

ALASKA LEGISLATURE COMMITTEE FILES 1983 - 1984 86 / 2

2593 HLC HCR 52 - SB 67

DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT

A. Loan Extensions. The Division of Accounting and Collections considers formal requests for loan extension on commercial fisheries loans issued by the Division of Investments. Most annual interest and principal payments are due in a lump sum each October and November. This year, 53 loan extension requests have been received from Kodiak Island.

Action Steps: Processing of extension requests are receiving priority attention. As of 1/20/84, 38 requests were approved, 1 request was disapproved, and 14 requests are under varying stages of review. All applications are expected to be processed by early February, 1984.

B. Bulk Fuel Loan. The Division of Investments has a bulk fuel loan program to assist small communities in the purchase of bulk fuel. The six outlying communities on Kodiak Island are eligible for this program. Loans are interest-free the first year, 5% the second year, and graduated upwards thereafter. Karluk presently has a loan; Akhiok would qualify for a second-year loan. All of the other communities could qualify for the interest free loan. Application requires a letter from an authorized community representative.

Action Steps: The DCED has initiated steps to inform all communities of the availability of these loans and procedures required to apply.

C. National Marines Fisheries Services loan Program. NMFS has a limited loan program (\$3 million nationwide) designed to assist fishermen in making loan payments on their vessels. Tax and accounting records are required, the borrower must be in risk of default but not in bankruptcy proceedings, and the vessel cannot be secondhand. One year loans can be paid off over ten years at a rate of 3%.

Action Steps: The DCED has initiated steps to provide the Borough of Kodiak with appropriate regulations and information.

D. Fishermen/Vessel Matching services. Cut-of-state vessels which fish off the Alaskan coast traditionally employ few Alaskans, since most gear up in Seattle. Alaskans have not actively pursued these positions. It is likely that many under-employed Kodiak Island fishermen are more skilled in Alaskan fishing than the present crews on these vessels.

Action Steps: The Office of Commercial Fisheries Development, DCED, has initiated conversations with the North Pacific Fishing Vessel Owners' Association for the purpose of determining the nature of potential job openings and to initiate a pilot program for matching those openings with fishermen on Kodiak Island interested in such employment. The Association responded positively to initial inquiries.

E. Tourism Survey. Several rural Kodiak communities have expressed an interest in tourism. There is, however, a lack of specific information on the characteristics of these communities that might attract tourists as well as a lack of market survey information on what potential tourists might be interested in and the kinds of services they would seek.

Action Step: The Division of Finance & Economics in Coordination with advocacy divisions within DCED has initiated a study which will survey rural communities on one hand and a sample of Anchorage's population on the other to determine the potential of tourism for rural Kodiak communities.

F. Coast Guard Uniformed Service Provision. A number of maintenance services presently performed by Coast Guard personnel in Kodiak could be performed by the private sector.

Action Step: A letter has been transmitted from the Governor's Office to the Alaskan Delegation in Washington encouraging that such a transfer of maintenance services from the Uniformed Service to the private sector be considered.

DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS

A. Job Training Partnership Act (JTPA), Division of Community Development (DCD).

1. Matching Fund Assistance. JTPA offers a Dislocated Workers Program for residents who have been terminated due to industrial decline. Approximately \$340,000 will be available (as of contract award in Feb., 84), \$67,000 of which is state money. Program respondents (private-for-profit or non-profit) must provide an additional 25% in matching funds.

Action Step: The state could pick-up the 25% matching funds to facilitate access. Additionally, the DCFA will assist where possible in the local vendor application process.

2. Vocational Educational Funds. JTPA provides funding for a.) Employment Security counseling staff and b.) Pre-apprenticeship Training in building maintenance.

Action Steps: A supplemental appropriation could be targeted at providing such positions in Kodiak Island on a per-community basis. The building maintenance positions could be linked to proposed RDA building and hydropower projects.

3. Other JTPA Programs. JTPA offers On-The-Job-Training (OJT), Institutional Skills Training (IST) and Youth Programs (YP); all of which could be applicable to the diversification of Kodiak's fisheries industries. Direct infusion of job training/employment dollars into these small communities could provide for immediate economic relief. Lack of a private economy makes use of federal funds unlikely. Short-term assistance with OJT in the public sector, perhaps one to six jobs per community, could be accomplished through a direct grant to the regional non-profit for implementation.

