. The Program Coordinator of the Title III Program and the Clerk Typist II would be transferred to Anchorage as a large portion of their responsibilities are located in the Northern regions of the State. The Accountant would be assigned to the Administrative Services Fiscal Section which provides the centralized accounting and control functions for the Department. It is felt the duties of the Accountant Clerk II could be absorbed by the existing positions within the fiscal section, therefore deleting this position. The pay grade of the Office of the Aging Coordinator would be raised to a range 24 consistent with the other Division Directors within the Department. The Nutrition Program Coordinator would continue to administer the Title VII projects. The activity level of the Division and the functions of the staff would be monitored before additional structural changes were made.

As the operational costs requested in the FY '77 budget are based on historical trends, the budget requests serves as the basis for our projections. The Grant fund request will remain the same.

OPERATIONAL COSTS-DIVISION

<u>PERSONAL SERVICES</u>	\$176,592	
Merit increases @ 1 1/2%	<u>2,648</u>	
subtotal	179,240	
Benefits @ 21%	<u>37,640</u>	
Total		\$216,880
 <u>TRAVEL</u>		
Monitoring and administration of Aging programs and travel support for Governor's Advisory Council of Aging		45,300
 <u>CONTRACTUAL</u>		
Communications	\$ 6,000	
Printing and advertising	2,500	
Rent	18,000	
Repairs	400	
Transport. of personal effects	3,000	
Equipment rental	3,500	
Professional fees	<u>1,600</u>	
Total		35,000
 <u>COMMODITIES</u>		
Office supplies and reference materials		3,100
 <u>EQUIPMENT</u>		
Office equipment		<u>2,000</u>
 TOTAL		 \$302,280

ALTERNATIVE TO HB 903

An alternative, we feel, should be considered is establishing the Office of Aging as a section within the Community Services Division. Advantages would be freeing the Coordinator of much of the administrative activities, allowing more time to monitor the operation and effectiveness of programs. As this division currently has out-reach into the majority of locations of senior citizens program sites, much of the field monitoring and administering could be combined with other divisional activities.

Under this alternative, a Program Coordinator would retain responsibility for the Title III programs and would be transferred to Anchorage along with the Clerk Typist II position for clerical support. The Nutrition Program Administrator would remain in Juneau and continue responsibilities in the Title VII programs. The Accountant would be assigned to the Administrative Services section, the Clerk Typist III would be retained, the Accounting Clerk II and the remaining two Program Coordinators would be deleted. The functions of preparing the State Wide Plan on the Aging, researching of legislation and statutes and conducting hearing on the State Wide Plan would be performed by a new Research Analyst II position. The Office of the Aging Coordinator would be reclassified to a range 21 consistent with other Project Coordinators within the Department.

OPERATIONAL COSTS-SECTION

<u>PERSONAL SERVICES</u>	\$146,520	
Merit increases @ 1 1/2%	<u>2,198</u>	
subtotal	148,718	
Benefits @ 21%	<u>31,230</u>	
Total		\$179,948

TRAVEL

Monitoring and administration of Aging programs and travel support for Governor's Advisory Council of Aging		45,300
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CONTRACTUAL

Communciations	\$ 4,500	
Printing and advertising	2,500	
Rent	18,000	
Repairs	400	
Transport. of personal effects	3,000	
Equipment rental	3,000	
Professional fees	<u>1,600</u>	
Total		33,000

COMMODITIES

Office supplies and reference materials		2,500
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EQUIPMENT

Office equipment	<u>2,000</u>	
TOTAL		\$262,748

4/15/76

HB 903

Div of Senior Citizens

(rel. state)

old American Act

Fed funding grants - State \$60,000 Admin match (75/25%)

Authority & respons - Federal - in State Auth

Admin - ~~roughly~~ \$ 200,000

- 10 persons: 3 assoc. coord, 3 acct'g
1 nursing home devel specialist

Title 7 - needs on wheels

Gov's Advisory Committee

Place to C&R - to avoid stigma of "welfare"

Fed law - would let office be subverted into another div - must
be a single planning unit

Objection: of Pioneers Organiz. ^{to putting off a job at Gov.} - not a social problem

Bob Gore - Gov's Advisory Committee member

~~is~~ Poss. the politicality

Don't want any Fed \$ in Pioneers home - would mean Fed control

Fred deferred comment on Div. status until fiscal vote completed

ul's 1st/2nd know - is receiving attention, under City Council
State Dir. Alk Home makers

covered, 231 over 65 in own homes

More need for in-home care

Comm. has approved Cath Ward & bulk again in NYC. Cond

reg aging groups AAAP, Richard Ketchum

to learn & bring back info of programs of help making

business to be older peo

Felt Tom in Williamson doing since 11/55 gave it

glaring up to meet the needs

feels Rajiv ought to remain under IITSS

Eliminated employees to much of problem

Div of Health, Mental Health & Social Services ^{and services} all there

Using resources of health & mental health

Can start to work on it

Under whole state, outreach into villages

Legis should appropriate more \$ to keep old people
own homes

HB-906

"An Act making a special appropriation to the Department of Community and Regional Affairs for the subsidy for housing in cottage homes; and providing for an effective date."

COMMITTEE REPORT

4/9/76

HOUSE

FINANCE

Mr. Speaker:

Date 4/9/76

COMMUNITY & REGIONAL
AFFAIRS

The Committee on _____ has had HB 906

under consideration. A Majority of the members of the Committee

() recommends it DO PASS

() recommends it DO NOT PASS

() recommends it DO PASS WITH ATTACHED AMENDMENT(S)

() recommends it BE REPLACED WITH CS FOR HB 906 AND THAT
CS FOR _____ DO PASS

() "and" recommends it BE REFERRED TO THE _____
COMMITTEE

() reports it back WITHOUT RECOMMENDATION

() "other"

Members signing the Majority report:

<u>[Signature]</u>	_____	_____
<u>[Signature]</u>	_____	_____
<u>[Signature]</u>	_____	_____
<u>[Signature]</u>	_____	_____

Members NOT concurring in the Majority report:

_____	recommends:	
<u>[Signature]</u>	recommends:	<u>Worse</u>
<u>[Signature]</u>	recommends:	<u>no bc</u>
_____	recommends:	
_____	recommends:	
_____	recommends:	<u>[Signature]</u>

Chairman

HOUSE COMMUNITY & REGIONAL AFFAIRS COMMITTEE

April 12, 1976

Chairman Cotten called the meeting to order at 9:00 am for discussion of CSHB 883 and HB 906. Present were:

Rep. Cotten	Harvey Pitts, DC&RA
Rep. Davis	Erik Lee, DC&RA
Rep. Freeman	Joe Guthrie, Legislative Affairs
Rep. Hackney	Barbara Englert Thomas, Staff
Rep. Ostrosky	Vicci Hansen, Staff
Rep. Ose	

Eric Lee discussed the provision in the bill for a caretaker in the cottage for every five persons in residence. Most villages have only one health aide therefore the language in the bill should be changed: Page 2 Line 12 which reads "shall" be changed to "may", this would allow flexibility where needed. Ose moved for an amendment as such.

Eric Lee suggested another language change on Page 2 Line 17: add "that houses persons" between "home" and "receiving" since the state is paying a subsidy to people rather than a facility.

Chairman Cotten asked if the subsidy would be paid by HESS. Mr. Lee stated the subsidy would be paid by C & R A. If it is a cottage home that is housing people that are eligible under this chapter then it defines preference will be given to people receiving assistance under those other programs in HESS. Chairman Cotten asked about the non-contiguous to another institution language. Mr. Lee stated if it is part and parcel of a hospital or a nursing home there may be a question: is it institutionalized care? If it is institutionalized care it would create a problem with the federal government and their assistance payments. Chairman Cotten asked how the subsidy payments are made. Mr. Lee explained the appropriation would be the limiting factor.

Rep. Hackney asked how they came up with the figure \$212,500 for the cost of building such a cottage. Mr. Lee explained they used current building costs in the Bering Straits Region they arrived at a figure based upon a 4 - 5 bedroom unit in Nome, 2 units in a community the size of Unalakleet and one in a smaller village. They then broke down what the cost would be to advertize the building costs and fixed the rent and then a subsidy based upon an 80% figure as the state portion. Rent figure was figured by taking the building, maintenance, administration costs total for an annual cost per unit, then divided it into a monthly rental per unit. Chairman Cotten stated a pilot project will let us see how the whole thing works and at a later point it could be expanded to include other areas of the state. Total bill for the whole state would be \$50 million. Harvey Pitts explained this was the figure for nine communities throughout the state. \$50 million would be amortized over a 20 year period. Mr Lee stated the people receiving the subsidy would be eligible to receive up to 100% of their rent. The money would be from the General Fund. Bering Straits Regional Corp. would construct the facility, and this bill would subsidize the rent with no guarantee that this program would continue for more than one year. No profit margin allowed, just recovery cost.

April 12, 1976

Cotten stated anyone with a building meeting the regulations would be set up for this program. Ose mentioned the facility in Palmer where the state is paying to house old folks in an 18 bed facility, run by the Salvation Army. Hackney expressed concern that no limit is put on the amount spent on the facility in the first place. The department will pick up the tab that is over and above what that person can pay. No upper limit on the construction cost is set. Rep. Davis stated that can be taken care of by the rules and regulations of the department.

HB--919

HOUSE COMMUNITY & REGIONAL AFFAIRS COMMITTEE

April 27, 1976

Chairman Cotten call the meeting to order at 9:20 am for discussion of HB 919. Present were:

Rep. Cotten
Rep. Ose
Rep. Hackney
Rep. Ostrosky
Rep. Kelley
Rep. Freeman
Rep. Rudd

Brian Rogers, Staff
Cheryl Probst
Mike Davis
Mike Coumbe, Staff
Mary Van Nimwigen
Rep. Charlie Parr
Frank Cook

0047

HB 919 is the product of an initial study done by Rep. Parr; it is a timely idea now that OCS leases have been sold. The legislative finding is that development projects cause an immediate demand on services in a community and the developer has not borne the full impact and burden. Rep. Parr stated this is the first of nine federal leases to be sold off Alaska's shores. The intent of HB 919 is to be assured of repayment for costs of increased services needed to meet impact. When the State of Alaska appropriated money for pipeline impact it was for municipal services. This bill proposes to have the Department of Community & Regional Affairs estimate cost and then have developing company pay impact costs prior to completion of the project. The bill in original form had tax credit exemption, however the administration did not favor that portion of the bill because money needs to be furnished.

Rep. Freeman asked if impact is negative? Rep. Parr answered pipeline impact is not necessarily negative impact.

The committee discussed this further.

