proposal. Details of the public input and subsequent changes in the proposal based upon that input are documented in greater detail below.

Implications

If the State endorses the proposal and it is passed by Congress and implemented, the benefits outlined later will accrue to the State and other parties involved. If the State does not support the proposal, or if the proposal is not implemented for other reasons, a significant number of possible permutations exist with respect to the final outcome of Cook Inlet's selection problem. The four most likely are listed here, but others which would have profound effects are possible.

1. Cook Inlet loses its suit--The CIRI appeal is now in the 9th Circuit. Should the suit ultimately be lost, and no other remedy found, the Region would select according to the withdrawals presently in existence which precipitated the litigation. Selections would be in conflict with over 20 townships the State had previously selected and between 10 to 20 townships that the State would now like to select (including Kamishak Bay which is the prime lower west side harbor site in Cook Inlet). The pattern of Cook Inlet Region selections would be dispersed and would create difficult management patterns throughout the Region. Substantial land would be selected which is deemed more appropriate for public ownership and use (such as the harbor site and lands in the Lake Clark area).

   It should be pointed out that this result is somewhat unlikely, even if the suit is lost, because its loss would very likely precipatate unilateral Congressional action for the reason that these selections are generally regarded as inequitable to the Region.

2. CIRI wins its suit--ramifications of this alternative would depend largely upon the court's directives. Cook Inlet would undoubtedly receive lands of more like and similar character which would be more physically suitable for settlement and development, but such lands are likely to conflict with land uses thought more appropriate by the State. Swanson River revenues might also be included. Sizeable portions of the Kenai National Moose Range, which is also a State wildlife refuge, might be selectable by the Region. The State could lose selections totaling approximately 600,000 acres in the Upper Susitna Valley near Chalatna Lake if the court concurred with one of CIRI's requests for redress (further details are indicated on the attached maps). Much more importantly, the entire Alaska v. Morton out-of-court settlement of September 1, 1972 will be threatened in that the remaining forty-three and one-half million acres of state selected lands pursuant to that agreement would be in jeopardy from other Native regions or other groups who might like to see substantial portions of that state acreage in other ownership.

3. Congressional action--having made commitments to help Cook Inlet, and having waited a considerable amount of time for discussions among the three parties to prove fruitful, Congress might well legislate an alternative amendment over any objections made by the State or others. It is hard to be specific about the form such an amendment might take, however, there is good reason to believe that some alternate form of the "Frizzel offer" might emerge. As discussed earlier, this proposal has extremely unfavorable consequences for the State.

4. Administrative settlement--although the least likely of the four, some administrative settlement between Cook Inlet and the Secretary might be arrived at which would not be in the interests of the state. Past experience indicates that any settlement proposed by Interior must be, because of land availability in the Region, either unacceptable to the Region or if acceptable, then probably extremely unfavorable for the State.

Additionally, certain advantages which the State has been able to gain through the discussions would not accrue. Specifically, the ability of the State to guarantee its selection and ownership of lands in the Talkeetna Mountains, Kamishak Bay and, more importantly, lands in the Bristol Bay areas. If Cook Inlet is forced to select lands in the Lake Clark area, the State's bargaining chip of guaranteeing that those lands remain in public ownership would be lost, and our leverage to bargain decisively for state selection rights within the Lake Iliamna-Bristol Bay proposed National Resource Refuge would be lost. One of the most compelling advantages of this proposal is the leverage which ownership of lands in the Bristol Bay area may give the State in what may be the most important single post-ANCSA federal political decision in the State's history: The 17(d)(2) question.

Basic Objectives Of Proposal

Each of the three parties had its own objectives in the discussions and would emerge with certain specific benefits.

State--The objectives of the State were basically two.

1. State land ownership--by trading 21.4 townships the State would gain selection rights and control substantially larger areas of the Talkeetna Mountains, Chakachamna Lake, Kamishak Bay, and the Lake Iliamna

and Bristol Bay areas. In these cases the State has operated from the standpoint that the State is much more capable, because of governmental infrastructure and location, to more effectively meet the needs of its people by owning these lands than can the federal government which lacks the "local" governmental structure needed to respond effectively to Alaska's needs. The juxtaposition of the Talkeetna Mountains to the rapidly expanding population in southcentral Alaska will become even more critical upon the possible establishment of a new capital city, very possibly immediately adjacent to Talkeetna Mountain lands which CIRI presently plans to select. In the Lake Iliamna and Bristol Bay National Resource Range proposal approximately 15 percent of the lands will be under the control of private Native corporations. The State can more effectively administer to the requirements of its citizens in those areas if it owns the other lands within that region. Additionally, the tremendous dependence upon the salmon fishery resources of that region, and the current responsibility of the State to manage those resources, argue cogently that the State should also control the uplands in that area.

2. Land ownership pattern--as it is the State which must provide those services and governmental functions based upon the land ownership pattern which emerges from Cook Inlet's ultimate selections, it is very much in the State's interest to assure a workable selection pattern. Under the proposal, ownership patterns would:

A. provide CIRI with lands physically well suited to settlement and development.

B. guarantee that such developable lands would be located in close proximity to existing government services and, therefore, significantly reduce future expense in providing communication, education, transportation, and public safety services to these areas.

C. hasten the development of these suitable lands in a much shorter time frame than could be expected for the remote lands which CIRI would otherwise be forced to select.

D. a sophisticated but critical point is the fact that certain State selection rights, such as the 11(a)(1) (ANCSA) issue, will have to be resolved very shortly. The State believes it can select in these areas, and if it prevails, such 11(a)(1) selections, in combination with the selections under this proposal, would result in a highly desirable State resource ownership patter, particularly in the Iliamna area.

It might well be emphasized that, although the State believes that its own ownership in this area is critical, an equally high value must be placed on simple consolidation of ownership under as few owner-managers as possible (regardless of who is the owner). This is so far the reason that it is a "mix" of ownership and management patterns that creates the greatest difficulties over the

long view for a large resource area.

CIRI--The basic objectives of CIRI are to obtain lands of more like and similar character to those historically occupied by their ancestors within the Cook Inlet Basin. The proposal would largely accomplish this, although the Region will have reduced its entitlement significantly in obtaining these more suitable lands and would be taking over 50 percent of its entitlement outside the Region. The benefits to the 6,000+ members of Cook Inlet Region, Inc. would be increased, and as members of the Southcentral Alaska community these benefits would have substantial favorable economic and social impacts upon the State. Most important, the Region would finally have accomplished certainty in its selections, which is extremely important for the stability of the Corporation.

Federal Government--The objectives of the Federal Government were to settle the responsibilities of the Secretary with respect to the requirements of ANCSA and to accomplish this in a manner which would have minimal impacts upon other values for which the Secretary is charged with protection. More specifically, the proposal would permit a more acceptable incursion into the Kenai National Moose Range, thus protecting fish, wildlife and their habitat as well as the substantial recreational values of the Refuge. The proposal would also leave certain key areas in the Lake Clark area under Federal control and management. This makes sense in terms of other Federal ownership in the area. Most important, it would settle with finality one of the most difficult and complex legal and resource issues under ANCSA, one which has

required substantial governmental resources.

Negotiation Process

The first approach to the State requesting State participation in land trade discussions occurred in mid-February when Andy Johnson, President of CIRI, met with the Director at the Division of Lands. Following the loss of its District Court suit, and the resultant hardening of the Department of Interior's bargaining position, Cook Inlet then took the legislative solution route and only occasional discussions among and between the three parties occurred during the remainder of February, March, and early April. However, as it became obvious that a legislative solution not in the State's interest was a real probability, and following a request for State participation during Congressional hearings, a decision was made to pursue discussions concerning the proposed trade. At this time, the Commissioner and Governor were briefed, guidelines and general policies and objectives were set, and authorization was procured.

Somewhat regular meetings began in approximately mid-April and intensified considerably toward the latter part of April and the first week of May. By this time considerable public interest had been generated by media reports of the proposed amendment and the Anchorage Area Borough, in addition to the State, was working with representatives of CIRI on a very regular basis. Discussions on the part of the State were led by the Director of Lands. Staff assistance was requested when necessary and various staff attended certain of the meetings. Other divisions within the Department of Natural Resources, particularly the Divisions of Oil and Gas and Parks were consulted to a significant extent and other departments were asked to input when it was felt certain terms in the discussions affected their areas of interest. The Division of Aviation and the Department of Fish and Game were particularly involved. The ongoing progress of the discussions was regularly transmitted to the Commissioner of Natural Resources.

By the end of the first week in May substantial progress had been made and it appeared that CIRI would be willing to withdraw its proposed amendment on the basis of the tentatively proposed agreement. However, it was explicitly stated to the Region and Interior Department that final State concurrence could not be had until a public review and comment process had been effected. CIRI understood this and agreed to request that Congress not act immediately on their proposed amendment, but rather allow enough additional time for the proposed land trade to be agreed to by all parties. On May 7 a briefing was conducted by the Director of Lands for the Commissioner, the Governor, and the several appropriate department heads in Juneau. On the basis of that presentation and ensuing discussions, the decision was made for the State to also request that Congress refrain from acting on Cook Inlet's proposed amendment immediately and to allow additional time within which the parties could move to a final agreement following public input in Alaska.

On May 16 the Commissioner and the Director presented such testimony to the appropriate House and Senate Interior Subcommittees respectively. Prior to this testimony the three members of the Alaska Congressional Delegation and appropriate staff were briefed in considerable detail concerning the tentative proposal as it then existed.

Shortly following the Congressional testimony, the Cook Inlet Region, Inc. Board of Directors, for internal reasons not fully understood, voted to reject the then existing proposal and this led to an approximately three week period during which little discussion occurred between the State and CIRI. The lack of agreement was based primarily upon the Region's insistence that it ultimately obtain full surface entitlement under ANCSA, even if outside the Region. The State felt that full entitlement in addition to the lands which the State had proposed to trade to CIRI

was unacceptable. The latter part of June, following some Region concession on the full entitlement issue, discussions began again and continued intermittantly throughout July, August, and September as Congressional deadlines for action continued to recede. The extra time available was invaluable in allowing the State to more closely scrutinize various aspects of the proposal and to work with the Interior Department to insure the State could agree with the concessions which Interior was proposing. During this period additional meetings with the Congressional Delegation, other division and departmental staff and representatives from CIRI occurred. Documentation of these meetings is contained in greater detail in the file.

On September 24 additional testimony was presented before Senator Haskell's Interior Subcommittee concerning the proposal. Presentations and discussions were held with various interested parties in Washington, including the Congressional Delegation, and a more detailed presentation concerning the state-federal aspects of the proposal was made by the Commissioner and Director to the Department of Interior's Alaska Task Force.

On September 26 the Director announced that a public briefing of the proposal would be held in Anchorage on October 2 with public testimony to be received orally on October 3 with an additional period for written input. On September 30 a very detailed briefing of the proposal was made to both Division of Lands staff and a second briefing to representatives from other divisions within the Department of Natural Resources and representatives of other State departments. On October 1 another very detailed briefing was given to the Press, radio, and television media. Before the public presentation additional detailed presentations were made to various groups which had expressed considerable interest in the ongoing discussions. These included representatives of three affected municipal governments (Anchorage, Matanuska-Susitna Borough, Kenai Borough),

Legislators, and environmental groups. Public presentation on October 2 and the meeting the following night for public input were very well attended and, in response to requests for a similar hearing in Fairbanks, another presentation was made in Fairbanks on October 7. As a result of the media campaign and the public meetings, significant public input was received and a number of meetings were held between the Director and interested parties as well as several additional detailed briefings to groups specifically requesting them. These latter included the Bureau of Land Management, Anchorage Chamber of Commerce, Kenai Borough Assembly, Capital Site Selection Committee, and the Federal-State Land Use Planning Commission. A summary of the input from the public and the various interested groups, as well as the State's response to this input, is detailed later.