Action steps: The state could provide additional immediate funding to these programs through a supplemental appropriation. Estimated cost would be \$150,000 to \$225,000. The Department's regional representative is in contact with City officials and community service agencies in regard to application of existing funding. DCFA's regional representative is currently negotiating with private industry in Kodiak with regard to IST contracts.

B. State Employment and Training Program (SETP), DCD. This program provides upgrade training and internships and would be applicable to the retraining needs of fishermen and fish processors in adapting to the new bottomfish industry. This state-funded program requires annual appropriations.

Action Step: An FY84 supplemental appropriation could be targeted to the Kodiak region.

C. State Low-income Weatherization Program, DCD. The Department has recently received two proposals from the Kodiak area: one from KANA (\$182,000) to weatherize homes in Akhiok and Karluk; and one from ACDC for \$1.5 million to weatherize homes in the City of Kodiak. At present, these proposals must pass through a comparative evaluation process and may or may not be approved and may be funded at a lower level than requested. The Department has received approximately \$15 million in requests and has approximately \$5.5 million available in program funds.

Action Step: The state could target a supplemental appropriation to assure the funding of these proposals, and perhaps additional, weatherization proposals and "fast track" the evaluation process.

D. Child Care Programs, DCD. Because of the economic difficulties in Kodiak, an increasing number of mothers wish to enter the active labor force. The lack of adequate child care facilities is a major constraint. There are three areas of critical need for which the state could provide additional near-term day care assistance: 1) more licensed child care facilities; 2) more program dollars to allow eligible families access to services; 3) additional training of staff and administrators.


Action step: The state could target a supplemental appropriation in the form of Child Care Grants to the communities on Kodiak Island.

E. Technical Assistance Grants, Municipal and Regional Assistance Division (MRAD). Existing FY84 program funds have been expended or committed.

Action Steps: A supplemental appropriation could be directed to providing technical assistance to Kodiak Island communities. Near-term benefits would derive most quickly from labor intensive projects such as community surveys performed in conjunction with longer term development concepts. Additional, funding could be targeted towards occupational training schemes which provide residents with maintenance and operational skills required for anticipated equipment or capital facilities purchases.

F. Rural Development Assistance, MRAD. Present program guidelines limit grants to \$100,000 per community per fiscal year. FY 84 RDA funds have been disbursed or committed. At this time, there are several proposals submitted to the Department for FY85 consideration.

Action steps: A state supplemental appropriation could be targeted to each of the outlying six communities to be disbursed along the lines of the existing RDA program. The appropriation would be administered through the Kodiak Island Borough which has planning powers for Kodiak Island. Two general areas of program application would be the construction, expansion, and maintenance of community halls and the construction and maintenance of equipment storage facilities for existing or anticipated city equipment (oil trucks, graders, fire engines, etc.).



G. Capital Improvements Projects: Force Accounts, MRAD. Force accounts are where the community performs its own construction projects, in-house, rather than going out-to-contract. In this case, the community could hire local residents to perform the project. Small communities would need technical assistance/training in the efficient formulation and implementation of such programs.

Action Step: The Department would offer a program of training and follow-up technical assistance to support communities in this effort. This program would be well suited for placement in the Municipal and Regional Assistance Division and could be implemented rapidly.



DEPARTMENT OF HEALTH AND SOCIAL SERVICES

Office of Alcohol and Drug Abuse. The program caseload in the Kodiak area has more than doubled in the last year. The current economic problems have been identified as a major cause of this increase. This increase has forced the program to exceed appropriate counselor to client ratios. The Office reports that budget cuts last year necessitated the cessation of client services to residents of the outlying villages on Kodiak Island. In FY84 the Kodiak Council received a grant award of \$265,000 requiring a local match of \$29,400. The state has the option of waiving this match at any time.

Action Steps: An additional staff counselor should be added to the regional staff. This position would allow for increased aftercare and renewed outreach services to the six outlying communities. Additional travel funds would also be required. Total projected costs for the additional position and travel would be about \$30,000.

B. Division of Mental Health and Developmental Disabilities. Based upon current trend information, there will be a major increase in demand for mental health services in Kodiak. This increase may be directly linked to the present economic difficulties. Unemployment both precipitates mental problems and precludes access to treatment without some form of financial assistance.

Action Steps: Two to five new positions are required. These should be local hire positions that would be involved with the residential training program as well the vocational rehabilitation cases (Trainers and Aides).