HOUSE COMMUNITY & REGIONAL AFFAIRS COMMITTEE

May 3, 1976

The meeting was called to order at 9:08 am by Chairman Cotten to hear testimony on HB 919. Present were:

Rep. Cotten	Rep. Charlie Parr
Rep. Davis	Brian Rogers
Rep. Freeman	Claire Lotspeich
Rep. Hackney	Cameron Edmondson, Marathon Oil
Rep. Ostrosky	Monte Taylor, Exxon
Rep. Ose	Ken Showalter, Sohio
Rep. Hershberger	Eugene F. Wiles, Socal
Rep. Kelley	Robert J. Walker, Exxon
	Sharon Lobaugh, Ak. Conservation So.

Eugene F. Wiles representing Standard Oil of California submitted four papers to the Committee: An Economic and Social Impact Study of Oil Related Activities in the Gulf of Alaska, by Mathematical Sciences Northwest, Inc.; Executive Summary by Math. Sciences NW., Inc.; Alaska Taxation of the Petroleum Industry done for the Alaska Oil and Gas Association; and a paper on the economic and social impact of potential petroleum development in the eastern sector of the Gulf of Alaska. Mr. Wiles discussed and read from the four reports. The main point he was making was that there will not be an immediate impact on the areas, and he called the fee a tax and it is in violation of the tax law.

Chairman Cotten asked if anyone would be able to submit their testimony in the remaining 10 minutes.

Sharon Lobaugh representing the Alaska Conservation Society stated she expects written testimony to be available for the Committee's consideration but it has not arrived at this time. The Alaska Conservation Society is generally supportive of the concept of the bill.

Chairman Cotten adjourned the meeting at 9:55 am.

HOUSE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

May 4, 1976

The meeting was called to order at 9:12 am by Chairman Cotten to complete hearing testimony on HB 919. Present were:

Rep. Sam Cotten	Brian Rogers, self
Rep. Kathryn Ostrosky	Claire Lotspeich, self
Rep. Al Ose	Paul Carr, D.C. & R.A.
Rep. Larry Davis	Lois Kramer, D.C. & R.A.
Rep. Glen Hackney	Cameron Edmondson, Marathon
Rep. Hershberger	Waco Shelly, Mobil
	Sharon Lobaugh, ACS
	Eugene F. Wiles, SOCAL
	Robert J. Walker, Exxon
	Rep. Charlie Parr
	Barbara Englert Thomas, Staff
	Jo Putman, Staff

1014

Chairman Cotten called upon Brian Rogers to testify. Mr. Rogers was representing himself as a tax payer. A report done by Math Services NW contains figures about the personnel to be employed, "the initial complement of crews required for rig operation will be from Cook Inlet or will be brought into Alaska from other areas." Additional people will require additional services as seen by the pipeline construction impact. Seward and Kodiak may be potential construction sites for platforms creating significant impact. If the construction site is placed as close to the site on shore as possible the communities will not feel the impact significantly, but neither will they receive the tax base and benefits. Of \$555 million investment required, \$85 million will be on shore of which \$25 million will not be brought into any local tax base. The population figures in the Math Sciences report are rather low estimates. If a new field is found each year then the activities illustrated in the development schedule will be repeated for each new field. So using the industry figures, Brian believes those figures will have to be tripled. Mr. Rogers submits that there has already been impact for the lease sales, SB 564 is a school bond package and included in that \$1.4 million for a school in Cordova and \$1.9 million for a school in Yakutat. Money is being put out now preparing for impact in advance. A problem we have with off shore oil development is there can be no state tax on the platforms. Mr. Rogers gave figures from OMB for additional population from increased OCS exploration and production in the Atlantic, the Gulf of Mexico, the Pacific and the Alaskan areas they believe that 64% of the population impact will be in Alaska and 70% of the cost of additional infrastructure will be in Alaska. IN a staff report prepared for the U. S. House of Representatives on Federal impact legislation of OCS states "state and local governments can require private owners and developers to ensure front end funding. Existing regulations now require companies to provide development plans, socio-economic impact information to state and local governments.

May 4, 1976

The rapid growth is what hurts the most. In Fairbanks suddenly the telephone system was inadequate, the road system was inadequate, whereas in the years preceding the pipeline the growth due to tourism and so on was relatively slow and could be met a little at a time. The OMB has estimated \$683 million worth of impact in the next nine years. That works out to about \$75 million a year or 10% of our state budget. I do not think any other industry has caused that large or quick an impact on the state. Rep. Ostrosky stated that all the studies that Mr. Rogers was referring to are impact studies that have been going on more than a year, it is an accepted concept that there will be drastic impact from this resource development and there will need to be front end monies available.

1646 Rep. Hackney asked how Mr. Rogers envisions a fee for a shore permit. Mr. Rogers stated it is a difficult problem but the bill does leave the department some leeway in computing these fees and after a couple of years of experience the legislature might want to look at it again and perhaps by statute rather than by regulation set up some formula.

1730 Waco Shelly, representing Mobil Oil Corporation, requested time, not to testify, but to unburden himself. He questions the practicality or workability of this bill. Mr. Shelly is opposed to trying to assess and make people pay in advance for something when they do not know what the magnitude is going to be.

Chairman Cotten stated we surely would be grateful if an industry representative were to offer some innovative suggestions as to what the state might do to prepare themselves for what appears to be a pretty heavy impact in the relatively near future.

0373 Mr. Shelly wanted to know how the state is going to separate the impact of oil development and any other industry?

Chairman Cotten stated the committee will take a few days to look at the figures now available and have another meeting to discuss the mechanism for fees.

0587 Rep. Parr asked Mr. Shelly if he had some alternate way to ensure the state gets some of the revenues from off shore drilling since the state does not have jurisdiction to tax beyond the three mile limit, no severance tax, no royalty tax, a distinction between onshore and offshore projects. Would the companies like to volunteer 12 1/2% royalty then we will not worry about the impact costs.

Mr. Shelly responded that he hopes, in time, the federal government will recognize the impact and come through with some impact funds.

0780 Meeting adjourned at 9:55 am

STATE OF ALASKA

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

JAY S. HAMMOND, Governor

DIVISION OF COMMUNITY
PLANNING

POUCH B-JUNEAU 99801

May 3, 1975

The Honorable Sam Cotten
House of Representatives
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Dear Representative Cotten:

Attached for your information are several exhibits which describe the estimated magnitude of OCS oil and gas development in Alaska. Included is a discussion of the extent of OCS areas to be leased as well as a comparative analysis of various employment and population forecasts. Four major sources are used:

1. Mathematical Sciences Northwest, Inc.; An Economic and Social Impact Study of Oil Related Activities in the Gulf of Alaska; prepared for the Gulf of Alaska Operators Committee; May, 1975.
2. Office of Management and Budget; Comments on the Federal Energy Impact Assessment Act.
3. Resource Planning Associates, Inc.; Onshore Impacts of Oil and Gas Development in Alaska, prepared for the Environmental Protection Agency; November, 1975.
4. U. S. Department of the Interior, Bureau of Land Management; Proposed Oil and Gas Leasing in the Northern Gulf of Alaska, Final Environmental Impact Statement; 1975.

The forecasts themselves demonstrate a wide range of opinion concerning the magnitude of growth which will be experienced. Despite the differences, however, it is clear that even the most modest growth which is predicted will have considerable impact, particularly in the coastal communities.

Summarized below are major points to be made about each of the exhibits:

EXHIBIT A: Acreage Leased in the United States Outer Continental Shelf, 1954-1976.

1. During the period 1954-1976, a total of 485,000 U. S. outer continental shelf acres was leased each year.
2. Since 1973, yearly acreage leased has doubled, approaching 1,000,000 acres/year.

EXHIBIT B: Outer Continental Shelf Areas in Alaska Under Consideration for Leasing.

Nine areas are scheduled for lease sales in Alaska. They include:

Lower Cook Inlet
Gulf of Alaska - Northern Gulf
Gulf of Alaska - Kodiak
Aleutian Shelf
St. George Basin (Bering Sea)
Bristol Bay Basin
Norton Basin
Hope Basin
Beaufort Basin

EXHIBIT C: Proposed OCS Sale Schedule.

According to the national policy of accelerated leasing, all nine sales are scheduled to take place in the next three years. Two to three sales are anticipated for 1976; three to four for 1977; and three for 1978.

EXHIBIT D: Proposed Acreage to be Leased on Alaska's Outer Continental Shelf.

1. At the recent Northern Gulf lease sale, 409,000 acres were sold. This acreage approximates the total amount sold each year during the period 1954-1973.
2. Proposed acreage for the Kodiak, Lower Cook Inlet and Bering Sea sales is 5,730,000 acres--equivalent to almost half of the total acreage leased during the last twenty-two years.

EXHIBIT E: Estimates of OCS Employment and Population Growth, Alaska, 1978-1990.

1. By 1978, total OCS-related employment may increase by as much as 12,000-20,000. Overall population growth resulting from OCS development may be 30,000-48,000.

2. Peak employment and population growth is likely to occur in the early 1980's. Peak employment is estimated at 44,000-63,000; peak population at 110,000-135,000.
3. The Office of Management and Budget (OMB) anticipates that direct employment will drop off in 1987; Resource Planning Associates, Inc. (RPA) predicts it will continue to grow, but at a slower rate than previous years.
4. RPA's total employment forecasts assume a higher rate of growth in oil-linked and service industries than does OMB's forecasts.

EXHIBIT F: Estimates of Direct OCS Employment, Gulf of Alaska, 1976-1990.

1. Estimates of direct employment depend greatly on assumptions concerning the magnitude and timing of OCS activity. There is some disagreement about the speed at which growth in direct employment will occur. The Alaska Division of Geological and Geophysical Survey (DGGGS) anticipates that OCS activity will begin rapidly; BLM and Mathematical Sciences Northwest assume smaller levels of direct employment and slower rates of growth.
2. Beginning this year, the Gulf of Alaska will experience between six to ten years of continuous employment growth. During this period, direct employment will increase by 300 to as much as 4,000.

EXHIBIT G: Estimates of Total Employment, Gulf of Alaska, 1976-1990.

1. For every direct job created by oil and gas development on the Gulf of Alaska's outer continental shelf, between 1.7 and 3.0 other jobs will be created. It is likely that many of the other jobs will be in Anchorage.
2. Total employment will peak in the early 1980's with estimates of growth ranging from 3,250 jobs (Mathematical Sciences) to 15,000 jobs (RPA).

EXHIBIT H: Estimates of Total Population Growth, Gulf of Alaska, 1976-1990.

1. Population growth follows the pattern of total employment growth. On the average, family sizes are assumed to be between 2.0 and 2.5 persons. The relative smallness of the dependency ratios takes into account single migrant workers.
2. Estimates of peak population growth in the Gulf of Alaska range from 11,000 (DGGGS) to 54,000 (RPA).