Specific Nature of Proposal

The proposal is basically composed of three different parts; a State-CIRI agreement, a CIRI-Federal agreement, and a State-Federal agreement. All aspects of each sub-agreement must be executed before the entire proposal would be binding. In essence, the State of Alaska would make available to CIRI State lands which the Region feels are of like and similar character to those lands which it has historically used. In return, the State would fall heir to approximately one-half of Cook Inlet's 12(c) entitlement in the Talkeetna Mountains, Chakachamna Lake, Lake Clark, and the Kamishak Bay areas. The remaining approximately one-half of Cook Inlet Region's 12(c) entitlement would remain in federal hands and the Federal Government would in turn convey to the State an equivalent amount of acreage in the Bristol Bay area. Additionally, the Federal Government would convey to Cook Inlet certain other lands within the region, including lands from the Kenai National Moose Range, as well as a total of approximately 26 townships to be selected from federal lands outside of Cook Inlet Region.

Because certain Cook Inlet Region village selections have or are likely to impact state, federal or CIRI interests related to Cook Inlet's selections, smaller sub-agreement proposals have been discussed with approximately seven villages or groups. These proposals function very rationally within the framework of the Cook Inlet Region selection proposal. Without the inclusion of these sub-agreements the interests of one or more of the three major parties would be likely frustrated by the existing village or group selection patterns.

Attached as Appendix A to this document is a more detailed breakdown of the specific aspects of the "original" proposal as presented publicly on October 2. Each aspect of the proposal was specifically keyed by number to an attached map which shows the location of that particular aspect of the proposal. Each aspect was also briefly explained as it pertained to the overall proposal. With only a few exceptions those aspects were the same ones which we had been discussing since last May and, therefore, there was relatively little new with respect to the proposal at that time. Following public input, as described below, and as a result of the U.S. District Court's finding Salamatof and Alexander Creek as certified villages, the proposal was modified and is shown in its final form under the "Current Status" hearing below.

Characterization of Public and Agency Input

The more or less finalized "original" proposal was presented to state agencies and the public in detail during the first week of October. As a result of this process input was received from many sources, primarily the public. This input was used for a series of additional sessions with CIRI in which significant modifications were made. This resulted in the "modified" proposal described later. The characterization below represents agency and public input with respect to the "original" proposal before modification.

As with the public input, other state agencies generally supported the concept of the State's attempts at insuring rational land ownership patterns. One aspect of the proposal, that of the approximately 12 township selection in the Beluga area, generated significant comment from the Division of Geological and Geophysical Survey as well as the Minerals Section within the Division of Lands. This input, both oral and written, emphasized both the amount of known and inferred coal reserves as well as the potential for coal exploitation under various conditions. While general parameters of the coal resource in the Beluga area had been known during the discussions with CIRI, more detailed and specific input from these agencies was requested and received. The specifics of this input may be found in the case file. Input from other state agencies which requested specific alterations or suggestions, e.g. the Department of Highways, was inputted during the modification discussions and this input may again be found in the file. Other agencies generally expressed approval either orally or written of the basic aspects of the proposal.

Public input following presentation of the "original" proposal came in both oral and written form. The vast majority of respondents indicated favorable support for the concept of the State entering the discussions and the general expression was that, with the exception of certain aspects of the proposal, the overall benefit which accrues to the State outweighed any deficits involved. Against this background of significant public support for the concept of the proposal, eight specific areas were singled out which received comment.

1. Mental Health Lands - Testimony brought out the fact, inadvertently overlooked by all parties, that approximately six and one-half townships from within the original pool of land CIRI could select from in the Beluga area had been selected by the State as mental health lands. Input and interest concerning these lands was received not only at the public hearings but

also through several telephone calls from interested members of the public. It might be noted that this finding alone made the extensive public process invaluable, and demonstrates the need for public exposure on all similar complex issues.

2. Coal Deposits - By far the most controversial aspect brought out by the public hearings and subsequent input concerned the inclusion of the "Beluga Coal Fields" in the proposal. Concern was genuinely expressed, although facts, figures and questions were often uninformed in nature. However, the sum total of input at the public hearings, from interested calls and appearances at the Division of Lands by interested parties, and inquiries from several groups indicated a definite feeling that significant acreage of lands with coal potential were felt to be "too much."

3. Insufficient Time - A number of comments were received which indicated that because of the complexity of the proposal insufficient time was available within which to satisfactorily study and comment. Interested parties were understanding of the fact that the "deadlines" were largely a result of a Congressional time schedule beyond our direct control, but the feeling of inappropriate time constraints was still evident. Later announcements by the State that over five weeks were available for public input ameliorated this feeling considerably.

4. State Agency Input - A few respondents indicated that they felt that insufficient input had been received from some State agencies during the negotiation process. While such comments generally indicated an understanding that specific recommendations from all agencies could not necessarily be accommodated in the proposal, the feelings were that all resource aspects should be addressed equally before a final decision is made on the proposal.

5. Legal Aspects - Two respondents raised the question of the authority of the State to enter into such a proposed trade. Their comments were almost exclusively directed at the authority of the State to alienate sub-surface resources in apparent contradiction to the Alaska Statehood Act and to the process by which "equal value" was determined.

6. Parks and Recreation Protection - A very significant number of respondents indicated approval of those few aspects of the proposal which offered some measure of protection for future open space and/or recreational options.

7. Accelerated Development - Several respondents indicated a favorable disposition to those aspects of the proposal which, by providing the Native corporations with lands appropriately located and suitable for development, would hasten the settlement and development of these lands in a manner which would favorably impact the State's economy. It was also felt that the location of private development in the Cook Inlet basin was appropriate and timely.

8. Extra-Regional Selection - Comments were received from three regional corporations which protested the out-of-region entitlement for Cook Inlet. These comments centered largely on a fear that CIRI's interests would not be compatible with those of Native residents of other regions, particularly with respect to CIRI's responsiveness to their life styles and subsistence needs. A fourth region, however, testified in favor of the proposal.

At a meeting of the Alaska Legislative Council in Anchorage on November 4, a presentation to the Council concerning the proposed Cook Inlet land trade was made by Mr. Harold H. Gallett, Jr. Mr. Gallett was particularly concerned with the Beluga lands aspect of the proposal. Not being familiar with the

"modified" proposal which resulted from public input of the preceding month, Mr. Gallett's presentation unfortunately conveyed some erroneous information. As a result of the presentation and an ensuing discussion, the Council became very interested in the proposal, and a subcommittee, chaired by Senator Kay Poland of Kodiak, was appointed to look into the matter and to report back to the Council. This subcommittee met in Juneau with the Governor, Commissioner of Natural Resources, and Director of Lands on Novem. r 7. In addition to Senator Poland, other Legislators present included Senator Rader and Representatives Smith, Miller, and Specking. The session included a detailed presentation of all aspects of the proposal followed by extensive questioning. The session lasted approximately three and one-half hours. On Monday, November 10, a conference telephone call was held among members of the Legislative Council concerning the proposal and the response of the Council was made in a letter from Council Chairman Genie Chance to Commissioner Martin on November 12. The Council felt that because of the early time deadlines and complexity of the proposal that the Council was in no position to either condone or oppose the trade proposal. Senator Chance did, however, indicate that members of the Council were free to express individual opinions on this or future land trade proposals.

The press was somewhat indecisive in commenting on the entire proposal. The "Daily News" did not discuss specifics, but rather applauded this attempt by government to actively participate in a proposal which would have such a great effect on the State. The "Daily Times" pointed out some of the benefits to be accrued, particularly the aspects of putting lands more suitable for development into native hands at an early time, but also questioned whether all aspects of the trade had been publicized so that a full and complete judgement might be made by the public. More recently, following the interest expressed by the Legislative Council in early November, the "Times" questioned

why the State was even involved in the matter in light of the paper's feeling that the problem was really one between the Federal Government and the Natives.

Generally, press coverage of the entire process has been extensive, and it is safe to conclude that public exposure, for those who chose to follow the issue, was extremely high. The Press briefing given by the State regarding the initial proposal was probably the most extensive ever given on any issue regarding State lands.

Current Status

As a result of public and agency input certain substantial changes were made to the tentative proposal which was made public during the first week of October. In addition, the decision by Judge Gazell in the United States District Court, which found that the villages of Salamatof and Alexander Creek were certified and therefore entitled to select large acreage within areas very important to the agreement, caused other necessary changes to the original proposal since certain aspects of the proposal sought an agreement before a decision was rendered. The significant changes to the "original" proposal, which have resulted in a "modified" proposal, are outlined below.

1. Beluga Area--the original proposal would have permitted CIRI to select 12 townships from a pool of approximately 22.5 townships in the Beluga Area. The modified proposal would permit CIRI to select 13.5 townships out of a pool of approximately 16 townships. The reduced pool reflects the 6½ townships of Mental Health lands which were withdrawn from the pool. This reduction would leave approximately 75 per cent of the measured or indicated coal reserves in State ownership. Despite this very significant diminu-

tion of value to Cook Inlet Region, the modified proposal calls for only 1.5 additional townships which may be selected from the diminished pool. In addition, a much larger area on the coast southwest of the Tyonek Reservation would remain in State ownership for future resource development in that area. Rather than CIRI owning a land corridor from its selected lands to the coast, the State would guarantee a public right-of-way for various resource and other transportation needs.

2. Bristol Bay Area--the original total of approximately 30 townships in the area of the Interior Department's Lake Clark d(2) proposal which were to be traded by the State in return for an equal number of townships in the Bristol Bay Area has been reduced to approximately 25. This change resulted from a determination by the State that it would be of greater benefit for the State to receive title to approximately 5 townships in the Lake Chakachamna Lake area. In addition to the inherent value of these lands, the Interior Department is very interested in these townships for inclusion in its d(2) proposal. For this reason, the State would retain a very strong bargaining position by obtaining title at this time to those lands.

3. Anchorage Bowl Federal Surplus Lands--while the original proposal specifically prevented CIRI from obtaining title to Federal Surplus Lands in the Campbell Tract, Point Campbell and Point Woronzof withdrawals, the modified proposal goes further in also protecting the Goose Lake withdrawal and in guaranteeing transfer of the Campbell

Tract to the State immediately and the Point Campbell and Point Woronzof of those surplus properties to the State or the Anchorage Municipality surplus properties as soon thereafter as possible.

4. Other Federal Surplus Lands Or Withdrawals--the original proposal permitted CIRI to select up to 3 townships of Federal lands in the Cook Inlet region from a pool of Federal surplus property, revoked Federal withdrawals and unperfected public land entries such as homesteads, etc., on an acreage basis. The modified proposal recognizes that such Federal lands may have significant economic values and there is therefore a provision to reduce CIRI's selection entitlement by 1 acre for every $500 of land value selected by CIRI from such Federal lands. In addition, the State is given certain veto and appeal prerogatives to insure that public interests are protected prior to selection by CIRI.

5. Extra-Regional Selections--In response to input by other Native regional corporations which expressed apprehension at CIRI's ability to select lands in close approximation to their land selections, the modified proposal permits affected village and regional corporations outside Cook Inlet to exercise a veto over CIRI's land selections in their 11(a) withdrawals. This will assure the other Native corporations of protection for subsistence, economic or other values. To insure that CIRI would have sufficient lands available to select from, the modified proposal permits CIRI to select from d(1) lands extra-regionally by following a selection process which guarantees both the Federal and State governments a role in determining the location of selections and in protecting each government's own specific interests.