C. Division of Public Assistance. There is an increasing level of need and demand on DPA programs. Many households are seeking energy assistance (EAP) much earlier in the winter heating season than usual.

Action Steps: While DPA programs are reported to be well known in the region, DPA will initiate an outreach effort, including additional display advertisements in the local paper. An EAP outreach contract with the Kodiak Area Native Association has recently been executed. While recent increases in DPA caseloads have not been dramatic, DPA is "being particularly mindful" of monitoring caseloads in the Kodiak region in order to anticipate any dramatic increase in program demand.

D. Division of Family and Youth Services. The Division has experienced a 10-15% increase in caseloads in the Kodiak area during the last year.

Action Steps: Additional staff will be required. These would preferably be entry level positions such as Social Worker I or Social Service Associate III. Using an entry level position would promote local hire.



DEPARTMENT OF LABOR

A. Job Placement Assistance. Job Service personnel in Kodiak provide a wide range of employment placement services. These personnel work closely with managers of all plants on Kodiak Island to provide a service that promotes consideration of available workers in and around Kodiak.

Action Steps: To improve consideration for local hire of seafood workers, the State Seafood Placement Coordinator will revisit the Seattle offices of Kodiak plants in February and further encourage the use of job service in Kodiak to obtain their workers. A special effort will be made to access federal emergency Veteran's Job Training funds by assisting local employers in the development of significant job training programs. Up to \$10,000 in wage subsidy are available through this program, which offsets the employer's costs of trainings

B. Job Training Partnership Act (JTPA). Job Services functions as a liaison with the Department of Community and Regional Affairs and the Department of Education, to coordinate and provide JTPA services.

Action Step: Job Service will coordinate with the JTPA efforts described earlier under the Department of Community and Regional Affairs.

DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES

A. Local Service Roads and Trails Program. The Local Service Roads and Trails (LSR&T) program was initially created in 1971 to provide State grant funds to improve local community roads. The distribution formula and funding cycle for the LSR&T program significantly affects its ability to be responsive to Kodiak needs in any significant fashion. As an example, if the present annual appropriation were divided evenly among the six outlying Kodiak communities, roughly \$22,000 would be available per community, which would barely cover equipment mobilization costs.

Action Step: Designate some type of add-on or supplemental funding for the Kodiak Island Borough Local Service Road and Trail Program. Given such funding as indicated, the following local projects, which have been identified for immediate construction, would in each case provide some near-term employment opportunities for local laborers:

1. Cuzinkie Boardwalk; \$60,000.
2. Old Harbor Landfill Access Road Improvements; \$250,000.
3. Port Lyons Road Rebuilding and Extensions; \$2,000,000.
4. Karluk Upgrade of Road to Sanitary Landfill; \$200,000

B. Early Implementation of Funded Capital Improvement Projects. The DOT/PF has identified a number of projects on Kodiak Island for which funding exists and which are essentially ready for construction. However, the only project which could in some manner be facilitated is the Mission Road Reconstruction Project. The Project will be ready for construction this spring, but at a reduced scope unless supplemental funding is made available. An expanded project would translate into immediate employment opportunities.

Action Step: Supplemental appropriation for the Mission Road Reconstruction Project of \$340,000.

C. Expediting Federal Construction Programs. There is currently only one outstanding program reservation for HUD housing in the Kodiak area. The reservation is for 15 units in Old Harbor. The Kodiak Island Housing Authority has been unable to proceed because they cannot ensure HUD of physical access to the site. KIIHA is working with EIA to secure a commitment for road construction; however, EIA has very limited resources.

Action Step: The DOT/FF could be useful in expediting the HUD construction project by supporting an Old Harbor access road. Near-term benefits would derive from both the road and housing projects. It is anticipated that such a project could begin by late spring and would cost approximately \$400,000.

D. "Other" Projects. The DCT/PF has identified several Kodiak Island Projects which could provide some level of near-term economic benefit to local residents.

Action Steps:

1. Upgrade Dog Bay Small Boat Harbor; \$800,000.
2. Construct Community Equipment facilities; \$100,000 per facility.
3. Port Lions Ferry Dock Repair; \$500,000.
4. Old Harbor Fuel Dock Repairs; \$800,000.