EXHIBIT I: Comparative Employment Data, Kenai-Cook Inlet, 1961-1974.

In the eight years 1961 through 1968, total employment grew by 3,790 jobs or 180 percent. Mining and contract construction are the greatest contributors to the new employment. These two sectors are also subject to considerable fluctuation during the fourteen-year period.

EXHIBIT J: Direct Oil Industry Employment in Scotland.

The analysis spans a year and one-half. Direct oil industry employment in Scotland zoomed from a mere 4,100 to 16,000 in eighteen months.

Finally, I would like to include a quote from Charles Prokop of Exxon given in testimony before the Council on Environmental Quality, September 26-27, 1973:

"As production grows it would become necessary to have more and more personnel 'on location' until within a year or so a sizable community would develop near the producing area. If we keep our assumption of 200,000 B/D production as an example area, we could expect approximately 20 modest size business buildings, and two small hotels for temporary personnel and approximately 400 homes for the 600 people directly employed. A similar number would be expected to live outside the area in nearby cities with heavy emphasis still on Anchorage.

Of course, now supporting services would grow into the communities to serve the families of the employees, providing new jobs for those not directly associated with the industry. This could produce a community of near 2400 people and the churches, schools, recreation and service buildings accompanying a small population center. Land use would be approximately 6 square miles

There are several locations on the coastline of the Gulf which would accommodate sizable communities. At present Yakutat and Cordova are the only towns in the area under discussion. Neither is large enough to absorb even a part of the increased population, but either could be enlarged substantially should their positions be strategic. Yakutat would probably be the most ideally located of the two."

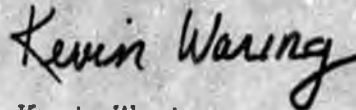
The Honorable Sam Cotten

-5-

May 3, 1976

I hope that the attached information is helpful. If I can be of further assistance, please do not hesitate to ask.

Sincerely,



Kevin Waring
Director

Attachments

cc: Kathryn Ostrosky
Oral Freeman
Larry Davis
H. M. Hershberger
Glenn Hackney
Al Ose
Lisa Rudd
Ramona Kelley
Charlie Parr

EXHIBIT A
ACREAGE LEASED IN THE UNITED STATES
OUTER CONTINENTAL SHELF (OCS)
1954 - 1976

<u>Period</u>	<u>OCS Acreage Leased</u>
1954-1973	9,214,810
1974-1976	<u>2,795,685</u>
TOTAL	<u>12,010,495</u>

Source: U. S. Senate Committee on Interior and Insular Affairs, Federal Leasing of Petroleum on the Outer Continental Shelf, January, 1976.

EXHIBIT B
OUTER CONTINENTAL SHELF AREAS IN ALASKA
UNDER CONSIDERATION FOR LEASING

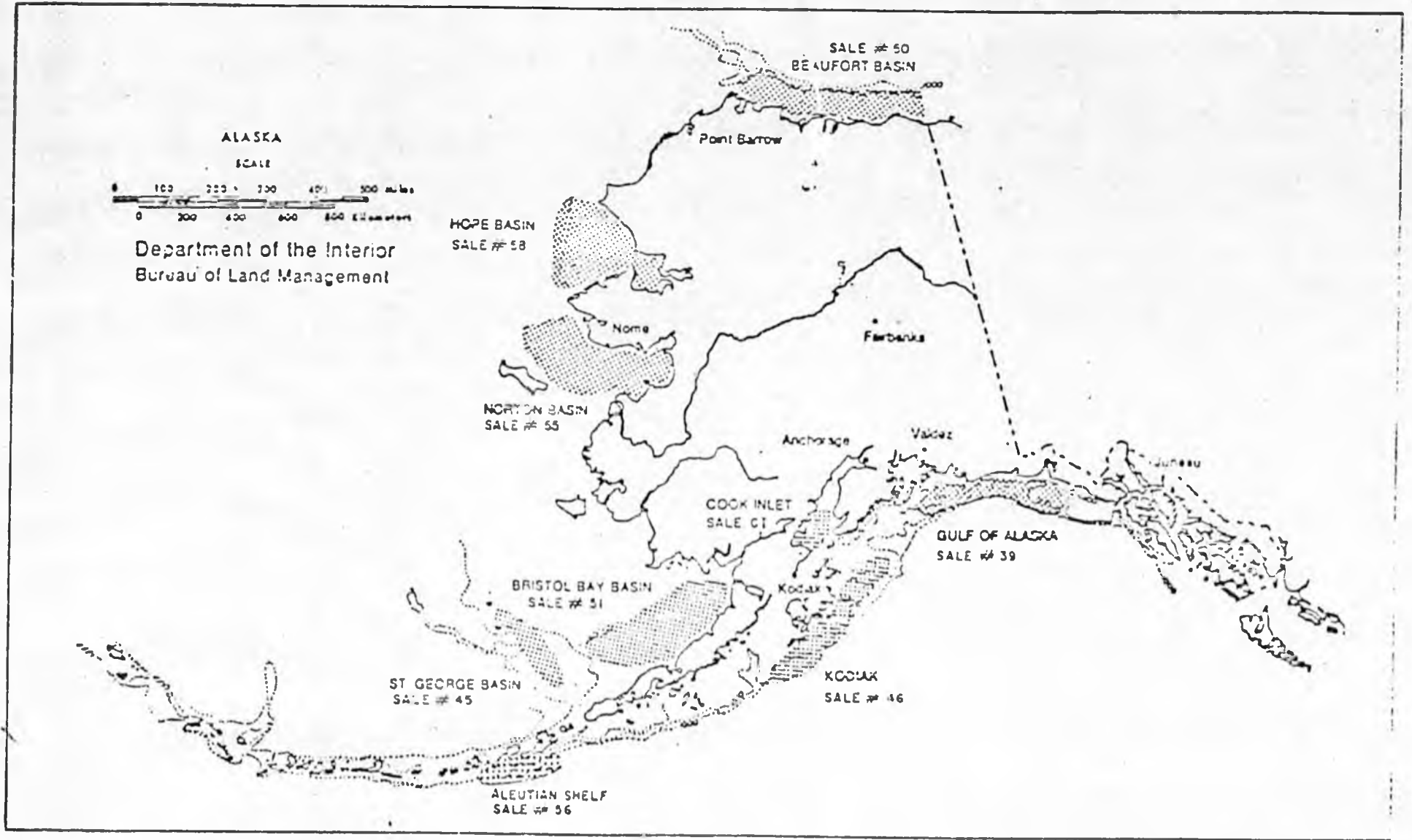


EXHIBIT C PROPOSED OCS SALE SCHEDULE

JUNE 1975
(REVISES NOVEMBER 1974 SCHEDULE)

SALE AREA	1974					1975					1976					1977					1978																													
	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D								
SOUTH TEXAS 37																																																		
CENTRAL GULF 38																																																		
CENTRAL GULF 38A																																																		
SOUTHERN CALIF. 39																																																		
COCK INLET 1/																																																		
GULF OF ALASKA 39																																																		
GULF OF MEXICO (GENERAL) 41																																																		
MID-ATLANTIC 40																																																		
NORTH ATLANTIC 42																																																		
GULF OF MEXICO (DRAINAGE) 44																																																		
SOUTH ATLANTIC 43																																																		
GULF OF ALASKA (INCLUDING KODIAK) 46																																																		
BERING SEA (ST. GEORGE) 45																																																		
GULF OF MEXICO (DEEP) 47																																																		
SO. CALIFORNIA 48																																																		
MID-ATLANTIC 48																																																		
BEAUFORT SEA 50																																																		
OUTER BRISTOL BASIN 51																																																		
NORTH ATLANTIC 52																																																		
CALIFORNIA GENERAL INCL. WASH. & OREGON 53																																																		
SOUTH ATLANTIC (BLAKE PLATEAU) 54																																																		
BERING SEA (MORTON BASIN) 55																																																		
GULF OF ALASKA - ALEUTIAN SHELF 56																																																		
CHUKCHI SEA HOPE BASIN 57																																																		

BS: Baseline Studies Included
 C: Call for Nominations
 ND: Nominations Due
 T: Advertisement of Tracts
 DES: Draft Environmental Statement
 PH: Public Hearing
 FES: Final Environmental Statement
 N: Notice of Sale
 L: State May Conduct Sale

Baseline studies scheduled are contingent upon scientific personnel and equipment being available in particular the studies.
 Sales are contingent upon preliminary being available for exploration and development. A decision whether to hold any of the lease sales listed will not be made until completion of all necessary studies of the environmental impact and the holding of public hearings; as a result of the environmental, technical, and economic studies employed in the decision-making process, a decision, say, in fact, to make not to hold any sale on the schedule.



Grant R. Baskland

Director,
Bureau of Land Management

EXHIBIT D
PROPOSED ACREAGE TO BE LEASED
ON ALASKA'S OUTER CONTINENTAL SHELF

<u>Area</u>	<u>Sale Number</u>	<u>Proposed Acreage</u>
Northeast Gulf of Alaska	39	408,592 (actual)
Kodiak	46	3,179,660
Lower Cook Inlet	--	865,364
Bering Sea (St. George Basin)	45	1,682,389
Beaufort Sea	50	No information available
Outer Bristol Basin	51	No information available
Bering Sea (Norton Basin)	55	No information available
Gulf of Alaska (Aleutian Shelf)	56	No information available
Chukchi Sea	57	No information available

EXHIBIT E
ESTIMATES OF OCS EMPLOYMENT AND POPULATION GROWTH
STATE OF ALASKA, 1978-1990

<u>Year</u>	<u>Direct Employment</u>		<u>Total Employment</u>		<u>Population</u>	
	<u>RPA</u> ¹	<u>OMB</u> ²	<u>RPA</u>	<u>E OMB</u> ³	<u>RPA</u>	<u>OMB</u> ⁴
1978	5,500	4,300	20,000	11,800	48,000	29,600
1980	15,000	16,100	63,000	44,300	135,000	110,700
1987		8,100		22,300		55,700
1990	16,000		95,000		246,000	

Notes

1. Estimates taken from Resource Planning Associates, Inc., Onshore Impacts of Oil and Gas Development in Alaska, Volume I, prepared for the Environmental Protection Agency, November, 1975. Included in totals are estimates for OCS development in the Gulf of Alaska, Beaufort Sea, Bering Sea, Lower Cook Inlet, Kotzebue Sound, Bristol Bay and Chukchi Sea.
2. Estimates taken from Office of Management and Budget Comments on the Federal Energy Impact Assessment Act.
3. CRA estimates using OMB assumptions of direct to total employment multiplier of 2.75.
4. CRA estimates using OMB employment to population multiplier of 2.5.