6. Kenai National Moose Range--the District Court's finding that Salamatof is an eligible village immediately impacted the Moose Range with an additional 56,500 acres of selections. Since it appears the Federal government may appeal the decision, the impact and final date of land selections on the refuge are unknown at this time. The modified proposal therefore assumes a maximum selection by all Native corporations of approximately 108,000 acres. If the Federal government appeals and is successful, then the lands otherwise selected by Salamatof would probably go the CIRI as shown in the original proposal. However, if Salamatof does remain an eligible village, CIRI would obtain lands in the refuge only to the extent that some of the villages were willing to trade out of the Moose Range and make lands available for CIRI. In essence, therefore, total impact upon the refuge would remain roughly the same as in the original proposal; the only difference would be which corporation would own the lands.

7. Lake Clark Village Selection Tradeouts--as a result of the District Court decision which found Salamatof and Alexander Creek as eligible villages, the acreage of village selections in the Lake Clark area approximately doubled. Although the State would still trade out those village selections on a 1 for 4 basis, total State acreage involved would remain about the same. The only differences from the original proposal would be that 4 rather than 2 villages would be involved, and the Federal government would be required to provide any other additional acreage from within other village deficiency withdrawals.

Eight specific aspects of the original proposal were commented upon during the public input process. These aspects are outlined above on pages 15-17. Aspects number 1 (Mental Health lands) and 2 (coal deposits) were very substantively addressed and the changes described under number 1 of current status above. Aspect number 3 (insufficient time) has been taken care of by the continued Congressional postponement of action which has provided over 60 days for public reaction and input. Aspect number 4 (State agency input), if a valid basis for comment ever existed, was also addressed during this 60 day period. Contacts with most state agencies, particularity the Division of Geological and Geophysical Survey, resulted in additional comment and input from these agencies. The Division of Geological and Geophysical Survey in particular submitted additional memoranda and reports concerning resource values in the Beluga area. Items number 6 (Parks and Recreation Protection) and 7 (accelerated development) were merely supportive of certain aspects of the original proposal. These aspects were retained in the modified version. Aspect number 8 (extra-regional selection) was specifically addressed in number 5 under current status above. Only aspect number 5 (legal aspects) of the public input summary has not yet been specifically addressed in this memorandum. These legal points of the proposal are discussed in greater detail in the following section.

Major Considerations Before Decision

Two important considerations in all land exchanges were emphasized by a few members of the public and also by the Special Legislative Council Subcommittee:

1. Is there existing legal authority to conclude an exchange?
2. Would the State be receiving at least equal value for the value it gives?

These aspects had, of course, been investigated by the State at the onset as an integral part of any such decision-making process.

1. Authority - It is the opinion of the Attorney General and, we believe, of most other attorneys who have addressed the matter in detail that the Executive presently has State statutory authority to undertake this proposed land exchange. Authority has apparently existed since the enactment of the Alaska Land Act shortly after Statehood for the State to conclude an agreement such as this land trade proposal. Under AS 38.05.020(b)(2), the Commissioner, and, under AS 38.05.035(a)(14), the Director, have several times since Statehood entered into land trades or other agreements affecting lands that were not treated as sales or leases under the Land Act. Additional specific authority for land exchanges such as the present proposal was provided by the 1972 Legislature in the form of AS 38.95.060 as a counterpart to Section 22(f) of ANCSA. Among other things, this law permits the State to exchange land or interest in land with a Native corporation for the purpose of affecting land consolidations or to facilitate the management or development of the land.

The authority cited above does not prohibit the alienation of minerals as proposed in the trade. Although there is no State statutory obstacle, the Statehood Act prohibition against such alienation, found in Section 6(i), is regarded by some as a Federal constraint. Many persons take the position that Section 6(i) has been amended by implication in Section 22(f) of ANCSA so that it does not come into play in such exchange transactions. To erase any questions, the Federal Legislation which will implement the land

trade proposal will specifically address this matter to remove any doubt as to Congressional intention regarding state authority to enter into such a proposal.

2. Equal Value Consideration--In determining whether equal value will be received for value given in an exchange such as this proposal, there are basically two different types of "values" which require consideration. One is a value which can be determined with reasonable accuracy to have an economic value, often expressed in dollars. Secondly, there is value which either may be capable of expression in economic terms but for which a specific dollar value cannot be estimated with any particular degree of certainty at this time, or for which an economic value may never be specifically determined. However, values in this second category are very real and a reasonable person would recognize their existence and importance in computing the overall value received or given in a trade. With respect to this proposal paragraphs A and B below outline, respectively, the two types of values mentioned above.

A. Economic Values--The information presented below represents a summary of economic values identified with respect to State interests in the proposal. The information is based upon reports from various State sources and is expressed in terms of current 1975 dollars, i.e. economic values of resource potentials such as the Beluga coals have been discounted back to present day value. Only those resources specifically known to exist were valued. For example, although there are unquestionably very real and significant subsurface economic mineral values on lands which the State

would receive under the proposal, since they are as of this time unidentified no attempt was made to infer a particular economic value. In the Beluga area where certain measured or indicated reserves exist, however, estimated valuations were made.

Under the proposal the State would exchange approximately 21.2 townships of its land in return for 51 townships of Federal land and the right to select, at the State's discretion, an additional 20 townships. Also, the State would receive title immediately to the Campbell Tract in the heart of the Anchorage Bowl as well as a commitment to an expedited transfer of the Federal surplus lands at Point Campbell and Point Woronzoff. In estimating the economic value of the lands to be given and received by the State, estimates were made on the value of the land itself, any timber thereon, and any known mineral resources thereunder. The table below summarizes these values. Documentation may be found in the files.

TABLE I.

ESTIMATED ECONOMIC VALUES, IN PRESENT DOLLARS, OF LANDS GIVEN AND RECEIVED BY THE STATE

LANDS GIVEN BY STATE

LOCATION	ACREAGE	VALUES ($MILLIONS) LAND	MINERALS	TIMBER	TOTAL
Scattered Tracts	69,721	15.7	---	1.8	17.5
Kenai Penn.	107,650	16.1	---	1.3	17.4
Beluga	314,640	22.0	15.9[a]	1.2	39.1
TOTAL	492,011	53.8	15.9	4.3	74.0

LANDS RECEIVED BY STATE

LOCATION	ACREAGE	VALUES ($MILLIONS) LAND	MINERALS	TIMBER	TOTAL
Kamishak Bay	276,480	11.1	---	.2	11.3
Koksetna R.	161,280	6.4	---	.2	6.6
Talkeetna Mts.	161,280	6.4	---	.1	6.5
Bristol Bay	576,000	23.0	---	---	23.0
Campbell Tract	3,930	5.9[b]	c	c	5.9
Pt. Campbell	1,179	6.6[d]	---	---	6.6
Pt. Woronzoff	593	4.2[d]	---	---	4.2
Capt. Cook Rec. Area	4,800	.8	--	.1	.9
TOTAL	1,228,742	64.4	---	.6	65.0

NOTE:

a. The 15.9 value for the Beluga Coal resources is based on the middle of three scenarios for production in that area (pessimistic, medium, optimistic). The value has been discounted at eight percent from future revenues to present dollar values. The most optimistic scenario, which makes several very optimistic assumptions, would yield a discounted value of $38.2 million (figures attached to memo).

b. A very conservative figure of three thousand dollars per acre has been assumed for the Campbell Tract. This figure has then been discounted fifty percent under the assumption that if the State did not gain immediate title to the area under this proposal it would still stand a respectable chance of obtaining the land at some time in the future.

c. Although other values including timber and specifically gravel are found on the Campbell Tract, sufficient data were not immediately available to make a good estimate of value. However, the value of gravel alone, located as it is within the center of the Anchorage Bowl, would be very substantial, certainly totaling in the millions of dollars.

d. As with the Campbell Tract the values of the Point Campbell and Point Woronzoff surplus lands has bee.. discounted to recognize that the State might obtain these lands at some unknown future date in other ways if the proposal is not executed. However, because these lands are outside of the two-mile radius of the old city boundaries, and because they are not as important as the Campbell Tract for other public purposes, there is a measureably greater probability that these surplus

Table I. NOTE d. continued.

lands would go to CIRI under some other form of settlement of their claims. Therefore, the conservative values of $8,000 and $10,000 per acre, respectively, are further discounted only thirty percent.

To the values to be received by the State as estimated above must be added values which, if the proposal is not consummated, might be lost to the State. The two most prominent values in this category are the ninety percent royalty revenues which the State receives from oil production in the Swanson River area of the Kenai National Moose Range, and 26 townships of state selected land which CIRI would select if they prevailed in their court suit and the Secretary made such lands available for native selection by refusing to convey them to the State. Any estimation of the value of these two possibilities to the State must assume certain levels of probability that the situation would occur without execution of the proposal.

Swanson River Revenues--There are any number of factors which may enter into assuming a probability that the Secretary or the Congress might convey to CIRI substantial subsurface title in the Moose Range. While only 15 months ago such a possibility would have seemed small to the State, ownership of 15 townships of Moose Range subsurface estate was offered to CIRI by the Secretary in September of 1974. Had CIRI accepted the offer at

that time the possibility of that event would have been one-hundred percent. In view of both that offer and Congress' assurance to CIRI of some settlement of their land claims problem, and assumption of a .5 probability does not appear unreasonable. Using State revenue projections for oil and gas royalty receipts from the Moose Range for only the next 14.5 years, and discounting those revenue projections at eight percent, a figure $41 million is obtained. Use of a probability of .5 yields an estimated value of $20.5 million.

Chalatna Lake 26 Townships--In assuming a probability that the State might lose title to lands currently selected south of Mount McKinley National Park in the Lake Chalatna area two probabilities must be estimated. The first is the possibility that CIRI would prevail in its court suit. Assuming that CIRI did prevail, a probability must then be estimated as to whether the Secretary would attempt to break the 1972 out-of-court settlement of Alaska v. Morton and whether he would be successful in that attempt over almost certain State court action. Numerous agruments may be proposed regarding these two probabilities but for this analysis probabilities of 50 and 40 percent respectively are used. Applying these probabilities to an estimated current land value for the 26 townships of $24.0 million and an estimated value for timber of $3.3 million, a value of $5.5 million is found.

A third value which must be estimated is that of the

additional 20 townships which the State may select at its discretion. Although statehood selection entitlement would be used, three factors must be considered. First, there is a possibility that the State may never be able to exercise its full selection rights under the Statehood Act and that the State must look closely at every opportunity it has to select lands. Secondly, the lands which could be selected are, relative to the lands that will be remaining after implementation of ANCSA and settlement of the d(2) question, certainly in closer proximity to existing state lands and populated areas. Thirdly, an exercise of State selection rights would be the first selections under the Statehood Act in the past four years. In other words, the "right to select" certain lands now that are in close proximity to existing state selections is in and of itself of value. Using the very conservative total value for these lands of $40 per acre, and discounting the 20 township selection right by a factor of two-thirds to account for the use of selection entitlement, the result is an estimate of $6.1 million.

Thus, the total estimated value of the three factors described above is $32.1 million. This total, when added to the estimated appraised values cited in Table I. above, gives a total estimated economic value to the State of $97.1 million. To this total must be added or subtracted the values described below to which a reasonable economic value cannot be applied at this time, or perhaps ever,

with any degree of certainty.

B. Other Values--As mentioned earlier, there are two types of other values which must be taken into consideration for purposes of evaluating this proposal. First are economic values which cannot be identified with any reasonable specificity at this time, and secondly there are those values which might never be capable of having a specific economic value attached to them, but which are unquestionably of significant value none the less. Paragraphs number one and two below present, respectively, positive and negative values to the State associated with the present proposal. Although certainly not exhaustive, the listing attempts to outline the major non-economic values involved.