KODIAK PROJECT  
NEAR-TERM ASSISTANCE

WORKING GROUP PLAN

Work Group Members

DCRA: Jeff Smith (lead agency)  
DHSS: Jerry Harris  
DOT/PF: Riley Snell  
ASMI: Bill Hudson  
DCED: Bill Beardslaw  
DOL: Jim O'Connor

The object of this working group is to produce a report regarding the options and prospects for near-term assistance which the State may provide to Kodiak Island residents who are coping with dramatic declines in the region's fisheries related economy. This report should present specific actions which the State could take in the near future to provide for some level of immediate economic relief to the region. Where appropriate, supplemental funding requirements should be defined. If possible, the effects of various levels of supplemental funding should be identified. The report is to be presented, in final form, to the Governor's mini-Cabinet on Tuesday morning, 1/24/84.

In order to achieve this timeframe, the following work plan is suggested:

1/12 (Thursday, a.m.): First group meeting; scoping session to review the general task, discuss the interagency report on Kodiak economic conditions, discuss specific agency assignments and areas of research/report coordination. We should leave this meeting with a clear idea of what each individual is responsible for producing, as well as agreed upon times for submission of draft materials.

1/18 (Wednesday, p.m.): Second group meeting; exchange preliminary findings, discuss research/report problem areas.

1/20 (Friday, p.m.): Submission of final draft materials for inclusion into final report.

1/23 (Monday): Preparation of executive summary.

1/24 (Tuesday, a.m.): Report to Cabinet.

Preliminary task assignments, by department, are as follows:

I. DCRA

- A. Lead agency responsible for working group coordination and production of executive summary.
- B. Investigate "matching fund" constraints to community access to federal funding (BIA, HUD, etc.)
- C. Investigate requirements of increased facilitation of RDA projects.
- D. Investigate requirements for expanding the LEAP program (fuel supplement).
- E. Assess levels of most critical, immediate, needs (Fuel, Food)

II. DHSS

- A. Inventory the Departments programmatic activity in the Kodiak Island Area.
- B. Investigate "matching fund" constraints to community access to federal funding (HSS, HUD, etc.)
- C. To the degree possible, define present and projected increases in program use (WIC, Food Stamp, ADF, Mental health, Y&FS, etc.) attributable to the recent economic slowdown. Investigate the cost requirements of serving this increased need.
- D. Assess levels of most critical, immediate, needs (health, social)
- E. Research temporary employment opportunities of DHSS program activity.

III. DOT/PF

- A. Investigate the costs and effects of supplemental appropriations for Local Service Roads and Trails funds.
- B. Investigate the specific steps of early implementation of funded capital improvements in the Kodiak Island area.
- C. Investigate facilitating early implementation of proposed federal construction projects (BIA, PHS, HUD) insofar as they might provide immediate employment opportunities.
- D. Erosion Control Programs
- E. To research availability for contracting out to communities maintenance for State facilities.

IV. DOL

- A. Supplemental Job Service Activity.
- B. Research DOL regulations to obtain hiring at the community level for capital construction this summer.

V. DCED

- A. Investigate short-term projects, loan vehicles, that could provide interim employment opportunities.
- B. Investigate expedient implementation of the Raw Fish Tax Credit Incentive Program as recommended by Governor's Fisheries Policy Task Force.
- C. Investigate status of the Fisheries Industrial Technological Center proposed for Kodiak Island.
- D. Summarize recent/ongoing studies regarding economic diversification on Kodiak Island (State, Chamber of Commerce activity, etc.).
- E. Look at transitioning Coast Guard enlistment employment to civilian at Kodiak Base.

cc: Bruce Twombly, Commercial Fisheries Limited Entry  
Commission



NEAR TERM ASSISTANCE TO KODIAK  
DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT  
SYNOPSIS AND ACTION STEPS

Loan Extensions:

Synopsis: The Division of Accounting and Collections considers formal requests for loan extension on commercial fisheries loans issued by the Division of Investments. Most annual interest and principal payments are due in a lump sum each October and November. This year 53 loan extension requests have been received from Kodiak Island.

Action Step: As of 1/20/84, 38 requests were approved, 1 request was disapproved, and 14 requests are under varying stages of review. Processing of extension requests are receiving priority attention, and all applications are expected to be processed by early February, 1984.