EXHIBIT F
ESTIMATES OF DIRECT OCS EMPLOYMENT
GULF OF ALASKA, 1976-1990

<u>Year</u>	<u>DGGS</u> ¹	<u>FEIS</u> ²	<u>MATH SCI</u> ³	<u>RPA</u> ⁴
1976	1,085	296	291	
1977	1,800	888	622	
1978	2,160	1,284	936	1,000
1979	2,438	1,284	1,250	
1980	2,825	1,626	1,486	4,000
1981	2,610	1,686	1,400	
1982	2,380	1,594	1,191	
1983	3,290	1,650	940	
1984	1,815	2,370	951	
1985	1,335	2,306	886	
1986	1,285	1,302		
1987	1,285	1,302		
1990	1,285			4,000

1. Division of Geological and Geophysical Surveys; Gulf of Alaska Development Model.
2. U. S. Department of the Interior, Bureau of Land Management; Proposed Oil and Gas Leasing in the Northern Gulf of Alaska, Final Environmental Impact Statement; 1975.
3. Mathematical Sciences Northwest, Inc.; An Economic and Social Impact Study of Oil Related Activities in the Gulf of Alaska; prepared for the Gulf of Alaska Operators Committee; May, 1975.
4. Resource Planning Associates, Inc.; Onshore Impacts of Oil and Gas Development in Alaska; prepared for the Environmental Protection Agency; November, 1975.

EXHIBIT G
ESTIMATES OF TOTAL EMPLOYMENT
GULF OF ALASKA, 1976-1990

<u>Year</u>	<u>DGGS</u> ¹	<u>FEIS</u> ²	<u>MATH SCI</u> ³	<u>RPA</u> ⁴
1976	1,845	883	796	
1977	3,060	2,649	1,414	
1978	3,672	3,835	2,132	5,000
1979	4,145	3,835	2,723	
1980	4,803	4,882	3,036	15,000
1981	4,437	5,081	3,250	
1982	4,046	4,817	2,793	
1983	5,593	6,505	2,289	
1984	3,085	7,168	2,623	
1985	2,270	5,615	2,601	
1986	2,185	4,351		
1987	2,185	3,939		
1990	2,185			24,000

1. Estimates derived from Division of Geological and Geophysical Survey Forecasts for direct employment. CRA assumed a direct to total employment multiplier of 1.7.
2. U. S. Department of the Interior, Bureau of Land Management; Proposed Oil and Gas Leasing in the Northern Gulf of Alaska, Final Environmental Impact Statement; 1975.
3. Mathematical Sciences Northwest, Inc.; An Economic and Social Impact Study of Oil Related Activities in the Gulf of Alaska; prepared for the Gulf of Alaska Operators Committee; May, 1975.
4. Resource Planning Associates, Inc.; Onshore Impacts of Oil and Gas Development in Alaska; prepared for the Environmental Protection Agency; November, 1975.

EXHIBIT II
ESTIMATES OF TOTAL POPULATION GROWTH
GULF OF ALASKA, 1976-1990

<u>Year</u>	<u>DGGS</u> ¹	<u>FEIS</u> ²	<u>MATH SCI</u> ³	<u>RPA</u> ⁴
1976	3,723	708	1,606	
1977	6,175	2,120	2,853	
1978	7,410	3,366	4,302	14,000
1979	8,365	3,366	5,495	
1980	9,692	6,298	6,127	33,000
1981	8,954	8,141	6,558	
1982	8,165	8,850	5,636	
1983	11,287	12,602	4,619	
1984	6,226	14,124	5,293	
1985	4,581	11,570	5,248	
1986	4,409	9,462		
1987	4,409	8,521		
1990	4,409			54,000

1. Estimates derived from Division of Geological and Geophysical Survey Forecasts for direct employment. CRA assumes a dependency ratio of 2.018 (provided by the Alaska Department of Labor).
2. U. S. Department of the Interior, Bureau of Land Management; Proposed Oil and Gas Leasing in the Northern Gulf of Alaska, Final Environmental Impact Statement; 1975.
3. Mathematical Sciences Northwest, Inc.; An Economic and Social Impact Study of Oil Related Activities in the Gulf of Alaska; prepared for the Gulf of Alaska Operators Committee; May, 1975.
4. Resource Planning Associates, Inc.; Onshore Impacts of Oil and Gas Development in Alaska; prepared for the Environmental Protection Agency; November, 1975.

EXHIBIT I
COMPARATIVE EMPLOYMENT DATA
1961-1974
KENAI-COOK INLET LABOR AREA

	<u>1961</u>	<u>1962</u>	<u>1963</u>	<u>1964</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>	<u>1970</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>% Increase 1961-1970</u>	<u>% Increase 1961-1974</u>
Total Civilian Work Force	2,512	3,123	3,274	3,318	2,914	3,883	5,415	6,475	6,262	5,560	5,508	5,967	5,748	6,179	121%	146%
Total Employment	2,102	2,664	2,723	2,830	2,510	3,383	4,936	5,892	5,510	4,745	4,594	5,022	4,831	5,375	126%	156%
Total Unemployment	410	459	551	488	404	500	479	583	752	815	914	945	917	970	99%	137%
Non-agricultural wage and salary employment	960	1,284	1,322	1,397	1,754	2,462	3,677	4,470	4,153	3,576	3,454	3,822	4,049	4,487	273%	367%
Mining	155	169	159	179	212	415	915	1,099	966	652	525	528	560	503	321%	225%
Contract Construction	57	94	99	128	259	**	821	1,209	736	354	398	433	343	441	521%	674%
Manufacturing	138	198	236	266	265	258	260	333	482	583	524	553	629	716	322%	419%
Transportation, communi- cations and utilities	90	104	94	107	124	141	306	267	273	293	254	280	296	404	226%	349%
Trade	113	134	152	151	219	303	357	432	528	507	466	502	507	627	349%	455%
Finance, insurance and real estate	27	34	44	**	**	**	**	**	**	**	**	79	81	90	**	233%
Services	86	154	135	**	180	263	334	401	364	339	338	446	596	671	294%	680%
Miscellaneous	*	*	*	*	**	**	**	**	**	**	**	55	90	88	**	*
Government	294	397	403	380	445	595	611	641	701	751	873	946	947	947	155%	222%

*Services and miscellaneous aggregated
**Withheld to comply with disclosure regulations

EXHIBIT J
OIL INDUSTRY EMPLOYMENT IN SCOTLAND

TABLE 5.6 CHANGES IN OIL INDUSTRY EMPLOYMENT, MARCH 1973-DECEMBER 1974

	<i>Mar. '73</i>	<i>Jun. '73</i>	<i>Sep. '73</i>	<i>Dec. '73</i>	<i>Mar. '74</i>	<i>Jul. '74</i>	<i>Oct. '74</i>	<i>Dec. '74</i>
Inverness and Easter Ross	1 840	1 795	2 040	3 205	4 175	4 375	3 520	4 025
Remainder of Highlands and Islands	50	65	50	85	395	930	1 365	1 565
North East	1 410	2 305	2 305 ^b	3 730	4 065	4 715	5 495	6 925
Tayside	25	35	95	135	150	280	475	765
East Central ^a	665	770	910	975	1 815	2 530	2 430	2 080
West Central ^c	110	170	250	480	675	785	855	870
Total	4 100	5 140	5 650	8 610	11 275	13 615	14 140	16 230

- a. East Central is equivalent to the Firth of Forth region as described in Chapter 6.
- b. No fresh figure was published for this quarter, therefore previous total has been carried forward.
- c. The figures for West Central Scotland do not include workers engaged in rig construction work in Clyde shipyards, e.g. Marathon, Clydebank. In December 1974 workers in this category numbered 1935.

Source: Department of Employment.

Source: Hutchison, MacGregor and Hogg, Alexander, Scotland and Oil, 1975, p. 61.

National Governors' Conference



1150 Seventeenth Street N.W. Suite 600
Washington, D.C. 20036
(202)785-5600

Robert D. Ray
Governor of Iowa
Chairman

February 3, 1976

W.I. Bob Palmer
Chief of Staff
Office of the Governor
Pouch A
Juneau, Alaska 99811

Dear Bob:

Pursuant to our discussion last week relevant to pending legislation to impact assistance, I am sending to you as an attachment the following material:

- 1) Staff draft of January 28, 1976 - "Federal Energy Development Impact Assistance Act of 1976".
- 2) A fact sheet prepared by OMB addressing the various provisions of the above referenced bill.

Please be advised Bob that the fact sheet was prepared on OMB's initial estimate of the impacts that would be created in the various States should this bill pass. There have been several redrafts of the bill, and as a result, some of the initial points referred to in the fact sheet may no longer be applicable. As a result, please don't take everything reflected in the fact sheet as gospel.

The meeting held in Denver last Wednesday evening proved to be most productive, particularly in light of Monday's discussion which we attended. There are still a number of questions in respect to debt ceiling and the constitutional prohibition of State administrative structure on borrowing that need to be worked on. In addition, the question of appropriate security for local units of government may prove to be most unworkable.

You should be receiving under separate cover a copy of a preliminary work program prepared by Jim Monaghan of Colorado. There are a number of issues which the task forces could explore; however, the more we look at the subject the more it appears that we should refine issues to the point that they don't become academic in nature. When you receive this document from Jim, I am sure you will understand my point more clearly.

It would be helpful to analyze this bill in relation to your understanding and position of various OCS bills that are now before the Congress. The critical question would be as follows: "Are loan guarantees and grants more attractive than grants, to ameliorate Net Adverse Impacts"?

Both Jim and I would appreciate your views on the subject as quickly as possible as the impact assistance bill may be introduced within the next several days. Further, any other additional comments that you think appropriate would be welcome.

With kindest personal regards.

Sincerely,

A handwritten signature in dark ink, appearing to read "TJD", followed by a horizontal line extending to the right.

Thomas J. Dennis
Interstate Coordinator for
Energy Programs

bcc: Jim Monaghan

4/28/76

HB 919

<u>Name</u>	<u>Organization</u>
Monte Taylor	Exxon Co., USA
Eugene H. Miles	Local
Ken Shauver	Ohio
Kevin Waring	Dept of Com + Reg Affairs
Bob Warden	Office of Governor
Conrad Furlow	Office of Governor
Paul Coore	Dept of Community + Regional Affs
Rogee V. Lewis	Dept. NATURAL RESOURCES
Robert J. Walker	EXXON

Sam - These are the comments Dept. of Revenue had on HB 564, but since the tax credit provision was taken out they have no concerns or interests in HB 919

STATE OF ALASKA

DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER

JAY S. HAMMOND, GOVERNOR

POUCH 5 - JUNEAU 99811

January 26, 1976

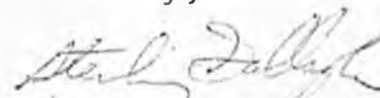
The Honorable Charles H. Parr
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Dear Representative Parr:

I appreciate what you are trying to accomplish in your bill providing for permits and fees for the construction of shore facilities associated with off-shore natural resource extraction. If industry is not going to pay its way, it is only right for them to equalize the cost. However, I do not feel it should be credited against future taxes. Governments have to live in the long run as well as the short run. The administration does not favor that portion of the bill.