1. Positive Values--the following positive values would accrue to the State should the proposal be consummated.

(a) CIRI Court Suit--as explained earlier in this memorandum, if Cook Inlet wins its appeal the State might lose not only considerable acreage from its present selections south of Mt. McKinley National Park, but it might also lose substantial additional lands should the September 1972 out-of-court settlement with the Secretary be abrogated. In view of the District Court's decision that the Secretary was in error concerning his finding eleven villages ineligible, Cook Inlet Region's chances

of success with its court suit were measurably increased.

(b) Moose Range Surface Protection--private surface ownership within the Moose Range would be kept to a minimum, thus protecting the very significant wildlife and recreational values of the Moose Range. The Moose Range is also a state wildlife refuge and its already tremendous value for recreational pursuits including hunting, fishing, canoeing, etc., will continue to grow with increased settlement and development of state and private lands outside the refuge on the Kenai Peninsula. Some, however, would argue that maximum Moose Range lands should be given to the natives so that development may occur.

(c) Suitable Lands In Private Ownership--the state lands received by the Native corporations are lands suitable for settlement and development because of physical characteristics and location, thus substantially reducing future costs to the State to provide services to these areas. Additionally, the Native corporations receiving these lands will be in a much better position to develop them at an earlier date, thereby stimulating economic development and providing an

additional tax base both to the State and to the local governments involved.

(d) Kamishak Bay Lands--under the prooosal the State would receive title to approximately 12 townships of land on the west side of Cook Inlet on Kamishak Bay. These lands would represent the only State presence on the west side of Cook Inlet for at lest 400 miles south of Kalgin Island. Kamishak Bay itself, owned by the State, is believed to have significant oil and gas resource potentials and these coastal lands represent the only feasible areas for onshore development facilities. This proposal would put these lands in State hands. Additionally, the terminus of the Interior Department's "western transportation corridor", which originates in Petroleum Reserve Number 4, terminates on Bruin Bay which the State would also receive.

(e) Talkeetna Mountain Land--the State would receive approximately 14 townships in the Talkeetna Mountains area, some of which would be located immediately adjacent to currently State patented land. Three of these townships are contiguous to one of the three final sites to be considered for the new State Capital. Additionally, the proposal would bring to

State ownership lands otherwise selected by Native groups which would be included in the current Talkeetna Mountain State Park proposal. The land trade would permit a manageable park boundary proposal to be established, thus obviating the inevitable costly routine of buying back private property in the future. Also, watershed protection for a new Capital or for other settlement to the west would be assured.

(f) Addition To Captain Cook Recreation Area--the proposal would insure that a minimum of 7 sections of land would be added to the Captain Cook Recreation Area from federal lands within the Moose Range. Otherwise, Native selection of these sections would result in a significantly less manageable recreation unit.

(g) Public Lands--the proposal would insure that lands with significant public interest would remain in public ownership, particularly in the vicinity of Lake Clark. In addition, the State would receive lands in the Chakachamna Lake area which would give the State significant bargaining power in influencing federal action with respect to hunting, mining or other State interests in any permanent federal withdrawal in the Lake Clark area.

(h) Increased State Presence in Bristol Bay--the proposal would increase the State's presence in the Bristol Bay area by gaining for the State approximately 25 townships of d(2) land in addition to the 12 townships on Kamishak Bay. The 17(d)(2) land would, of course, be otherwise unavailable to the State. This enhanced state position will strengthen the State's bargaining power with respect to the proposed National Resource Range in the Bristol Bay-Lake Illamna area. If the Resource Range proposal is adopted as presently proposed, the State, with the single exception of the Wood River-Tikchik area, would be totally removed from any significant land ownership position west of Cook Inlet.

(i) State Interests in Other Federal Lands--under the proposal other federal surplus lands and unperfected public land entries which might go to CIRI within the region would be subject to a State veto and/or appeal process to protect State and public interests in these lands. Since the eventual settlement CIRI receives, whether by agreement, legislation, or by court action, will undoubtedly include these lands, the proposal represents the State's only opportunity to participate in protecting the public interests on these lands. As an example, the Bradley Lake Power Withdrawal is specifically protected from Native ownership; if the withdrawal should

be revoked, it could be selected by the State.

2. Negative Values--the following negative values would accrue to the State should the proposal be consummated.

(a) Beluga Coal Management--the proposal would remove the State from its current position of almost total ownership of lands in the Beluga area by putting into CIRI's hands approximately 25 percent of the measured and indicated coal reserves and surrounding lands which may contain additional reserves. While the State would still of course have very substantial environmental controls over mining through its air and water quality standards, etc., and while it could pass surface mining legislation applicable to private lands, it would lose the additional landlord power to control strip mining operations. However, with regard to revenues, the State would lose its royalty interest, but all informed opinion agrees that a severance tax would yield the best returns, and is the proper course for the State to follow.

(b) Loss of Port Area--approximately 7 sections of land northeast of the village of Tyonek with potential for industrial development and docking facilities would be transferred to native hands. Perhaps the best site on the west side of northern Cook Inlet, which is located just to the south of these 7 sections, is already owned

by the village of Tyonek. The State would retain, however, another site of at least equal suitability and potential just west of the Tyonek village lands. This latter site is the one which has been primarily suggested and studied from the standpoint of the use and/or shipping of coal from the existing coal leases in the Beluga area.

Economic Summary--As mentioned earlier in determining equal value two types of value have been used; value in economic terms and value in a sense which cannot be strictly expressed in dollars. As outlined above, the economic values themselves which accrue to the State are in excess of those values which the State relinquishes. These are calculated as shown below.

TABLE 2.
SUMMARY OF ESTIMATED ECONOMIC VALUES ($MILLIONS)

GIVEN BY STATE

Existing values relinquished	74.0
TOTAL	74.0

RECEIVED BY STATE

New values received	65.0
Existing values not lost	32.1
TOTAL	97.1

To the total economic values received by the State the non-economic values cited above, both positive and negative, must be added. Since the degree to which these non-economic values accrue positive or negative benefits to the State is somewhat subjective, certainly no quantification is possible. However, they are very important considerations and any decision making process must reasonably incorporate

them in determining the overall equal value consideration.

Finally, it should be emphasized that the agreement represents a negotiated settlement, which is an extremely important factor. First, it can certainly be suggested that negotiation, particularly regarding non-quantifiable items, is man's best procedure for reaching equity. While this is not relied upon for legal foundation here, it is nonetheless crucial for public policy reasons.

Second, a settled three party negotiation implies that each has left the bargaining feeling that either he got a fair and equal share, or more likely, a better share than the others. The Director would certainly assert the latter in terms of a negotiated value for the State, but would recognize that each party may feel the same for its own reasons and seek to demonstrate this to its constituency or higher authority.

Third, it is important to convey some sense of the "paths not taken" regarding trading items and other values. While no blanket conclusion is possible, there can be every assurance that a comprehensive effort took place, over many months, to seek out and discuss a multitude of alternatives before reaching the agreement herein.

Conclusions and Recommedations

This memorandum of transmittal has attempted to outline in a structured fashion the basis for State participation, the process of that participation, and the results as found in the proposal. It is my conclusion that State participation

In the modified proposal as described above is in the best interests of the State and that the State will receive considerable excess value for the value it relinquishes. As your approval and the concurrence of the Governor are needed to authorize State participation in this proposal, this document can serve as basis for that decision, augmented by any further information you may require. In this particular case since you have been very closely and continuously involved with the process, and as the Governor has been fully briefed at several different times, I believe most of the aspects are suitably covered above, and in the complete files on this matter.

While it is my opinion, and that of most others I know who have addressed the matter in detail, that the Executive Branch presently has the state statutory authority to execute this proposed land exchange, it is also true that questions have been raised by members of the public and by legislators concerning the adequacy of this authority. While I believe that these questions would certainly be answered by the courts in the executive's favor, the process of litigating a test case would be inordinately time-consuming. That intervening litigation period would protract the commencement of passage of lands under the agreement, a consequence which all parties regard as undesirable, and possibly fatal, if the basic merits of the agreement are accepted.

There is no doubt that the proposed exchange cannot come to pass without prior federal legislation clearing its way under NEPA and Section 6(i) and dealing with other matters of implementation. The opportunity - perhaps the only opportunity - for such legislation is upon us now with the omnibus ANCSA amendments bill.

After the Congressional legislation is passed, it of course will be necessary for the State to assent to the exchange. While the Commissioner is authorized under existing law to give that assent, unilateral executive action on a matter of this

magnitude would be inconsistent with the policy of the present administration that all important social institutions should have the opportunity to participate to the fullest extent possible in such decisions. Therefore, I believe the State should structure the proposed transaction so as to maximize the Legislature's ability to participate in the decision. (Indeed, the Administration endeavored to involve the Legislature throughout the public review process as the proposal has been developed.) The problem, of course, is that there is no mechanism by which the federal government can legally "negotiate" the matter through the Legislature during the session, for Congress must act now to get federal authority for a specific proposed transaction. Nor is it likely under our Constitution that the Legislature could, or would choose, to do so.

Given these premises, the only opportunity that the State has to insure that the Legislature may pass upon the merits of the proposal is for Congress to enact legislation empowering the Secretary to consummate the transaction (removing federal obstacles to the State's participating), such legislation to be subject to the State's subsequent consent. The state administration, in its turn, pledges that consent to the Congressionally legislated "offer" will be forthcoming, if at all, only after review and consideration by the Legislature. An action by the Legislature disapproving the exchange should result in an action by the Governor denying consent.

If the decision is made to seek legislative review the time factor is particularly important. For several reasons, including the Congressional need for certainty the inexorable progress of Cook Inlet's appeal, and the dynamic nature of land status in Alaska, final action by the State would be needed as soon as practicable consistent with the Legislature's need to have a thorough opportunity to review the proposal in sufficient detail to make responsible public policy. I believe we would be in a position during the first week of the session to thoroughly brief

members of the Legislature and make available to them any information we might have concerning the proposal. Under that scenario it would appear that 50 to 60 days should be sufficient time for the Legislature to thoroughly review the proposal, particularly in view of the already widespread publicity and general public awareness of the various aspects of the proposal.

I close with the request that action taken affirmatively and expeditiously on this matter as I believe it to be a unique, perhaps singular, opportunity to achieve a vital series of public and private objectives. It is important, and in my view, right.

RESOURCE ASSOCIATES OF ALASKA, INC.
3230 AIRPORT WAY, FAIRBANKS, ALASKA 99701
TELEPHONE (907) 479-6231 / 6097
TELEX 090 35402

February 20, 1976

Mr. Frank Ferguson
Alaska State Senate
Pouch V
State Capital
Juneau, AK 99801

Dear Senator Ferguson:

I feel that it is in the best interest of the State of Alaska to approve the Cook Inlet-State-Federal Agreement. This Agreement does the following for the State of Alaska.

(1) Nets 30 more townships of land (691,200 acres) to State above entitlement. The State needs all the land it can get from the Feds and this is the last chance to get it.

(2) Provides the State with an opportunity to select valuable future mineral lands from withdrawals to be abolished by the Agreement.

(3) Protects the State-Federal Agreement of September 1972 involving 45,000,000 acres of valuable mineral lands.

(4) Increase likelihood of early mining at Beluga which will generate tax revenues in excess of lost royalties.

(5) Increases the land tax base of boroughs in the Cook Inlet basin by 453,888 acres.

(6) Provides lands in private ownership in the Anchorage basin badly needed for expansion.

(7) Provides for Native owned lands in the 17D-1 areas outside the region. These will be private lands which can be bought by all and the existence of which helps prevent formation of more grand park plans by the Federal government.

(8) Resolves pending litigation which is adverse to the State's best interest.