Bulk Fuel Loans:

Synopsis: The Division of Investments, DCED, has a bulk fuel loan program, the purpose of which is to assist small communities in the purchasing of bulk fuel. Any "organized municipality or unincorporated village with a population under 2,000, or individual endorsed by the municipality" is eligible. All communities on Kodiak Island, except for the City of Kodiak, qualify for this program. Loans are interest-free the first year that a community applies, 5 % interest the second year, and graduated upward thereafter. Karluk presently has a loan. Akhiok would qualify as a second-year candidate (i.e., for the 5% loan). The remaining communities qualify for interest-free loans. Application procedures are very simple (basically a letter to the Division of Investments from an authorized community representative).

Action Step: DCED has initiated steps to inform all communities of the availability of these loans and the procedures required to apply.

National Marine Fisheries Loan Program:

Synopsis: JMF has a very limited loan program (\$3 million nationwide) designed to assist fishermen in making loan payments on their vessels. Tax and accounting records are required, the borrower must be in risk of default but not in bankruptcy proceedings, and the vessel cannot be secondhand. One year loans can be paid off over 10 years at a rate of 3%.

Action Step: DCED has initiated steps to provide the Borough of Kodiak with appropriate regulations and information.

Fisherman/Vessel Matching:

Synopsis: Out-of-state vessels and fleets which fish off the Alaskan coast traditionally employ few Alaskans, since most gear up in Seattle, and Alaskans have not actively pursued these positions. Many of the crews hired are not skilled fishermen and few know the Alaskan fisheries environment. Further, on the surface it appears that there may be a significant number of Kodiak fishermen who might be available and qualified for such employment.

Action Step: The Office of Commercial Fisheries Development, DCED, has initiated conversations with the North Pacific Fishing Vessel Owners' Association for the purpose of determining the nature of potential job openings and to initiate a pilot program for matching those requirements with fishermen on Kodiak Island interested in such employment. The Association responded positively to initial inquiries.

Tourism Survey:

Synopsis: Several rural Kodiak communities have expressed an interest in tourism. There is, however, a lack of specific information on the characteristics of these communities that might attract tourists and a lack of market survey information on what potential tourists might be interested in and the kinds of services they seek.

Action Steps: The Division of Finance & Economics, DCED, in coordination with advocacy divisions within the DCED has initiated a study which will survey rural communities on one hand and a sample of Anchorage's population on the other to determine the potential of tourism for rural Kodiak communities.

Attachments:

Fuel Loan Information Sheet  
Fisheries Loan Fund Application  
Letter relating to Vessel/Fishermen Matching

WHB:gr/1-23-84

BILL SHEFFIELD, GOVERNOR

**DEPARTMENT OF COMMERCE &  
ECONOMIC DEVELOPMENT**  
OFFICE OF COMMERCIAL FISHERIES DEVELOPMENT

POUCH D  
JUNEAU, ALASKA 99811  
PHONE: (907) 465-2518

January 20, 1984

Mr. Barry Collier, Manager  
North Pacific Fishing Vessel  
Owners' Association  
Fishermen's Terminal  
Bldg. C-3, Room 218  
Seattle, WA 98119

Further to our telephone conversation this morning I would like to explain in greater detail the fisheries related economic problems being experienced by rural Kodiak fishermen and the possibility of our working together to place some of those fishermen as crewmen in the upcoming Shelikof Straits joint venture fishery. As you may know, two years of poor Pink salmon returns in the Kodiak area have combined with the collapse of the King Crab fishery to severely disrupt the economy of rural Kodiak. In such villages as Old Harbor, Ahkiok, Larsen Bay, and Ouzinke experienced purse seine/crab fishermen who own their vessels or operate cannery owned vessels are virtually without alternate employment opportunities, fisheries related or otherwise.

As I indicated in our conversation earlier today, I would propose that our office, NPFVOA, and possibly the Kodiak Area Native Association (KANA) work together in a "matchmaking" role, exploring the possibility of creating employment opportunities aboard some of your members' vessels during the 1984 Shelikof Straits fishery. I would perceive that the respective roles of our organizations would be as follows:

NPFVOA would identify vessel owners interested in participating with the program and outline basic requirements for potential crewmembers.

KANA would perform the outreach function and preliminary screening of potential crewmembers.

OCFD would coordinate the program and would further screen potential crewmembers to insure that only truly qualified applicants were introduced to vessel owners.

I would appreciate it greatly if you could present this idea to your Board of Directors and subject to their approval

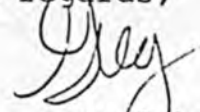
Page two.