We do like the concept of the bill but feel that portion should be changed.

Sincerely,



Sterling Gallagher
Commissioner

STATE OF ALASKA

DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER

OCS Impact
JAY S. HAMMOND, GOVERNOR

POUCH 5 - JUNEAU 99811

February 4, 1976

Honorable Nels Anderson
Chairman
House Resources Committee
Alaska State Legislature
State Capitol Building
Juneau, AK 99811

Re: House Bill No. 564

Dear Mr. Anderson:

House Bill No. 564, an Act providing for permits and fees for the construction of shore facilities associated with off-shore natural resources extraction was introduced in the House on January 14, 1976 and was referred to the House Resources and Finance Committees.

For the consideration of the House Resources Committee, I am enclosing a copy of a memorandum dated January 26, 1976 from Thomas K. Williams, Director, Petroleum Revenue Division, Department of Revenue, Anchorage relating to problems of administration of the proposed legislation.

If you or any members of the House Resources Committee have any questions on the material submitted, please telephone the writer at 465-2397 and I will contact Mr. Williams in Anchorage for further information.

Very truly yours,

R. D. Stevenson
Special Assistant

cc: The Honorable Hugh Malone
Chairman
House Finance Committee

The Honorable Charles Parr
Prime Sponsor - HB 564

Thomas K. Williams
Director
Petroleum Revenue Division
Department of Revenue
Anchorage, Alaska

MEMORANDUM

State of Alaska

TO: R. D. Stevenson
Special Assistant
Department of Revenue
Juneau

DATE: January 26, 1976

FILE NO:

TELEPHONE NO:

FROM: Thomas K. Williams *TKW*
Director
Petroleum Revenue Division
Department of Revenue

SUBJECT: House Bill No. 564

Offered in response to your request are the following observations on HB 564:

1. The primary effect on Treasury would be a pre-payment into the General Fund of State tax revenues from the extraction of offshore natural resources.
2. The bill invites litigation between impacted local governments and the State over the local government's uncompensated service expenses.
3. The bill fails to specify whether interest earned on the fee for the permit would be credited against State or local taxes.
4. The bill fails to consider what happens if a Permanent Fund is established and if some monies going into that Fund were from State taxes (e.g., AS 43.56) against which the fee for the permit could be credited: would part of the permit fee go into that Fund when paid, or would it go in as the credit was taken against those State taxes?

TKW:lgh

$$\begin{array}{r} \times \quad 7,089 \\ 95 \overline{) 683,000} \\ \underline{665} \\ 180 \\ \underline{95} \\ 21800 \\ \underline{240} \\ 8720 \\ \underline{436} \\ 523,200,000 \end{array}$$

$$\begin{array}{r} 2 \\ 7500 \\ 95,000 \\ \hline 37500000 \\ 67500 \\ \hline 712,500,000 \\ 7500 \\ 100,000 \\ \hline 750,000,000 \end{array}$$

~~750,000,000~~

[94]

95,000 2/1985

Specific Input - Kevin Waring OMB $\$951,000,000$ increased cost to Govt.
 $\underline{683,000,000}$ ADD. COST TO ARMS KIT
150 people per rig

DIRECTOR OF DIV OF COMM. SERVICES

Projections of on-shore facilities

Milton A. Wiltse
SRA 20826
Fairbanks, Alaska 99701
February 9, 1976

Honorable Charles H. Parr
Alaska State House of Representatives
Pouch V
State Capitol
Juneau, Alaska 99811

Dear Mr. Parr:

Enclosed are modifications for three Bills which I would like to submit for your consideration. A brief review of my suggested changes will show that my concern is directed at what I believe to be an unhealthy tendency exhibited by the executive branch of our state government to achieve the effect of legislation by agency regulation rather than legislative process. If passed in their present form, all of the Bills cited would have the effect of placing more control of the Alaskan public's resources in the hands of executive appointees and the bureaucratic agencies which they administer. I would much prefer to see such significant policy decisions remain the sole prerogative of my elected representatives.

In my opinion, the agencies may advise, but policy is the responsibility of the legislature. To assure the unbiased and professional quality of the advice submitted, I believe it mandatory that the qualifications of persons chosen to give such advice should be subject to legislative review and approval.

Thank you for your consideration.

Respectfully yours,

Milton A. Wiltse

Milton A. Wiltse

Enclosures

Senate Bill 564

Overall concept of this bill appears to be sound. However, nowhere in the bill is there any control mechanism to ensure that the fees collected are, indeed, immediately used to provide those specific services and facilities for which they were collected. The moneys are determined by estimation and handed on to the local government with no further control on them. I believe the fee permit should state " \$x assessed for schools, \$x assessed for sewage, \$x assessed for fire, " etc. (since these figures will be generated to arrive at the total fee in any case).

It also appears that since the fees are being collected for the purpose of providing services and facilities for the communities affected, that some provision be made for a company to provide services and facilities in kind. For example, a company might well be able to build and provide a community sewage treatment plant which was superior to, and less expensive than one constructed on state bid. Since the objective is the facility, not the revenue, I believe it would be appropriate to provide for such a manner of meeting permit costs.

State Exhibits
#38
in case against Klepp
to delay the lease
sale

TABLE 1

	<u>North Atlantic</u>	<u>Mid-Atlantic</u>	<u>South Atlantic</u>	<u>Gulf of Mexico</u>	<u>Pacific</u>	<u>Alaska</u>	<u>Total</u>
Production (million barrels per year by 1985) ^{1/}	57	114	19	343	385	161	
Peak Employment ^{2/}	2520	5880	830	8500	5600	19,200	
Permanent Employment ^{2/}	1020	2040	340	3800	3400	8,100	
Average of Peak & Permanent Employment	1770	3960	585	6150	4500	13,650	
Net Additional New Employment ^{3/}	1328	2970	439	3998	3150	13,650	
Average Additional Population ^{4/}	5976	13,365	1976	17,991	14,175	64,185	
Cos. of Additional Infrastructure ^{5/}	\$30M	\$67M	\$10M	\$90M	\$71M	\$683M	\$951M

Based on estimates from Department of Interior.

Based on labor input factors supplied by American Petroleum Institute and a rapid
exploration and development scenario in every area.

- 3/ Assumes at least 75% of employees will be new to the Atlantic areas; 60% will be new to the Gulf areas; 70% will be new to the Pacific areas; and 100% will be new to the Alaska areas.
- 4/ Assumes direct to total employment multiplier of 2.75 in Alaska and 1.8 in all other areas and employment to population multiplier of 2.5 in all areas.
- 5/ At \$7250 per capita in Alaska and \$5000 per capita in all other areas.

↓
 $88,000 \text{ people} \times \$7250 = \$638 \text{ million}$

↓
 $18,000 \text{ people} \times \$5000 = \$90 \text{ million}$

H/JR-55

COMMITTEE REPORT

3/2/76

HOUSE

Mr. Speaker:

Date 3-16-76

The Committee on COMMUNITY AND REGIONAL AFFAIRS has had IWR 55

under consideration. A Majority of the members of the Committee

- recommends it DO PASS
- recommends it DO NOT PASS
- recommends it DO PASS WITH ATTACHED AMENDMENT(S)
- recommends it BE REPLACED WITH CS FOR _____ AND THAT
CS FOR _____ DO PASS
- "and" recommends it BE REFERRED TO THE _____
COMMITTEE
- reports it back WITHOUT RECOMMENDATION
- "other"

Members signing the Majority report:

[Signature] _____

[Signature] _____

[Signature] _____

Members NOT concurring in the Majority report:

[Signature] recommends: NO REC

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

[Signature] Chairman

STATE OF ALASKA
THE LEGISLATURE
LEGISLATIVE AFFAIRS AGENCY

*Sewer bonds
HJR 55*


POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

MEMORANDUM

March 22, 1976

SUBJECT: Sewer Construction Funding

TO: The Honorable Sam Cotten, Chairman
House Committee on Community and Regional Affairs

FROM: A. R. Latham, Research Analyst 

The attached "Washington Report" appeared on my desk Friday (3/19/76), and I thought you might be interested in its contents. Since the deadline (3/15/76) has passed, I am not sure what we should do. If you have any suggestions or directions, please forward them to me.

ARL:jm
Attachment



March 2, 1976

REAUTHORIZATION NEEDED FOR NEW SEWER CONSTRUCTION

Latest Developments: March 15 is the deadline for House and Senate Committees to notify their respective budget committees that they intend to report authorizations for fiscal year 1977, but so far, only the Senate has a bill to reauthorize funds for the sewage treatment construction grants program. Key members of the Senate Public Works Committee, including Senators Muskie (D-Me.), Chairman Randolph (D-W.Va.), Baker (R-Tenn.), and Buckley (Cons-N.Y.) only last week introduced S. 3037, authorizing \$7 billion in contract authority for next year.

On the House side, no similar bill has yet been introduced. Nor does the Administration's proposed 1977 budget include provisions for a reauthorization.

If there is no reauthorization, more than half the states could run out of their allotments of federal funding for new sewer construction projects next fiscal year. Four states could run out by June. (See attached list of states)

Background: Under the construction grants program in the 1972 Federal Water Pollution Control Act, Congress established \$18 billion in authority for the Environmental Protection Agency to pay most of the eligible costs in approved construction contracts for sewage treatment works. This contract authority was parcelled out to the states according to need and population. As each state submits approvable construction projects, EPA obligates itself to pay 75 percent of the eligible costs, subtracting each obligation from the state's allotment of contract authority. Thus, when a state runs out of its allocation of contract authority, it can no longer get an obligation of funds for new construction projects.

It is important to note here that if Congress authorized, say, \$7 billion in contract authority for FY '77, the federal government would not necessarily spend that amount in one year. EPA's actual outlays for sewer construction each year depend on the pace of engineering, design, and construction on projects to which the Agency has obligated itself. The number of obligations in turn depends on how quickly EPA can process and approve project applications. Due to funding impoundments and the proliferation of federal red tape over local development and state submission of project applications, EPA at the end of 1974 had obligated itself to only \$3.9 billion worth of projects, and had actually paid out only \$427 million on the \$2 billion worth of these that had started construction. Thus a Congressional reauthorization of contract authority next year would not be irresponsible inflationary pump-priming, since actual outlays would be deferred and spread out over the years needed for projects to be prepared, submitted, approved, designed, and built.