I believe that the Agreement is in the best interest of the State of Alaska and should be passed in an expeditious manner.

Sincerely yours,

Lawrence E. Heiner

LEH/dc

MEMORANDUM

State of Alaska

TO: All Members of the Senate

DATE: March 30, 1976

FROM: Senator Mike Colletta

SUBJECT:

For you information I have attached a copy of a letter I received from Kent Frizzell, Under Secretary of the Interior. It clarifies the position of the Department of the Interior on the Cook Inlet Land Trade as pertains to Point Woronzof land.

United States Department of the Interior

OFFICE OF THE SECRETARY
WASHINGTON, D.C.- 20240

March 26, 1976

AIRMAIL

Senator Mike Colletta
Assembly Building
Room 100
Juneau, Alaska 99801

Dear Senator Colletta:

This letter is in response to your inquiry concerning the effect of the State of Alaska Legislature's recent ratification of the Cook Inlet land trade on lands on Point Woronzof. It was certainly not the intent of the Department of the Interior that transfer of lands on Point Woronzof be restricted to park and recreation uses. It is our understanding that the State of Alaska and Cook Inlet Region, Inc., had similar intentions during the negotiation of the land trade agreement. Unfortunately, the language of the agreement does not reflect the intent of the parties, because of typographical errors in the final document.

We view the exclusive language relating to Point Woronzof in the land trade agreement as an oversight, and we intend to take corrective measures to attempt to resolve this matter. In this regard, we are now having discussions with representatives of the state and Cook Inlet Region, Inc., to identify methods by which the intent of the parties may be accomplished.

If the State of Alaska desires a portion of the tract for a runway extension, and the Federal Aviation Administration concludes that such a transfer would be appropriate, we will take whatever actions are necessary, within our authority, to accomplish such a transfer.

We hope that this letter clarifies our position on this matter.

Sincerely yours,

Kent Frizzell

Under Secretary of the Interior

CONSERVE AMERICA'S ENERGY

Save Energy and You Serve America!

DAY CARE

EXECUTIVE COMMITTEE
ALASKA ASSOCIATION FOR QUALITY EDUCATION
ALASKA CHILD CARE CENTERS ASSOCIATION

DR. DEL A. BROCK
DR. MARGARET GREEN
BUD BIRD
SHIRLEY BRATCHER

February 15, 1975

The Honorable Frank Ferguson
State Legislature
Pouch V
Juneau, AK 99801

Dear Mr. Ferguson:

I regret that we were unable to attend the public hearing on Senate bills 120 and 121 held yesterday in Anchorage and request that this written testimony be entered in the record.

Our organization represents 20 members providing day care and private school to approximately 2000 children in Alaska.

We would urge that a clarification of Senate bill 120 be made prior to passage, concerning the intent as to whether private centers will be funded to care for the children qualified or whether Agency centers will be funded to be in direct competition with private centers. As worded, it would seem that the Agency could choose to enter the field, both regulating and operating. The care to be provided by this legislation is needed, but the great expense per child, which would result from the inefficient operation by a government agency, would limit its benefits. Past experience in other states shows that private centers can provide the services under contract at much lower costs, thereby benefiting more children. The typical charge for day care in Anchorage is $1800 per year. Parents cannot afford to pay more and centers cannot provide more care under present regulations.

If there are insufficient facilities available now for the number of families requiring service, it is due to the restrictions imposed by state staffing regulations which make operation of a center ifficult, if not impossible, unless the operation is fortunate enough to have free rent, free staff or other benefits adequate to offset the deficit. Contributing to this marginal operation is the low rate paid by the state for the care of children of families receiving state aid. State compensation currently paid is less than that paid by the public for the same service, while requiring centers much additional record keeping and billing for only those state children. Payments arrive 60 days after the payment would have been received had the care been provided to the paying public.

The often quoted "federal interagency day care standards," considered the base standard in the country, have recently been modified by Congress to allow lower operating costs in day care. To quote from the January 8, 1975, issue of Education Daily's "Report on Preschool Education": President Signs Social Services Bill - - "Major eligibility changes for social services under the Social Security Act and a relaxation of Federal day care standards are among provisions of H.R. 17045, which passed both houses of Congress on December 20 by voice vote.... Lowers Staffing Ratios. In an effort to reduce yearly Federal day care costs which are approaching $3,000 per child, provisions of H.R. 17045 loosen minimum staffing ratios and education program

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requirements of day care centers. The bill requires that ratios of one adult for every 20 children aged 10-14 be maintained, and a 1 to 15 ratio for children 3-9 years old. The conference committee earlier scrapped a provision which would have required a staffing ratio of one adult for every two infants under 3 years of age, and instead voted to leave the final requirements to the Secretary of Health, Education, and Welfare.

We urge that the Legislature adopt the new Federal staffing requirements in Senate bill 120 and commit Senate bills 120 and 121 to only contracting day care services with private and non-profit operated centers.

Yours truly,

Del A. Brock

Del A. Brock, Ph.D.

DB:nm

DAY CARE + PRE-SCH

Partners for Progress
with Alaska's Communities

Headstart 7.1

RurAL ALaska Community Action Program, Inc.

MAILING ADDRESS: DRAWER 412 ECB
TELEPHONE 279-2441
ANCHORAGE, ALASKA 99501

April 1, 1975

Senator George Hohman
State Capitol
Pouch V
Juneau, AK 99811

Dear Senator Hohman:

Attached is some information regarding a request for State matching funds for Head Start and Parent Child Center programs in Alaska. Dr. Helen Beirne and other legislators will be co-sponsoring a bill to be introduced in the House to provide the State matching money.

As you can see from the attached information, communities in your region would be affected by the additional funds. I would appreciate your support on this matter, and if you have any questions, please don't hesitate to call.

Sincerely,

Roger

Roger Mooney
Director of Child Development

Attachment: As stated

RM/vh

Partners for Progress
with Alaska's Communities

RurAL ALaska Community Action Program, Inc.

MAILING ADDRESS: DRAWER 412 ECB
TELEPHONE 279-2441
ANCHORAGE, ALASKA 99501

REQUEST FOR STATE FUNDING FOR HEAD START

Head Start is a nationwide effort sponsored and funded by the Federal Department of Health, Education and Welfare to help prepare children of less fortunate families from three to six years old for school. It represents the drawing together of all resources--family, community, non-professional and professional--which can contribute to the child's total development.

Head Start attempts to teach pre-school children how to respond to other children and adults in group situations. The program exposes children to the basic fundamentals needed to operate in the modern world. Beginning with language development, socialization, and motor development, the program offers experiences in punctuality, sanitary habits, personal grooming, responding to questions with words instead of gestures, and listening to others speak.

Among Head Start's most important goals are to provide an orientation to school, as well as provide health and nutrition in the program. The Head Start program also seeks to develop in the child a good self image and to help him develop into an emotionally well adjusted individual.

Equally important, Head Start seeks parent involvement through a Policy Committee and volunteer work and provides career development training for its staff members.

Head Start funds are appropriated to communities in Alaska and in other states with the requirement that the local community match the Federal funds with twenty percent local effort. In Alaska, there are presently 30 rural Head Start programs serving approximately 600 children, three centers in Anchorage serving approximately 100 children, one Head Start program in Fairbanks serving approximately 100 children, and a center in Chugiak/Eagle River serving 30 children. In addition, two Parent Child centers, demonstration projects directly funded by the Office of Child Development in Washington, D.C., serve approximately 50 families in Hoonah and Kotzebue. All of these programs have greatly exceeded the twenty percent requirement for local effort; most programs have done so by arranging for free rental of buildings, organizing volunteer efforts, donating foods, equipment supplies etc., all of which are counted as "in-kind" share and are assigned a dollar value.

In other states, such as Massachusetts and Washington, the state provides general funds to match the federal money which comes into the state for Head Start programs. This has allowed a great expansion of the Federal dollar. The Rural Alaska Community Action Program, the Greater Fairbanks Head Start Association and Chugiak Children's Services all have been operating with essentially the same amount of Federal funding that they received in 1967, when the Federal program first began. Because of inflation, what has resulted in all too many cases is a reduction in the number of children served, substandard salary scales, and a yearly budget battle to try to continue the same level of services to children and families. RurAL CAP, for example, initially operated more than 60 Head Start programs when funding first began for the program, and, because of inflation, has had to cut this number to 30 villages.

At present, Federal funding for Head Start and Parent Child centers in Alaska comes to a total of $1,404,000.00. If the State were to match these funds with twenty percent general funds, the total cost to the State treasury would be approximately $281,000.00. These additional funds would allow expansion of the Head Start and Parent Child center programs into additional rural areas, and would allow urban programs such as Anchorage, Chugiak and Fairbanks to increase the number of children served.

Presently, Washington administers its matching share program through the Washington State Office of Child Development. In Alaska, the funds could be passed through the Department of Community and Regional Affairs.

The present cost per child for Head Start in Alaska averages approximately $1,400 per year. At this rate, State funding would allow expansion of Head Start services to an additional 190 children.

However, since the $1,400 per child figure includes administrative costs, it is more than likely that the additional number of children to be served would be considerably higher.

At the minimum, however, the program could be expanded as follows:

Area	Share of State Funding (Based on Present Federal Funding Level)	Additional Children to be Served
Anchorage (including Chugiak)	$42,000	30
Fairbanks	34,000	25
Rural Areas and other major cities (sites to be selected on basis of need)	205,000	145

Except for areas like Kodiak and Hoonah, most village Head Start programs serve all the pre-school children in the community.

The $205,000 earmarked for "rural areas" would allow the development of Head Start programs in approximately 10 new sites in Alaska, serving a total of approximately 145 additional children.

The success of Head Start programs across the State has been demonstrated not only by comments from school principals, parents and kindergarten teachers, but by the numerous requests for Head Start programs from communities throughout the State.

Anchorage, which now serves 100 children in three Head Start centers, has a waiting list of more than 100 eligible children. Fairbanks has a similar list.

The following villages have applied for Head Start programs for FY 76. At present, none of them have Head Start. The asterisk indicates that the community meets all of the eligibility requirements for Head Start (at least 15 eligible children, has a building, and a group of parents who are interested in forming a Policy Committee etc.):

Delta Junction*
Huslia*
Seldovia*
Koliganek
Craig*
Ambler*
Beaver
Nim*
Kotlik*
Ekwok
Unalakleet*
Kongiganak
Kwinhagak*
Kivalina
Seward*
Klukwan
McGrath
Russian Mission
Shageluk
Nicolai
Kalskag
St. Michael*
Galena*
Venetie
Shishmaref*
Port Chilkoot*
Larsen Bay
Kwigillingok*
Saxman*
Koyuk
Scammon Bay
Sitka*
Anderson
New Stuyahok

DISTRIBUTION OF LICENSED HOMES, LICENSED DAY CARE CENTERS, AND HEAD START FACILITIES IN ALASKA.