Letter to Barry Coll  
1/20/84

proceed with some more detailed discussions, possibly during the upcoming NPFMC meeting here in Juneau. Clearly we are only in the conceptual stage with this idea and I'm certain that more discussion would lead to a better understanding of the options. Should we be able to reach some agreement, I fully understand that in no way would NPFVOA be in a position to guarantee any actual employment and that any hiring decisions will ultimately rest with the vessel owner(s) involved.

Barry, thank you again for your interest in this issue and I look forward to seeing you here in Juneau for the Council meeting.

Best regards,



F. Gregory Baker  
Director

cc: Commissioner Richard Lyon ✓  
Deputy Commissioner Vince O'Reilly  
Ben Harding, Special Assistant  
to the Governor

# MEMORANDUM

State of Alaska  
Community & Regional Affairs

JAN 20 1984

TO: The Honorable Jeff Smith  
Deputy Commissioner  
Office of the Commissioner

DATE: January 20, 1984

FILE NO: COMMISSIONER'S OFFICE  
COMMUNITY & REGIONAL AFFAIRS

TELEPHONE NO: 465-4861

FROM: Mark Mickelson *MM*  
Grant Administrator  
Division of Community Development

SUBJECT: Kodiak Island Near-  
Term Assistance  
Project

Attached for your information and use are individual program manager reports from within the Division of Community Development which address the Kodiak Near-Term Assistance Project. The major issues that our Division would like to put forward as practical suggestions are as follows:

1. Supplemental Funding Request - For the State Employment and Training Program. Funds specifically earmarked for the Upgrade Skills Training component could effectively promote retraining efforts for fishermen and fish processors on Kodiak Island to adopt to the evolving bottom fisheries and related support occupations. Under this program other components could also provide short term subsidized employment in the form of vocational exploration for youth and internship possibilities.
2. JTPA Dislocated Worker Program - Because of lay-offs in the fishing industry and changes in species harvest/processing, this special program might well be utilized in Kodiak. We can better promote the program there and provide assistance with application preparation.
3. Low-Income Weatherization - Pending proposed selection, two contracts may be issued which could impact on Kodiak Island communities. Because there is an obvious need there, supplemental funding under this program could reach more communities on Kodiak, with secondary effects of economic stimulus to local economies. Once contracts are awarded we can expedite their implementation.

Jeff Smith  
January 20, 1984  
Page 2

4. Increased Child Care Funding - In addition to the obvious assistance provided to low income families which in turn enables them to work with affordable child care, additional child care industry jobs are created with more economic stimulus to the local economy.
5. Increased Outreach and Technical Assistance Efforts - Pursuant to all Departmental grant programs we can improve the Kodiak Communities access to and expertise in application procedures and successfully obtaining grant funds. Cross training of Departmental staff, a strong committment to Regionalization and circuit-riding educational and technical assistance efforts would all reap longer term results. Board, commission or council vacancies filled by Kodiak representatives could also potentially have a longer term benefit in program planning/design and allocation of grant funds for Kodiak communities.

If you have any questions on these recommendations on the attached reports please feel free to contact me.

Attachments

cc: Karen Perdue



# MEMORANDUM

State of Alaska

TO: Mark Mickelson  
Grants Administrator  
Div. of Community Development

DATE: January 18, 1984

FILE NO:

TELEPHONE NO:

FROM: Deborah Smith  
JTPA Program Manager  
Div. of Community Development

SUBJECT: Kodiak Near Term  
Asst. Project

I. The following State JTPA programs may be available for use in the Kodiak area.

1. The Older Workers program for economically disadvantaged residents who are at least 55 years old.

An RFP has been issued and awarded. The one respondent from Kodiak, KANA, did not receive a contract. However, another RFP for approximately \$26,600 will be issued in April and any private-for-profit, non-profit, or state agency may respond.

2. The Dislocated Workers program is for Alaskan residents who have either been terminated or have received a lay-off notice due to industrial decline and are unlikely to return to that industry.

The RFP was issued 1/18/84, is due in 2/17/84, and the contracts will be awarded 2/24/84.

Approximately \$336,900 is available, which includes \$67,394 of State money. The respondents must provide an additional 25% in matching funds. Any private-for-profit or non-profit agency may apply.

3. The following recommendations for the Vocational Education monies have been made:

- a) \$16,000 to S.E.R.R.C. for Skagway Host program.
- b) \$65,085 to Employment Security for counseling staff to work in E.S. offices and community colleges.
- c) \$60,000 in Pre-Apprenticeship Training in Building Maintenance.