State Impacts: The Administration contends that since there is still \$10 billion of the original \$18 billion remaining to be obligated, there is no need for a reauthorization for FY '77. The rate of obligation has picked up considerably in the last year, however, and EPA has calculated that at its present rate of obligation, 22 states will exhaust their contract authority allocations by March in 1977. So far, however, EPA has not been able to convince the Office of Management and Budget or the White House that an immediate reauthorization is essential.

Depletion of federal contract authority would play hob with state and local sewer planning and programming. All the state man-hours spent this year on needs surveys and construction priority lists will have been wasted, since only a few if any new projects could be funded. State staffs for the construction grants program could find themselves largely idle, many of them having recently expanded for faster processing of local applications.

There would also be economic dislocations, which would affect state revenues. Orders for new construction equipment and materials would eventually slacken, with a corresponding aggravation of unemployment. The National Commission on Water Quality estimates that each \$1 billion spent on sewer construction directly creates 20,00 jobs, and indirectly, another 20,000.

Among states that currently fund part of the 25 percent non-federal share of project costs, delays on needed new projects spell larger eventual outlays, since construction costs will continue to ratchet upward.

Action Needed: Members of both House and Senate Public Works Committees should be urged to support early enactment of a reauthorization up to \$7 billion. This is the level originally authorized for 1975. (Existing NCSL policy calls for increased funding to at least \$60 billion through 1983.) Committee members on the House side especially need an urgent appeal to have a bill introduced before the March 15 deadline.

A list of House and Senate Committee members is enclosed.

Since President Ford is likely to veto any reauthorization, it would be prudent to call for a separate House reauthorization bill, rather than an addition to H.R. 9560, the water pollution bill now before the Committee. H.R. 9650 contains several important measures for the states, including a provision allowing qualified states to assume larger responsibilities for processing project applications. The effect would boost the rate of EPA obligation to new projects. This and other needed amendments would be lost if a construction grant reauthorization were attached to H.R. 9560 and a Presidential veto were sustained, however.

Once these bills are reported out of their respective Committees, they will need strong support on the floors of both Houses to surmount the inevitable veto. Ford recently vetoed H.R. 5247, a public works bill that contained a \$1.4 billion authorization for sewer construction, and the veto was narrowly sustained. The \$1.4 billion would have reduced the number of states running out of contract authority next year from 28 to 6.

To help avert the same outcome next time around, a letter or call to your Congressman or Senator just before a floor vote would be most helpful. If the Senate and House Committees do report reauthorization bills, a later Washington Report will let you know when the floor votes come up.

Staff Contact: Rob MacDougall

ENVIRONMENTAL PROTECTION AGENCY PROJECTION OF STATES AFFECTED

IF THERE IS NO REAUTHORIZATION

(Based on Current Obligation Rates)

To Run Out by June, 1976:

Hawaii
Nevada
North Dakota
Wyoming

To Run Out by March, 1977:

Alabama
Alaska
Arizona
Colorado
Delaware
Florida
Idaho
Maine
Mississippi
Missouri
Montana
North Carolina
Oregon
Pacific Trust Territories
South Dakota
Texas
Utah
Virginia

To Run Out by End of FY 1977 (Projections less firm, according to EPA sources):

California
Maryland
Michigan
Minnesota
Nebraska
New Jersey
Ohio
Wisconsin

House Public Works and Transportation Committee

Jim Wright (Texas)
Harold T. Johnson (Calif.)
David N. Henderson (N.C.)
Ray Roberts (Texas)
James J. Howard (N.J.)
Glenn M. Anderson (Calif.)
Robert A. Roe (N.J.)
Teno Roncalio (Wyo.)
Mike McCormack (Wash.)
James V. Stanton (Ohio)
Bella S. Abzug (N.Y.)
John B. Breaux (La.)
Gerry E. Studds (Mass.)
Ronald B. (Bo) Ginn (Ga.)
Dale Milford (Texas)
Norman Y. Mineta (Calif.)
Kenneth L. Holland (S.C.)
Allan T. Howe (Utah)
Elliott H. Levitas (Ga.)
James L. Oberstar (Minn.)
Jerome A. Ambro (N.Y.)
Henry J. Nowak (N.Y.)
Robert W. Edgar (Pa.)
Marilyn Lloyd (Tenn.)

William H. Harsha (Ohio)
James C. Cleveland (N.H.)
Don H. Clausen (Calif.)
M. G. (Gene) Snyder (Ky.)
John Paul Hammerschmidt (Ark.)
E. G. Shuster (Pa.)
William F. Walsh (N.Y.)
Thad Cochran (Miss.)
James Abdnor (S.D.)
Gene Taylor (Mo.)
Barry M. Goldwater, Jr. (Calif.)
Tom Hagedorn (Minn.)
Gary A. Myers (Pa.)

Senate Public Works Committee

Edmund S. Muskie (Maine)
Joseph M. Montoya (N.M.)
Mike Gravel (Alaska)
Lloyd Bentsen (Texas)
Quentin N. Burdick (N.D.)
John C. Culver (Iowa)
Robert Morgan (N.C.)
Gary Hart (Colo.)

Howard N. Baker, Jr. (Tenn.)
James L. Buckley (N.Y.)
Robert T. Stafford (Vt.)
James A. McClure (Idaho)
Pete V. Domenici (N.M.)



CSSB-43 Am

DAWSON & CO. OF ALASKA, INC.



JUNEAU OFFICE
230 Seward Street
Juneau, Alaska 99801
Phone (907) 586-1530
Telex 45-330

May 5, 1975

Mr. Alan Judson
Chairman, Legislative Committee
Alaska State Firefighter's Association
145 Admiral Way
Juneau, Alaska 99801

Dear Alan:

This letter is to confirm our conversation of May 3, 1975 regarding fire protection and insurance costs.

It is my opinion that insurance costs could be reduced on a state-wide average.

This opinion is based on the theory that the number of approved Fire Departments with approved water supply be substantially increased state-wide.

The rationale for this is if a substantial portion of the insurable property in the state were protected by approved fire services the rating base would be reduced. The key to this is, in my opinion, the coupling of approved fire services and approved water supplies. Minor reductions have been realized in certain areas by merely providing approved Fire Departments. However, these reductions on a general basis are relatively minor.

As mentioned before these are my personal thoughts from experience gained as an insurance agent and broker in Alaska for approximately 10 years. If I can be of any further help to you, please don't hesitate to call on me.

Very truly yours,


William A. Baker



A Subsidiary of COMERCO, INC.

CSSB 43 am

The only real difference
between HBIS & CSSB 43 am
seems to be Sec. 3; which
appears to be a housekeeping
measure, allowing hospitals
outside ~~the~~ municipalities to
receive, as well as expend,
health revenue sharing funds.

House Committee on
COMMUNITY & REGIONAL AFFAIRS

Meeting Minutes
May 5, 1975

Meeting was called to order at 9:00 to discuss HB 15, CSSB 43am.

Rep. Cotten	Gordon Brunton, Regional fire Chief
Rep. Freeman	Allen Judson, Ak. St. Firefighters Assoc.
Rep. Davis	Rep. Duncan, Sponsor
Rep. Hackney	Bill Hagby, Fire trainer
Barbara Englert Thomas, Staff	Don Berry, Municipal League
Andrea Guernsey, Staff	Jack Chenoweth, director, Local Gov't

ALLEN JUDSON

Mr. Judson said the Alaska State firefighters were in support of CSSB 43. Over the last three years fire money is being spent for other things. For example Hoonah has been using it for their generator problems. he read a letter from Dawson and Company stating that if the fire facilities across the State were upgraded it would reduce insurance rates. The fire underwriters grade each community for insurance premiums but the overall picture is taken statewide.

HOONAH

Hackney asked what sort of equipment Hoonah has? and what their fire loss is? They have a 500 gal pumper but don't know the fire loss in dollars. Rep. Hackney thinks the people in the communities should set the priorities instead of having the State step in and say how to spend the money. Cotten pointed out that SB 43 says the money could be spent elsewhere if the community can show adequate fire protection. Mr. Brunton said Hoonah has 5-10 working fires each year. 80% of these are total losses. This is typical of the rest of AK. in that it is double that of the rest of the U.S. Rep. Freeman asked if Hoonah had a tax base? They have sales tax. He also asked what the city council thought. Judson said they were opposed to the bill because they want to use the money for the electrical system. Cotten said the community had to make its priorities.

M.L. POSITION

Freeman asked Mr. Berry for the Leagues opinion. Don said they were in opposition. It was not originally an idea of shared revenue to earmark the funds. They compromised with SB 43 by saying that the funds could be used elsewhere in original which was later amended out.

TAPE #12
side 2
1405-end

TAPE #13
side 1
0-412

HB 15, CSSB 43
May 5, 1975

C&RA POSITION

Jack. said hs dept. was in favor with the League's position.

Mr. Brunton suggested disqualifying the title of "fire protection". Don't want to increase fire money to be spent on something else. But some communities only get fire shared revenue, Cotten said.

After further discussion meeting was adjourned at 10:00.

5/5

CSSB 4:30am

Ray
Cheneweth
Don Tandy
Allen Griffin

X
X
X
X
X
X
X

NOT.

Pr.

Test

CSSB-90

COMMITTEE REPORT

3/27/75

HOUSE

FINANCE

Mr. Speaker:

Date 5-21-75

The Committee on C&RA has had CSSB 90

under consideration. A Majority of the members of the Committee

recommends it DO PASS

recommends it DO NOT PASS

recommends it DO PASS WITH ATTACHED AMENDMENT(S)

recommends it BE REPLACED WITH CS FOR _____ AND THAT

CS FOR _____ DO PASS

"and" recommends it BE REFERRED TO THE _____

COMMITTEE

reports it back WITHOUT RECOMMENDATION

"other"

Members signing the Majority report:

<u>Sean P. Gilman</u>	<u>DO PASS</u>	_____
<u>Kathryn Peterson</u>	<u>" "</u>	_____
<u>Illine Hershberger</u>	<u>" "</u>	_____
_____	_____	_____

Members NOT concurring in the Majority report:

_____ recommends: DO PASS

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

Sean P. Gilman Chairman

House Committee on
COMMUNITY & REGIONAL AFFAIRS

Meeting Minutes
May 2, 1975

Meeting was called to order at 9:00 to discuss CSSB 90. Present:

Rep. Cotten	Earl Prince, Dept. of Administration
Rep. Ostrosky	Dale Walington, Environmental Conser.
Rep. Freeman	Bill Pritchard, Local Government
Rep. Hackney	Jim Anderegg, Local Government
Barbara Englert Thomas, Staff	
Andrea Guernsey, Staff	

STATE PROPERTY
OFFICER

Mr. Prince, the State Property Officier, said he administers two statutes dealing with all surplus property. This is not a new bill, but has been largely unworkable in the past because of a lack of policy for transferring. He said there have been 20 separate occasions where someone has called for the equipment the day before it was to go on sale. This bill tries to clarify the existing statute. The problem is in the administration.