City of Anchorage:

27 centers with slots for 850 children (one is for part-time only)
97 licensed homes
3 Head Start locations which serve 100 children (aprox 4 hours per day)

City of Fairbanks:

8 centers with slots for 213 children
18 licensed homes
Head Start serves 80 children

City and Borough of Juneau

5 centers with slots for 199 children (one is for summer only)
22 licensed homes

South Central Alaska:

Palmer: 2 centers with slots for 75 children
3 licensed homes
Chugiak: 1 center with slots for 30 children
Seward: 1 center with slots for 20 children
2 homes
Eagle River: 2 homes
Kenai: 1 home
Valdez: 1 center with slots for 24 children

South East Alaska:

Hoonah: 1 center with slots for 30 children
Ketchikan: 2 centers with slots for 42 children
2 homes
Sitka: 1 center with slots for 37 children
2 homes
Petersburg: 1 center with slots for 28 children

South West Alaska:

Kodiak: 1 center with slots for 49 children
3 homes
Dillingham: 1 home

Western Alaska:

Bethel: 1 center with slots for 30 children
Kotzebue: 1 center with slots for 50 children

Northern Alaska

Barrow: School district operated program for 50 children

Rural Alaska:

30 Villages have Head Start programs (which are not day care) each serves from 15 to 30 children 3]/2 to 5 hours a day.

HEAD START VILLAGES

Alakanuk 31 children

Chevak 21 children

Emmonak 21 children

Fort Yukon 16 children

Gambell 14 children

Fortuna Ledge 18 children

Hooper Bay 32 children

Kake 23 children

Kaltag 13 children

Kiana 19 children

Kodiak 20 children

Kwethluk 22 children

Manokotak 21 children

Mekoryuk 15 children

Mountain Village 26 children

Nondalton 16 children

Noatak 17 children

Noorvik 29 children

Nunapitchuk 21 children

Nulato 20 children

Old Harbor 16 children

Point Hope 16 children

Saint Paul 21 children

Savoonga 20 children

Selawik 15 children

Stebbins 30 children

Togiak 26 children

Wainwright 21 children

Yakutat 20 children
(operated by school district

Partners for Progress
with Alaska's Communities

RurAL ALaska Community Action Program, Inc.

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ANCHORAGE, ALASKA 99501

File
HSS
Head
START

February 5, 1975

The Honorable George Hohman
Alaskan State Senate
Pouch V
State Capitol
Juneau, AK 99801

Dear Senator Hohman:

Attached is a position paper regarding proposed State matching of child development funds which come from the Federal Department of Health, Education and Welfare into Alaska.

This concept and request for State funds has been endorsed by a Task Force on early childhood education, made up of representatives from the Dept. of Education, the Dept. of Health and Social Services, public and private pre-school operators, and various agencies such as the Rural Alaska Community Action Program etc.

More important, the request is the product of planning done by parents of pre-school children all over the State. It was drawn up and approved at the last meeting of the RurAL CAP State Child Development Policy Council, a group composed of parents of Head Start children in 30 rural communities from Kake to Wainwright, and in three Anchorage centers. In addition, the group includes representatives from the Bureau of Indian Affairs, the Dept. of Health and Social Services etc. The request has also been endorsed by the Greater Fairbanks Head Start Association.

As is indicated in the text of the attached statement, Washington State presently appropriates funds for such a State match. In Washington, the program was begun without legislation being introduced - the sum was simply included in the Governor's budget.

We are interested in getting this introduced in the present legislative session if legislation is necessary. If it is simply a matter of appropriation, I would still appreciate your efforts. This is an issue which affects a great number of parents and children throughout the State. For a relatively small amount of money, a large number of additional pre-school children could be served. As you may know, State Operated Schools did a survey of community needs in 1972, called A Modest Proposal. The overriding priority in a great majority of communities was pre-school programs.

I would appreciate your support in this matter.

Sincerely,

Phil Smith
Acting Executive Director

Attachment: As stated

PS/RM/vh

Partners for Progress
with Alaska's Communities

RurAL ALaska Community Action Program, Inc.

MAILING ADDRESS: DRAWER 412 ECB
TELEPHONE 279 2441
ANCHORAGE, ALASKA 99501

REQUEST FOR STATE FUNDING FOR HEAD START

Head Start is a nationwide effort sponsored and funded by the Federal Department of Health, Education and Welfare to help prepare children of less fortunate families from three to six years old for school. It represents the drawing together of all resources -- family, community, non-professional and professional -- which can contribute to the child's total development.

Head Start attempts to teach pre-school children how to respond to other children and adults in group situations. The program exposes children to the basic fundamentals needed to operate in the modern world. Beginning with language development, socialization, and motor development, the program offers experiences in punctuality, sanitary habits, personal grooming, responding to questions with words instead of gestures, and listening to others speak.

Among Head Start's most important goals are to provide an orientation to school, as well as provide health and nutrition in the program. The Head Start program also seeks to develop in the child a good self image and to helphim develop into an emotionally well adjusted individual.

Equally important, Head Start seeks parent involvement through a Policy Committee and volunteer work and provides career development training for its staff members.

Head Start funds are appropriated to communities in Alaska and in other states with the requirement that the local community match the federal funds with twenty percent local effort. In Alaska, there are presently thirty rural Head Start programs serving approximatley 600 children, three centers in Anchorage serving approximately 100 children, one Head Start program in Fairbanks serving approximately 100 children, and a center in Chugiak/Eagle River serving thirty children. In addition, two Parent-Child centers, demonstration projects directly funded by the Office of Child Development in Washington D.C., serve approximately fifty families in Hoonah and Kotzebue. All of these programs have greatly exceeded the twenty percent requirement for local effort; most programs have one by arranging for free rental of buildings, organizing volunteer efforts, donating foods, equipment, supplies, etc., all of which are counted as "in-kind" share and are assigned a dollar value.

In other states, such as Massachusetts and Washington, the state provides general funds to match the federal money which comes into the state for Head Start programs. This has allowed a great expansion of the federal dollar. The Rural Alaska Community Action Program, the Greater Fairbanks Head Start Association, and Chugiak Childrens Services all have been operating with essentially the same amount of federal funding that they received in 1967 when the federal program first began. Because of inflation, what has resulted in all too many cases is a reduction in the number of children served, substandard salary scales, and a yearly budget battle to try to continue the same level of services to children and families. RurAL CAP for example, initially operated over sixty Head Start programs when funding first began for the program, and, because of inflation has had to cut this number to thirty villages.

At present, federal funding for Head Start and Parent-Child Centers in Alaska comes to a total of $1,404,000.00. If the state were to match these funds with twenty percent general funds, the total cost to the state treasury would be approximately $281,000.00. These additional funds would allow expansion of the Head Start and Parent-Child Center programs into additional rural areas, and would allow urban programs such as Anchorage, Chugiak, and Fairbanks to increase the number of children served.

Presently, Washington administers its matching share program through the Washington State Office of Child Development. In Alaska, the funds could be passed through the Department of Education.

The present cost per child for Head Start in Alaska averages approximately $1400 per year. At this rate, State funding would allow expansion of Head Start Services to an additional 190 children.

However, since the $1400 per child figure includes administrative costs, it is more than likely that the additional number of children to be served would be considerably higher.

At the minimum, however, the program could be expanded as follows:

Area	Share of State Funding (Based on Present Federal Funding Level)	Additional Children to be Served
Anchorage (including Chugiak)	$42,000	30
Fairbanks	34,000	25
Rural Areas and other major cities (sites to be selected on basis of need)	205,000	145

Continued from page 2

Except for areas like Kodiak and Hoonah, most village Head Start programs serve all the pre-school children in the community.

The $205,000 earmarked for "rural areas" would allow the development of Head Start programs in approximately ten new sites in Alaska, serving a total of approximately 145 additional children.

The success of Head Start programs across the State has been demonstrated not only by comments from school principals, parents and kindergarten teachers, but by the numerous requests for Head Start programs from communities throughout the State.

Anchorage, which now serves 100 children in three Head Start Centers, has a waiting list of over 100 children. Fairbanks has a similar list.

THIS PAPER HAS COME TO THE ATTENTION OF THE OFFICE OF CHILD ADVOCACY; WE THOUGHT IT MIGHT BE HELPFUL TO YOU AND/OR YOUR GROUP IN REVIEWIN C TITLE XX, SOCIAL SECURITY AMENDMENTS..... Bill McGuire

DM Con

2/24/75

Issue: Eligibility of Children .

Does a current recipient include a child whose parents' parental rights have been terminated or a child who has been placed under agency custody by a court order?

These questions may become critical in determining that the requirements of 2002(a)(4) are being met, and regulations will be necessary to make these determinations clear and uniform.

/

Issue: Charging of Maintenance Costs to Title XX

Regulation should specify what if any proportion of maintenance costs in a residential facility may be regarded as service expenditures under 2002(a)(7)(A). Indications are that the States may subsume large maintenance costs as services in many settings.

"For Your Information"
OFFICE OF CHILD ADVOCACY
2457 Arctic Boulevard
Anchorage, Alaska 99503

Issue: Foster Care

Section 2002(11)(B) as presented requires a definition of "foster care." Consensus of committee is that the definition should provide for care in the traditional facilities such as foster family homes, group homes and other social care facilities and should be available to children as well as other age groupings, i.e., the elderly.

The definition of "special need" will clearly be required in regulations.

If the definition of foster care proposed above is not the definition intended by legislation, we would recommend that the legislation be amended to incorporate foster care in group homes and other social care facilities.

Issue: Transitional Arrangements

One State has asked if any regulations will allow transitional arrangements between the July 1 beginning of their fiscal year and the October 1 effective date of Title XX. Their fiscal year planning, if transitional arrangements are not allowed, may require them to provide services in one way for one quarter and another for the three following quarters. This will have implications for decisions about adding, deleting or consolidating some services, and for related funding and staffing decisions.

Issue: Can Services be Limited to Current Recipients?

May a State limit its service program under Title XX to current recipients of assistance, Medicaid, etc. (categories enumerated in 2002(a)(4)) and not serve any others? If not, this should be addressed by regulation.

Issue: Eligibility Ceiling

May a State set its financial eligibility ceiling below the 80% of median income level noted in the Act? Regulations should address whether this is or is not possible.

Issue: Maintenance of State Effort - Title XX

Section 2003(b) requires maintenance of State and/or sub-State appropriated matching funds at the FY '73 or FY '74 level, whichever is less. The language seems clear.

The potential problem, however, is that we may have no way of knowing what the States' appropriate effort was for those years, and what portion of the State match was donated funds. It should not be assumed that we could determine this from the State legislative budgets, since often the services match comes from a number of different budget lines, and may not be identifiable in the budget. Local government or donated portions of the State match may or may not be included in the State budget. In some States such donations are "appropriated", i.e., run through the legislative approval process, so that even the work "appropriated" may be subject to misinterpretation.

One solution may be to state in the regulations that the maintenance of effort level shall be construed as one-third of the lower of FY '73 or FY '74 Federal expenditure of each State for services under the old titles, unless the State documents a claim to the contrary by a given date, subject to acceptance by the Secretary. However it is done, each State's maintenance of effort level should be nailed down early, so that we won't have to fight the battle if and when some State tries to supplant appropriated funds with dorated funds.

Issue: Services Outside Institutions

Section 2002(11)(A) indicates that expenditures may be reimbursed "for the provision of a service that (i) is provided by other than the hospital, facility, prison, or foster family home in which the individual is living . . ."

Our questions:

1) What does "other" mean?
2) Does it mean provided by a staff or individual not under the direct control or supervision of the institution?
3) Does it mean provided by a staff or individual who is not physically located in the institution?
4) Are there any other institutional settings, not mentioned in this subsection, which may be or should be included under the authority spelled out in this section? i.e., halfway houses, residential treatment centers, and other facilities related to treatment for alcohol and drug abusers.

Responses or defintions developed from these questions should be in regulatory form.

Issue: Maintenance of Effort

In Section 2002(b) the Act mandates maintenance of effort by the States based on their FY '73 or FY '74 expenditures. We believe it is imperative that regulations and instructions be written to state the specific data which will be needed. If services are to be dropped, added or consolidated under Title XX, what effect will this have on the maintenance of effort computation? These regulations should stipulate that the MOE level be determined before or at the time Title XX becomes effective.

Issue: Emergency Shelter

Section 2002(11)(C)

We feel that emergency shelter as a protective service should be provided not in excess of 30 days per emergency episode.

This should be a regulatory statement.