WHERE MONEY GOES

Rep. Freeman asked what happens to the money when a piece of equipment is sold. 90% goes to the Dept. from which it came, and 10% to the Dept. of Administration for administration costs. Then the dept. would have to make a choice between selling for money or giving to the villages.

PROCESS USED BY
DEPT. OF C&RA

Bill Pritchard from the Local Government Division of the Dept of Community and Regional Affairs, explained the process his dept. uses. In February they had a meeting with the Capitol Working Fund of the dept. of Hiways who asked them if they would communicate with the municipalities concerning the surplus equipment of the dept. of hiways. A list of all surplus equipment was sent to all municipalities (incorporated) and received 25 requests back. The municipality must pay the cost of transportation plus the recommended salvage cost of the piece of equipment. They send a list every time there is usable equipment for sale. In this process the municipalities have first crack at the stuff already, which solves Mr. Prince's problem. The equipment which isn't sold is then given over to the dept. of Administration for sale.

RESTRICTING USE
OF EQUIPMENT

Cotten would like to get rid of the section saying that the equipment can only be used for maintenance of roads or airports. This would give the communities the option of using them for garbage removal.

LETTER TO AGENCIES

Rep. Hackney doesn't think the bill is even needed. He suggests the committee write a letter to the dept. of C&RA, Hiways, Administration, Public Works asking them to all get together on this matter.

Chairman Cotten doesn't want to do anything with the bill until he hears from its sponsor.

Meeting was adjourned at 10:00.

House Committee on
COMMUNITY & REGIONAL AFFAIRS

Meeting Minutes
May 21, 1975

Meeting was called to order at 9:15 to discuss SB 259am, SB 138, CSSB 90.

Rep. Cotten	Barbara Thomas, Staff
Rep. Ostrosky	Andrea Guernsey, Staff
Rep. Hershberger	Senator Orsini
Rep. Freeman	Rep. Smith
	Bob LeResche, Fish & Game

SB 259am
Senator Orsini passed out a proposed Committee Substitute that would give the local government a year to act. The bill takes effect June 1, 1976. But he thinks the new Anchorage Borough Assembly will take action on it. Nobody had any objections to the substitute so it was adopted and the bill was reported out.

REPORT OUT

SB 138
Rep. Cotten suggests replacing section b with "before any such regulations are enforced they shall be submitted to and approved by the legislature."
AMENDMENT

PRIVATE LAND
IN PARK
Rep. Freeman still wants to know if private land surrounded by a state park is within that park? Rep. Smith said that according to this bill that land would be within the park and subject to zoning.

Senator Orsini offered some different language for section B, to the extent that if the legislature didn't act the regulations would take affect. Sam likes the first language better but agrees to change "are enforced" to "takes effect" for the sake of clarity.

REPORT OUT
COM. SUB.
Rep. Ostrosky moved to adopt the amendment and report the bill out. Without objection so moved.

CSSB 90
Oral still wants to know whether the equipment is sold or given. The "shall transfer" was changed to "may transfer" in the committee substitute.
REPORT OUT
The bill was reported out.

Meeting was adjourned at 9:50.

CSSB 90

NOT.

5/2

Sen Ferguson	X
Earl Prince (2290)	X
art Sanford	X
Dept. Highways	X
Dept. Public Works	X
Bill Britchard C-RA	



C55RB-11/11am

"An Act making a supplemental appropriation to the Department of Community and Regional Affairs for the Chugiak-Eagle River Borough; and providing for an effective date."

COMMITTEE REPORT

3/20/75

HOUSE

FINANCE

Mr. Speaker:

Date 3/24/75

The Committee on C&RA has had SSSB 111am

under consideration. A Majority of the members of the Committee

recommends it DO PASS

recommends it DO NOT PASS

recommends it DO PASS WITH ATTACHED AMENDMENT(S)

recommends it BE REPLACED WITH CS FOR _____ AND THAT

CS FOR _____ DO PASS

"and" recommends it BE REFERRED TO THE _____

COMMITTEE

reports it back WITHOUT RECOMMENDATION

"other"

Members signing the Majority report:

<u>[Signature]</u>	<u>[Signature]</u>	_____
<u>[Signature]</u>	<u>[Signature]</u>	_____
<u>[Signature]</u>	_____	_____
<u>[Signature]</u>	_____	_____

Members NOT concurring in the Majority report:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

[Signature] Chairman

HOUSE COMMUNITY & REGIONAL AFFAIRS COMMITTEE

Meeting Minutes
March 21, 1975

Meeting was called to order at 9:00 for discussion of HB 16 and HB 140. Present were:

Rep. Sam Cotten, Chairman	Rep. Larry Davis
Rep. Kathryn Ostrosky	Rep. Al Ose
Rep. Oral Freeman	Rep. Mike Hershberger--absent
Rep. Glenn Hackney	
Barbara Englert Thomas, Staff	
Andrea Guernsey, Staff	
Kevin Waring, Director, Community Planning	
Don Berry, Municipal League	
Rep. Jim Duncan, Sponsor, HB 16	
Al Judson, Firemen	

HB 16

Duncan said this was the same bill as in the Senate, only the figures were different.

(58) Mr. Judson gave a small dissertation on why fire protection needed more money: shortages; all costs have gone up tremendously.

(166) Rep. Freeman asked if communities are required to spend X dollars for fire protection out of revenue? Not now, Duncan said, but HB 15 would earmark for fire.

(203) Freeman-If there is a village that gets only fire protection revenue sharing the increase from \$5 to \$15 would mean a lot of change, but for Anchorage the money would be the same but percentage wise would be smaller.

(368) Ose explains. If they raise fire protection to \$15 the increase would be \$300 but Anchorage would have to take a decrease in other areas. (400) the top figure would have to go up equally.

(536) Mr. Berry suggests a committee substitute for the Senate bill.

(643) Freeman has reservations but moves to report HB 16 and SB 40 out.

The Committee amended SB 40 to \$15 and moved it and HB 16 out of committee.

HB 140

(873) Rep. Ostrosky moves to untable. Suggested amendments: line 12-change shall to may, delete "an", add an "s" to map. After map add "of cities and townsites". Line 23-add after "building", "or other structure located within a bed of a".

She asked Mr. Waring for comments but he had none.

(967) Freeman would rather see a committee substitute.

CSSB 111am

Committee moved the bill out. (Eagle River) (1026)

C55B-120 AM

"An Act relating to day care facilities; and providing for an effective date."

COMMITTEE REPORT

3/5/75

HOUSE

FINANCE

Mr. Speaker:

Date

4-1-75

The Committee on C&RA has had CSSB 120 am

under consideration. A Majority of the members of the Committee

() recommends it DO PASS

() recommends it DO NOT PASS

() recommends it DO PASS WITH ATTACHED AMENDMENT(S)

() recommends it BE REPLACED WITH CS FOR _____ AND THAT

CS FOR _____ DO PASS

() "and" recommends it BE REFERRED TO THE _____

COMMITTEE

() reports it back WITHOUT RECOMMENDATION

() "other"

Members signing the Majority report:

<u>Sam R. Latta</u>	<u>Do pass</u>	_____
<u>William R. ...</u>	<u>pass</u>	_____
<u>Bill ...</u>	<u>"</u>	_____
_____	_____	_____

Members NOT concurring in the Majority report:

<u>Freeman</u>	recommends:	<u>No Rec.</u>
<u>W. H. ...</u>	recommends:	<u>No Rec.</u>
<u>John ...</u>	recommends:	<u>DO NOT PASS</u>
<u>Al ...</u>	recommends:	<u>No Rec.</u>
_____	recommends:	_____

Sam R. Latta Chairman

AMENDMENT

OFFERED IN THE HOUSE:

BY: House Community &
Regional Affairs Committee

To: Amend HOUSE BILL No. _____

SENATE BILL No. SB 120am

PAGE: 2

LINE: 12

On page **2**, line 12, after the word "shall" add the words "give approval to and".

House Committee on
COMMUNITY & REGIONAL AFFAIRS

Meeting Minutes
April 1, 1975

Meeting was called to order at 9:00 for discussion of HB 161, 162 & SB 120am, 121. Present:

Rep. Sam Cotten, Chairman	Rep. Al Ose
" Kathryn Ostrosky	" Mike Hershberger-late
" Oral Freeman	" Glenn Hackney-late
" Larry Davis	

Barbara Englert Thomas, Staff
Andrea Guernsey, Staff
Eric Lee, SECO, Dept. of C&RA
Susan Clark
Jennifer Peterson, Juneau Model Cities

(1365) Ostrosky, presiding Chairperson, asked Ms. Clark to give a run down on the differences between HB 161 and SB 120.

Pg. 1 line 11-- "who either do not qualify... with dependent children" was considered to go better under the Eligibility section.. Was put on page 2 line 14 under eligibility. "Whether the family receives aid to families with dependent children and is eligible for day care service under aid to families with dependent children." Intent: people who get AFDC are not eligible for day care under this program but people who are eligible for AFDC but who don't use it may get day care.

Page 1 line 21--wording simply changed from "the provision of" to "assist in providing".

Page 1 line 29--added section 5 under powers and duties to insure local control and input.

Page 2 line 2--two additional subsections were added under "the dept may: contract with local agencies to perform duties and solicit recommendations from local governing bodies. Local control would be better for state. Less money, city could easily do it.

(1560) Ostrosky asked what the contractual duties would be? Lee answered: selecting recipients, dealing with day care centers, billing centers, paying billing, seeing that the homes are licensed.

(1575) Freeman asked what was the cities reaction to this. Eric said Senators had been in touch with cities and had gotten favorable reaction. It would only be a %5 or %10 match for the cities and often they would already have someone on the payroll who could administer the program. The parents would be free to be more productive and their earnings would then add to the tax base. (1618) Freeman doesn't like the idea of the State mandating a program and then expecting the city to carry it out.

(1630) Cotten -- Should the dept. make contact with the local agency? Lee--If the local community is incorporated they would have a choice whether they want the program or not. Cotten said that would be bypassing the local administration. Freeman didn't like that either so Lee suggested adding an amendment on page 2 line 12 "the incorporated city or borough shall give approval to and pay the cost.."