Issue: Need for a Service Plan

We are concerned that a service plan may not be required under Title XX, for the following reasons:

1) Unless there is an assessment of service needs for an individual, how does agency make a rational determination as to what services are to be given? To set up a service plan, you must do such an assessment. The sequence of orderly planning with an individual requires a contractual-type arrangement such as is provided by a service plan.

2) Federal audit will be much more easily facilitated if service plans are available.

3) The Act requires that someone must determine that service is needed and that the service relates to the goals of the Act. A service plan is a logical extension of this requirement.

4) The demands of the SSRS may implicitly demand a service plan.

5) Effective coordination with other human resources programs requires that someone (optimally a service worker) make a decision about what services an individual needs and refer him or her to programs where that service is available. This process would necessitate an orderly service planning effort.

If these items are appropriate concerns, a regulation might be necessary. The flexibility intended by Title XX may preclude such regulation, however. If this is the case, guides should be developed to help the States choose an effective case management system.

Issue: Availability of Training

Several questions are raised in our reading of Title XX as enacted: 1) Is training of assistance workers (vis service workers) covered at 75%? 2) Is training of provider staff covered? At what percentage? 3) Is training of volunteers covered at 75%?

All of these questions are of extreme importance to the continued efficient and effective functioning of State agencies. Clear guides should be prepared to address these questions.

Issue: Citizen Involvement

Further definition is needed of how citizen participation may be accomplished. We feel that guides should be developed showing means and systems for participation. Particular attention (perhaps regulations) should be addressed to the manner in which comments received from the public by Agency which develops the plan will be utilized and taken into consideration in developing the final plan. We feel the authority for such regulations would be found in Section 2004(2)(J).

Issue: Fee Schedules Under 2002(a)(5)

We believe that equity demands that the Secretary by regulation mandate that fees may not be charged to individuals at or below the minimum income level (lower of 80% of median income of family of 4 of the State or U.S. median income). If fees are allowed in this group, the disincentives to self-sufficiency and removing oneself from welfare are greatly enhanced.

Issue: Definition of Goals (Sections 2001 & 2002)

Further definition of the goals specified in Sections 2001 and 2002 is necessary in either regulations or program guide. Program guide would be preferable in light of the spirit and intent of Title XX. States have already requested further clarifiction as to Congressional intent re specific services intended under the goals. However, AoA has found that general goal descriptions have been helpful to the States, and nitty gritty goal definition would inhibit flexibility.

Section 2002(a)(3), however, specifies that the Secretary cannot withhold funds when a State defines something as a service.

On balance, we recommend program guides on the definition of goals which would give examples, or list types of services and/or further definition which can lend guidance but which will not seem or be restrictive. Although some States may want tighter definitions, we need to help them realize their responsibility under Title XX to set their own priorities and goals.

Issue: Redetermination of Eligibility

A regulation should specify intervals for the redetermination of financial eligibility for non-recipients of public assistance who are receiving services. Assistance and "medically needy" recipients are required by law to undergo these periodic eligibility redeterminations.

In addition, program guides should be developed to help the states develop systems and ways of periodically assessing the initial and/or continuing need for particular services. A periodic assessment of the need for services should be accomplished for both recipients and non-recipients of public assistance.

Issue: Further Definition of Services - Section 2002(a)(1)(E)

The broad general nature of the services listed in 2002(a)(1)(E) will lead to confusion and possible misconstruing of Congressional intent unless there is further clarification. For example, "protection services", without further definition, might be extended to a logical extreme where police and public safety activities were funded from Title XX.

Further, the reporting system required will necessitate further definition.

We believe that this further definition should be by regulation to promote uniformity (i.e., conform with major standare setting organizations) accountability through reporting systems, and clarity.

Issue: Eligibility: Determination of Income

A method should be developed for specifying median income which failed in inflationary factors. This should be specified by regulation so that there is uniformity among the states.

A definition of gross income 2002(a)(5)(B) should also be specified by regulation (i.e., traditional IRS disregard of income like VA Benefits, SSA benefits, etc. apply, or some other standard).

Issue: Reversion of Funds to Donors

Section 2002(a)(7)(D)(iii) seems to delete the non-reversion-to-donor rule, "if the donor is ..... a nonprofit organization". It appears that, for example, United Way could donate funds to the State and receive them back with federal matching funds in tow.

We read this section and Section 2002(a)(7)(D)(ii) to indicate that any non-profit organization may donate funds, specify services they will provide and have funding then reverted to them. We are not sure this is correct, however.

Because of the nature of the donated funds issue and the confusion this change may bring, we believe that the terms need to be further defined in regulations so that there are no questions about the intent that donated funds can revert to non-profit donors, and can be counted for federal match.

Further, we believe that specific clarification should be made with respect to the status of Indian and native American groups as "non-profit" groups.

(7)

Dist. 1
Ed. Assoc.

LAW OFFICES
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1526 F STREET
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(907) 272-8531

February 16, 1976

OF COUNSEL
ROBERT M. GOLDBERG, ESQ.

GEORGE KAUFMANN, ESQ.
(D.C. BAR ONLY)

The Honorable Frank Ferguson
Alaska State Senate
Juneau, Alaska

Dear Frank:

I understand that you spoke with John Cooper and George White about the DOEA law suit. I am enclosing a copy of the Findings of Fact and Conclu.ions of Law and Order in the earlier DOEA case which was won by Alaska Unorganized Borough School District, which I represent. It has always been the position of the district that negotiations are the responsibility of the respective regional education attendance areas established under Chapter 124 SLA 1975. We believe that for the district to enter into negotiations with DOEA for the 1976-1977 school year would be in conflict with the legislature's desire to achie.e local self-determination. In fact, as you know, the legislature specifically allowed any regional education attendance area to negotiate separately from other attendance areas, so there may even be more than one bargaining agreement in what is now the unorganized borough school district.

I also enclose the most recent complaint filed by DOEA. At least some of the claims in the new case are exactly those which Judge Ripley has already rejected, in my judgment.

Please let me know if you have any questions or suggestions.

Sincerely,

Joe P. Josephson

Enclosures

DRUG ABUSE

Alaska State Legislature

Senate

JUNEAU, ALASKA

May 20, 1975

Drug Abuse 8.3

Mrs. Mary Beth Hilburn, Coordinator
State Office of Drug Abuse
Department of Health & Social Services
Pouch H
Juneau, Alaska 99801

Dear Mrs. Hilburn:

I am enclosing a resolution from the Bethel Service Unit Health Board regarding the Bethel Rap Center.

I would appreciate it if you would contact Alex Nick directly and explain the present situation and what solutions could be found to enable the center to continue its drug program.

Thank you for your assistance.

Sincerely,

George Hohman
State Senator

ld

8.3

May 17, 1975

Mr. Alex Nick, President
Bethel Service Unit Native Health Board
Box 287
Bethel, Alaska 99559

Dear Alex:

Thank you for sending me a copy of the Board's resolution regarding funding for the Bethel Rap Center.

I want to see funding for the Rap Center continued and will contact the appropriate officials and make our wishes known. I will request that they respond directly to you and provide me with a copy of their correspondence.

If I can be of further assistance, please do not hesitate to contact me.

Sincerely,

George Hohman
State Senator

GH:pt

8-3

Alaska Family House

A THERAPEUTIC COMMUNITY

2825 WEST 42nd PL. ANCHORAGE, ALASKA 99503
(907) 279-5502 OR 279-5503

February 15, 1975

George Hohman
Pouch V
Juneau, Alaska 99801

Dear Mr. Hohman:

This correspondence is to inform you of the annual Alaska Family House Telethon which begins February 25, 1975. The telethon will be broadcast live over KIMO-TV for five consecutive nights. We at this time invite your participation. You can participate in this community endeavor by appearing with us as we broadcast or by sending a letter or telegram which will be read by one of our civic leaders in the community. The Saturday night broadcast is being reserved for legislators who might be in town that evening.

Enclosed please find correspondence relating to this unique program endeavor. Alaska Family House is at all times available to answer any questions you may have in our area of knowledge in order to help you with the legislative process you are struggling with.

If I can be of any further assistance in regards to this matter, please feel free to contact me.

Sincerely,

Terry M. Stahlman
Director
Alaska Family House

A LOOK AT FAMILY HOUSE

For Terry Stahlman, a former heroin addict, himself, fighting the need for another hit is a full-time job of self-understanding.

As Director of Alaska Family House, Stahlman is teaching, pressuring, cajoling and shaming many others to do the same.

That is what Family House is all about. The facility in the final analyisis, is an institution that makes responsible citizens out of heroin addicts by treating addiction as a symptom of deeper personality problems.

To look at Family House's residents, which include four children, one would not think they are what Stahlman calls "dope fiends". Yet they all were convicted (except the children) of crimes that grew out of their addiction.

All the residents look as though they're well on the way to success in giving up heroin and can make it on the rolls of Family House's success stories.

Of all the addicts who have graduated from the Seattle house's two-year program, none has returned to heroin use.

"You come to Family House when you hit bottom", Stahlman said.

And you hit bottom as an addict, he said, "when you get tired of the repercussions of doing dope". In his case, the repercussions included the need to steal to feed his habit. He was doing time on a felony conviction when he sought out Seattle's Family House.

The addicts in the Anchorage facility all are there for the same reason: They've hit bottom and were assigned to the house in lieu of a prison term.

"We've been able to operate", Stahlman said, "only because of the progressive Alaska corrections system under Charles Adams".

When an addict is accepted at Family House, he literally becomes a part of the addict-treating-addict facility. In his first year in the program, the rules are stringent.

No television, books, newspapers, radio, games, or other diversions are allowed. Two rules apply all the time--no physical violence and no chemicals.

"We're treating the addict's behavior--we want him to change", said Stahlman. For that reason, the addict must concentrate all his waking hours in relating to himself as a person and to others as people.

It's a hard road to navigate. But it's needed, Stahlman said, because of the nature of most addicts.

Early in their lives, he pointed out, they probably were rejected as they tried to accomplish goals which society approved. After repeated failure, "you say the hell with it--you don't even try to climb the ladder of success anymore".

Instead, according to Stahlman, the potential addict turns to another ladder, one that leads to dope addiction and crime. His peers in this world reinforce his ego with every increasing dosage of dope or every daring robbery or theft.

The dope at first numbs feelings of rejection and visions of reality, but soon is needed just to stay physiologically normal. And the addict, by now, Stahlman said, probably steals up to $1,000 in goods a day to feed his $300 to $500 daily heroin habit: "The fence doesn't give you the retail value of the goods you steal".

Soon, the dope is no longer worth the repercussions, Stahlman said, and that's where Family House begins.

The house starts the addict at the bottom rung of the socially-acceptable ladder.

An addict never experienced things that most people take for granted, Stahlman said. Like a family Christmas around a tree. Or changing an infant's diapers. Or cooking a balanced dinner. Or skiing, skating, football, basketball and baseball.

They began climbing the other ladder too soon to learn these things, Stahlman said, "and at first we treat them like children".

Family House's residents all have their assigned chores and the ladder to responsibility may start with the simple task of watering the plants daily.

The daily chores fall into departments and, as the addict learns what he never did before, he advances to department head or perhaps even the house's assistant director. His responsibilities are pyramided until he masters them and relates to the other residents.

Through it all, he is given positive reinforcement if his behavior is responsible.

If his behavior is irresponsible or antisocial, he is admonished, ridiculed, or penalized. Nevertheless, he is told he's liked as a person--it's his behavior that's wanting.

"The addict is sensitive and easily hurt", Stahlman said, and the key to "curing" him is showing him the way to cope with others, with setbacks and with his behavior. He is taught that he doesn't need dope as an escape.