Page 2 line 20—drafting error.. Contributions will be paid to the day care facility instead of the dept.

page 3 line 14— added to definition of licensed day care " or recognized by the federal government". This was so head start centers in rural areas would be included.

page 3 line 29— definition of child chaged to read " up to the mandatory school age" instead of 5 years.

(end of tape)

Cotten moves to accept the Senate amendments and include the amendment by C&RA and to adopt a committee substitute.

Reps. Hershberger and Hackney arrived late and Cotten explained the Senate amendments to them. Hackney asked lee how many people SEOO will need. Two. And how will you pay for it? The Finance committee will appropriate for a new position.

Cotten withdraws his motion and moves to offer amendment for SB 120am, also to move SB 121 out.

Without objection they were moved out of committee with individual recommendations.

Meeting was adjourned at 10:00.

HOUSE COMMUNITY & REGIONAL AFFAIRS COMMITTEE

Meeting Minutes
March 24, 1975

Meeting was called to order at 9:00 for discussion of SB 120, 121, Day Care. Present were:

Rep. Sam Cotten, Chairman	Rep. Mike Hershberger
Rep. Kathryn Ostrosky	Barbara Englert Thomas, Staff
Rep. Al Ose	Andrea Guernsey, Staff
Rep. Larry Davis	
Eric Lee, Director, SEOO	
Jennifer Peterson, Model Cities Agency Director	
Rosalee Walker, Early Childhood Specialist, Dept. of Ed.	
Mary McClinton, Dept. of C&RA	
Susan Clark, League of Women Voters	

(1025) Cotten gives introduction. Eric Lee passes out a flow chart made by his division showing a breakdown of how the program will work. (1060) Mr. Lee is in favor of the amendments made on SB 120. The program is not to subsidize day care centers but to assist parents to work or go to school. Money would go to C&RA, to the Division of State Economic Opportunity who would employ a day care Coordinator to administer the program. They will deal with only licensed centers or homes that are currently functioning. It is left up to the parent which center he wishes to send his or her child. Money would be given to community in a block grant who in turn would decide how to administer it. (1181) Chairman Cotten asked how the block grants would be determined. Mr. Lee said it would be based on various factors: need of community; population; day care center availability and other things.

(1206) The Field Representative and Day Care Coordinator will start beginning FY'76. Right now they will use Contractual monies from the Federal government to hire someone to start the research and getting things organized.

(1245) Rep. Ose asked about the local entity. Is it the borough or the city? Neither necessarily, Lee said. It could even be Rural CAP, SOME capable local agency.

(1261) Cotten asked if there would be any conflict between the borough and city about who would pay the 10% matching funds. That's always possible but there's no way to tell.

(1281) Rep. Ostrosky asked Susan Clark for any comments. She said the program was administered by Juneau Model Cities in Juneau and in Anchorage by the Borough Health Department.

(1333) Rep. Ostrosky suggested that the field rep. and coordinator could offer the communities technical assistance in deciding such a decision as whether the city or borough would pay.

(1347) Cotten--If you start with 1.2 million dollars, how will you prorate if the program is ongoing? Had to start with a figure which seemed reasonable. Figure based on the centers that are functioning right now.

(1434) Ose wanted a breakdown of the money. ; said the money would go to the Dept. who in turn would give it to the community in a block grant. They would in turn deal with the parent and decide where the need is and how the money should be distributed.

(1485) Miss Peterson made some comments on the program in Juneau. They started out by subsidizing centers and then turned to helping the parents. She handles the individual interviews and need is determined mostly on the financial statement. Right now Juneau deals with only 2 day care centers for children over three. They deal mainly with single adults but do take married couples. Program covers the 5 day work week and not 24 hours. As a follow up process she reevaluates her parents every three months.

Meeting was adjourned at 10:00. (1600)

032

BACKGROUND INFORMATION
HB 161

The League of Women Voters strongly supports HB 161 with the substitutes and amendments added to it by the Senate. Some of the changes were due simply to misunderstandings and oversights in drafting. Other changes to the bill we feel have strengthened it and would urge your concurrence.

*Pg. 1, ln. 11-12: "who either do not qualify.. with dependent children." This was considered to belong better under the Eligibility section. Under that section (44.47.200) was added:

(4) "Whether the family receives aid to families with dependent children and is eligible for day care service under aid to families with dependent children;"

*Pg. 1, ln. 21-22: "a program to assist in providing day care..." This wording was simpler.

*Pg. 1, ln. 29: Subsection (5) was added to "the dept. shall" requiring that the Dept. of CRA... "Provide notification to the local government body of the request for a contract with a day care facility. This insures local input and control of the program, one of the important aims of this bill. Too often programs are run thru Juneau and local governments or participants are unable to have adequate input on what should have been a local concern.

*Pg. 2, ln. 1: Under the heading "the dept. may" were added two additional subsections. (2) "contract with local agencies to perform its duties under secs. 180-230 of this chapter;" This is important not only to local control, but also because it cuts down on the potential bureaucracy of a dept.

(3) "Solicit recommendations from local governing bodies regarding local agencies which may provide contractual services under this section."

This again strengthens local control and allows some local say as to who runs the program in that area.

*Pg. 2, ln. 1: Section 44.47.185 was added by the Senate Finance Committee and we basically support the concept.

"When a contract is made under sec. 180(b)(2) of this chapter between the depart. and a local agency within an incorporated borough or city of the state, the incorporated borough or city shall pay the costs of administering the contractual duties within its jurisdiction."

This section makes the program a type of revenue-sharing tagged specifically for day care. The cost to any single city would be slight, yet the cost to the state in terms of money, peoplepower, and added bureaucracy were this section not added would be high.

For example, in Juneau, an individual already hired by the city would take on the duties of this contract as a small part (currently four days a month) of her job at no additional cost to city or state.

In Anchorage, this could similarly be the case. Several people already hired for comparable duties (say, in the Borough Health Dept.) could incorporate these as a part of their job. The maximum staff that Anchorage should have to hire for the approximately 750 slots would be two people - a

small price to pay for an estimated \$685,000 in sharing from the state.

In smaller cities, only a couple days a month need be set aside for these contractual duties. On the other hand, the state would have to hire considerably more staff, including travel expenses, etc. at the estimated cost of \$100,000.

*Pg. 2, ln. 15: As was mentioned, this was taken out of the purpose of the bill and put here instead:

(4) "Whether the family receives aid to families with dependent children and is eligible for day care service under aid to families with dependent children;

(5) "Other factors..."

*Pg. 2, ln. 20: "The contribution of the parent or guardian shall be paid to the day care facility."

This was simply a misunderstanding in the drafting.

*Pg. 3, ln. 2: "licensed by the Dept. of H.S.S. or recognized by the Federal government for the care of children".

This was added so that Head Start children could also benefit from this bill. In some areas where necessary Head Start programs have been expanded to a full day program and can include "private" children as well as federal funded children.

*Pg. 2, ln. 28: "'child' means a person up to the mandatory school age" Five was originally an arbitrary age given the limitations of the \$1.2 million appropriation. It was thought that the inclusion of all "pre-school" children was more reasonable since some areas of the state do not have kindergarten. Once the program has proven itself, and more money is available to it, we would hope that children in need up to age 12 or 14 would be included in subsequent years to provide before and after-school care and care during vacation and holidays.

Of course the most persistent question people have had on this bill is why it has been put in CRA rather than HSS. We feel that the placement in CRA is important to this piece of legislation for the following reasons:

- (1) Following the lead of the Federal government in this year's social services amendments, we believe it is important to separate from this program the "stigma" of welfare. This is a program to keep people off or remove them from the welfare rolls. In Juneau, over one-third of the participants (37%) were eligible for welfare, but just knowing that their children were adequately cared for allowed them to side-step AFDC and retain their independent lives. At any rate we surely don't need more folk standing in lines at 5 AM in sub-zero weather at the HSS eligibility office in Anchorage, for example.
- (2) HSS does not have an extensive history of contracting out services to local control, which is one of the main aims of this bill. In a dept. always underfunded, always needing more personnel and top heavy with bureaucracy, we feel that this program might simply get "lost" in the process. HSS has some serious problems on which we need to work. This is not the time to throw yet another program onto their already over burdened laps.
- (3) This bill was intended as a revenue-sharing idea, a community self-help program. CRA would only handle the money, would probably always contract out the administration of local programs, and would not concern itself with specific day care problems other than to see that the facilities contracted with were paid on time. HSS is frequently months behind in their payments seemingly due to the large bulk of programs it has to deal with.

HSS (DFCS) would continue to license and monitor the programs of the day care facilities as is its job. It should perhaps be noted here that when time comes to consider the HSS budget, serious thought should be given to assuring additional licensing staff to carry out this important job of quality control for the children of the State.

Dear Rep. Cotton;

CSSB 120

Since I am in favor of
Day Care Programs, I ask for
your strong support in prompt
passage of CSSB 120 am.

Thank you for your cooperation.

Mrs. P.C. Hoffmann

PHILIP C. HOFFMANN
120 Carlanna
Ketchikan, Alaska 99901



Rep. Sam Cotton
Pauch V
State Capitol
Juneau,
Alaska
99811

TELEGRAM

BCA ALASKA COMMUNICATIONS, INC.

PHONE: 586-6440

JUNEAU, ALASKA 99801

*CSSB 120
Day Care*

#

02105 POM ANCHORAGE ALASKA 15 03-18 305P ADT

1975 MAR 18 PM 10 19

PMS REP SAM COTTON

JUN

1685

PLEASE SUPPORT CSSB 120 AMENDED YOUR SUPPORT WILL BE
APPRECIATED

SHELBY WARNER 602 SOUTH KLEVIN 99504

TELEGRAM

BCA ALASKA COMMUNICATIONS, INC.
PHONE: 536-6440
TUNEAU, ALASKA 99501

CSSB/20
DayCare

#

1975 MAR 14 PM 9 09

02068 POM ANCHORAGE ALASKA 15 03-14 0228P ADT

PMS HON SAM COTTEN

ALASKA HOUSE OF REPRESENTATIVES

JUN

URGE IMMEDIATE PASSAGE OF CSHB 120. DAY CARE IS CRISIS

ISSUE THROUGHOUT ALASKA

ROGER MOONEY DIRECTOR, CHILD DEVELOPME T RURAL CAP

Day Care

TELEGRAM

NCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6440
JUNEAU, ALASKA 99801

1975 MAR 20 PM 8 30

02090 POM ANCHORAGE ALASKA 1st 03-20 419P ADT

PMS SAM COTTON

JUN 2018

GET CSSB120 OUT OF COMMITTEE AS IS

MARY J HOTCHKISS 2256 ST ELIAS 99503