Family House relies heavily on intensive group therapy sessions to move the addicts up their individual ladders. And during each session, the addict knows that everyone there has had the same experiences as he.

ALASKA FAMILY HOUSE

PROGRAM SUMMARY

The Alaska Family House will provide an extensive fifteen month to two year treatment program for drug abusers. The individual will "grow up" in a family environment, stressing individual responsibility and mutual caring. Residents will be men and women ages 16 and over. The majority will formally have been injectable drug users, (with a history of institutionalization), referred through the Criminal Justice System. Individuals will begin as residents in a highly structured treatment facility doing menial tasks, and work to responsible positions as part of resident staff. In the second year (the re-entry phase of the program, while residing in a less structured re-entry living situation), he will perform administrative duties for the Family House, and act as staff for a community project*. Since the experience the individual acquires during his rehabilitation will be excellent training for low profile positions in the helping fields, the Alaska Family House will serve as a combination treatment/training program.

Services of the first year residential treatment section are:

1) Intake screening;

2) Structured therapeutic community having a family environment with 24 hour supervision including board, room, clothing, and sundries provided;

3) Supervised work positions of gradually increasing responsibility within the therapeutic community

4) Traditional therapeutic community activities:
   a) "Morning Meeting" each day
   b) 5 seminars per week (to improve intellectual and verbal abilities;

5) Formalized techniques of behavior confrontation;

6) Minimum of four (3 hour) group therapy sessions per week, plus additional specialized sessions for:
   a) women
   b) couples
   c) parent-children
   d) "peers" (individuals at approximately the same days of progress in the program);

7) Directed dialogues for improvement of inter-personal relationships (as necessary);

8) Bi-monthly marathon therapy sessions;

9) Individual counseling (informal);

10) Outside family counseling;

11) Developmental leisure (cultural and recreational activities aimed at developing constructive options for pleasurable experience), including retreats;

12) Instruction and training via work positions in: office procedures, administration of facility, group structure and leadership, record keeping;

13) Development of a community re-entry plan .

*NOTE: The Second Year Re-entry phase will not be implemented during the duration of this contract.

Drug Abuse

Alaska Family House

A THERAPEUTIC COMMUNITY

2825 WEST 42nd PL. ANCHORAGE, ALASKA 99503
(907) 279-5502 OR 279-5503

March 26, 1975

Sen. George Hohman
Pouch V
Juneau, Alaska 99801

Dear Sen. Hohman:

Enclosed please find a copy of some recent press relating to the Alaska Family House and its recent educational trip to view the legislative process, etc. in Juneau. At this time we wish to extend our sincere appreciation to you for your help and warm reception. Alaska Family House is proud of what you are doing to make this state a good place in which to live.

If I can be of any further assistance in regards to this, or any other matter, please feel free to contact me by phone (279-5502) or by mail.

Sincerely,

Terry M. Stahlman
Director
Alaska Family House

STATE OF ALASKA

JAY S. HAMMOND, Governor

DEPT. OF HEALTH AND SOCIAL SERVICES

~~DIVISION OF CORRECTIONS~~

329 Barrow St., Anchorage, Alaska DRUG ABUSE OFFICE

Drug Abuse
Bethel

February 24, 1975

Mr. Michael G. Moore, Technical Assistant
ANCADA
528 W. 5th Avenue
Anchorage, Alaska 99501

Dear Mr. Moore:

A memo by you regarding the Bethel Rap Center Program and Evaluation was brought to our attention today. In a phone conversation with Mr. George Barrail, Director of ANCADA, I learned that this memo represents only your own position and not that of your Agency.

Since much of the memo appears to differ from the information we obtained from the Bethel Rap Center, it seems appropriate that we clarify the following issues with you. You stated that:

1. "There was exactly one (1) staff member available to fill out the forms."

Though the Bethel Rap Center drug component chose to budget only one paid staff member, Mr. Tom Anderson, Executive Director; Mr. Louey Andrews, Contract Administrator; and Mrs. Ruth Jacobs, Secretary; were all also heavily involved in preparing forms and reports for the program.

2. "The training program for filling out the CODAP forms was apparently unsuccessful as Ms. Shortell returned forms from locations other than Bethel."

It is our appraisal that training workshop was successful. Though some forms were returned to other programs initially, all programs but Bethels subsequently mastered the CODAP forms and have submitted them in an appropriate and timely fashion.

3. "The objections to the program appear to be all bureaucratic; that is, the Bethel program didn t correspond to what Ms. Shortell believed it should be. When she stated there was no counseling here, that apparently meant that no formal arrangement to see client on a regular basis was set up. She did not question any of the clients or complaints, or rather, didn't report it if she did.

Our areas of concer for the Bethel program were manifold and far exceeded bureaucratic consid rations. The submitted document on Bethel Rap Center prepared for the Gover or's Advisory Board on Drugs is available upon request. It is also of note tha program expectations were the outgrowth of contractual stipulation

including areas of conformity, all drug treatment programs have contracted for and measureable objectives the Bethel Rap Center themselves developed. Further, at no point in the evaluation report was it stated that "there was no counseling here". It was suggested on Pages Eleven (11) and Twelve (12) that a counseling program per se was not evident. That statement was premised on a commonly accepted concept of treatment programs and we would ask that you re-read that section for the purposes of clarification. Finally, a real effort was made to elicit client comments. More information on that issue may be found under point eight (8).

4. "Ms. Shortell was repeatedly asked by Mr. Fred Pete and Mr. Tom Anderson to show him how to fill out a CODAP form. According to Fred she did not do this, but rather kept telling him which items were incorrect but not how they should be corrected. She may have thought she did this, but communication was apparently lacking."

Mr. Pete attended a CODAP workshop on September 16, that was some six (6) to eight (8) hours long for the express purpose of learning how to complete CODAP forms. Subsequent to that session, Louey Andrew was in our offices and at least an additional two (2) hours was spent clarifying the forms with him. During the program visit November 25, 26, 27, 1974 several hours were spent with Mr. Pete and Mr. Andrew reiterating the method in which CODAP forms were to be completed. This process was repeated with Mr. Anderson during the January 2, 1975 visit. Unquestionably, Bethel Rap Center has had difficulty with CODAP forms, but they were instructed in how to complete these forms. Additional time was devoted to pointing out which items needed correction and how they were to be corrected.

5. "The lack of need cited in Ms. Shortell's report came from conversation with 'experts and professionals'. Coming out of the cafeteria at the dormitory for boarding school students here, I saw a reefer being passed. I wonder if Ms. Shortell bothered to look. I also visited the Ice Cream Parlor in Bethel about 2:30 a.m., February 8. As a former user and as one who wandered in the circles of drug users for several years, I was shocked to see symptoms which could and probably did involve use of various drugs and poly drug abuse. My shock stemmed from the severity and universality of the symptoms. I doubt if the social worker or the psychiatrist from PHS or Gail Shortell bothered to conduct this sort of investigation."

The evaluation report on Bethel did not suggest categorically that no need exists in Bethel for a drug treatment program. Instead it was stated that it was our feeling the need should be re-evaluated. It is not the task of SODA to establish this need but that of the Bethel community. The evaluation reported how certain agencies in Bethel saw the need. We would welcome funding proposals from Bethel, either from Bethel Rap Center when the areas of deficiency are corrected or from other interested parties.

6. "I discussed certain sections of the evaluation with the Executive Director of the Greater Bethel Council on Alcoholism. I learned that the passage, 'Despite Tom's protests, Fred Pete had gone to Denver as a representative of the Bethel School Board to observe the open classroom concept and than to San Francisco to attend the National Congress on Drug and Alcohol Abuse during December', could at best be termed a half truth, but is more correctly called

a baldfaced lie. Tom stated that he protested the objections voiced by Gail and Mary Beth and was very proud that Fred could go. I also learned that the passage, 'Tom further explained that he had considered terminating Fred,.....' resulted from Tom's answer to Gail's direct question as to whether he had considered terminating Fred. Tom's reply was that he'd several times considered terminating everyone including himself. Incidentally, Fred told me that Gail and Mary Beth were supposed to be attending the National Congress, however, when Fred sought their advice on which workshops to attend he was unable to locate them."

It should be noted in direct testimony to the Governor's Advisory Board on Drugs in February in reference to the document prepared concerning Bethel Rap Center and the evaluation Mr. Anderson stated, "I think essentially the problems that have been outlined are essentially correct." He did not suggest to us then or since that any statements in the evaluation were incorrect though his comments were solicited. Additionally, we must take issue in the suggestion that the report contained a "baldfaced lie". This puts our integrity in question and suggests that SODA has a vested interest in maligning any of the programs. We are an agency concerned with helping people. It is therefore to our advantage to see to it that programs we fund remain viable. An examination of the number of technical assistance hours spent with the Bethel Rap Center will bear this out.

Mr. Anderson's reply regarding Mr. Pete's possible termination was in reply to a direct question I posed regarding what course of action had Mr. Anderson considered regarding the problems Mr. Pete was having with his position. As stated in the report, Mr. Anderson stated he had considered terminating Mr. Pete but has not because he feels he is a very good counselor, can speak Eskimo, and relates so well to the clients.

Mrs. Hilburn posted an information card for Mr. Pete on the "Message Exchange Board" at the National Congress of Alcohol and Drug Abuse. The card informed him of her presence at the meeting, her hotel, and her phone number. Three other participants on the Congress were able to contact Mrs. Hilburn via this system. It is unfortunate that Mr. Pete was unable to locate her.

8. "It's interesting to note that Nome's program was given a good rating, yet we're aware of a number of consumer complaints which SODA may or may not be aware of. The flimsy excuse that Fred's car broke down is indicative of the level of interest that is apparently exercised in seeing clients and looking at the issue of whether or not their needs are being met in evaluating drug programs."

Unquestionably, interviewing clients is a crucial aspect of evaluating a program's effectiveness and a component that is generally included in each evaluation this office has done. On our November visit with the Rap Center, we specifically and repeatedly requested that Mr. Pete set up at least one such interview. A series of replies: it would be "difficult", his clients would be "too uncomfortable" and unwilling to talk were offered and we were effectively prevented from completing this aspect of evaluation.

During the January 2, 1975 visit this request was made again. It was granted with the understanding that Mr. Pete would accompany me. When his car failed it took him some four hours to put it in running order.

Though we considered suggesting taking a cab to the interviews, the repair of the car seemed so imminent that we waited. As you well realize, simple matters such as the operation of a car become real issues when the temperature drops to forty (40) below. It is regrettable that our time was limited and precluded rescheduling the appointments. The factors were realities and do not reflect a low level of interest in client assessment.

"Also, I wonder why the only programs given really poor evaluations were native - administered?"

Other drug-treatment programs non-native administered have received critical evaluations. To suggest that only native programs receive critical evaluations is not an accurate statement. More correct might be that we feel evaluations provide an excellent growth opportunity for programs. Evaluations are designed to help programs improve their programming and service delivery to clients. Recommendations and technical assistance are always an integral part of the process.

It is the hope of SODA that the foregoing has been of interest to you and enable you to broaden your knowledge of the Bethel Rap Center. If in the future you should visit with other of our treatment programs, again in the capacity of a private citizen or on the behalf of ANCODA, we would welcome your comments.

Sincerely,

Gail Shortell

Gail Shortell

cp
cc: Senator Ted Stevens
Lt. Governor Thomas
State Senator George Holman ✓
Martin Moore
Margaret Wilmore
Dr. Nightingale
Dave Vallo
Herb Powless
Steve Labuff
Rick Weber
Dennis Tiepleman
Tom Anderson
Fred Pete
Gordon Jackson
Carl Jack
Charles Oxereok
George Barrail
Commissioner of Health & Social Services
Members of the ANCADA Board
Mary Beth Hilburn