The Kodiak area may be able to obtain some of the funds available under sections b & c of this program.

- II. Kodiak's need appears to be a diversification of economy from a fishing base. The projections for the fishing industry are dismal at best for the Kodiak area. The completion of the Terror Lake Hydro project should provide some incentive for alternate industry to relocate, thus providing a stable year-round economy, but the nature and extent of that industry are unknown at this time. The harbor completion would assist in the fishing industry expansion, but at this point the current fisheries would receive little benefit.

Mark Mickelson  
January 19, 1984  
Page Two

III. It is possible that the Title III program under JTPA could be used to assist the Dislocated Worker in Kodiak, provided a proposal is received from a vendor to serve that population. The matching requirement of the program could be met through the State funded share of the unemployment benefits the participants are receiving.

# MEMORANDUM

State of Alaska

RECEIVED  
1984 JAN 10 1984

TO: Mark Mickelson  
Grants Administrator  
Central Office

DATE: January 17,

FILE NO:

TELEPHONE NO:

Dept. of Community & Regional Aff  
Division of Community Developme

FROM: Michelle Church  
Field Representative II  
Region V

SUBJECT: Kodiak Project Near Term  
Assistance

## Programs available, Dollar amounts, Planned Activities in Kodiak.

JTPA OJT \$ 86,400 (total Region V Adult and Youth)  
JTPA IST \$ 43,000 (total Region V)  
JTPA Youth Programs \$100,000 (total Region V)  
SETP Programs \$ unknown (Upgrade, In-School Counseling,  
Internship and VEP)  
Displaced Homemakers \$ unknown  
Legislative Grants \$ unknown

These funds are controlled by the legislature.

We are currently in contact with several employers in the Kodiak area in pursuit of OJT contracts. The RFP's are still out for Institutional Skills Training and the Youth Programs; therefore, no projections can be made on the number of vendors to be served or the dollar amounts involved. As stated above, the SETP, Displaced Homemaker, and the name recipient legislative grants are controlled solely by the legislature and projections on the numbers and dollar amounts available can not be made.

OJT Contracts project as follows:

*North Star Seafoods	70 position	\$ 5,000 \$10,000
City of Port Lions	1 position	\$ 2,500
City of Ouzinkie	1 position	\$ 2,500
City of Larson Bay	1 position	\$ 2,500
	Total	\$17,500

Mark Mickelson  
January 17, 1984  
Page 2

\*This is a possibility for a Performance Based contract however negotiations will not take place until January 18 or 19, 1984. If the contract is written on performance basis the amount may be higher

I will be traveling to Kodiak on January 18 through 20th to negotiate the North Star Seafoods contract and begin the necessary applicant pool. I plan to meet with other cannery representatives and interested employers to discuss the programs available. I also plan to meet with Tom Peterson from Kodiak Area Native Association to discuss a possible cooperative agreement.

Currently the economic picture in Kodiak is down due to the poor fish take and the closedown of crab fishing. The OJT contract we are negotiating with North Star is directly related to the changing fishing industry. The fishermen and canneries are turning towards bottom fishing. However they are both unprepared and untrained to deal with this total change in techniques. We are hopeful to assist in this change.

Action Plans:

We will keep in contact with the City offices and community service agencies. We will remain available to the private employers for input and we will work with KANA to provide cooperative services to Kodiak residents.

# MEMORANDUM

State of Alaska  
COMMUNITY AND REGIONAL AFFAIRS

TO: Mark Mickelson  
Grants Administrator  
Div of Community Development

DATE: January 16, 1984

FILE NO:

TELEPHONE NO:

FROM: Robert L. Brean *Robert L. B.*  
Deputy Director  
Div of Community Development  
Office of Energy Programs

SUBJECT: Kodiak Funding

The State's Low-Income Weatherization Program is the only program within the Office of Energy Programs having a potential funding impact on Kodiak. I use "potential" because we do not currently have any contracts in that area, but have just received two proposals (one from KANA for \$182,296 to weatherize homes in Akhiak and Karluk and one from ACDC for about \$1.5 million to weatherize homes in the city of Kodiak.)

These proposals must go through an evaluation and may or may not be funded or may be funded at a lesser amount than that requested.

We believe that weatherization is probably of greatest benefit of any energy conservation program since it improves the housing stock while simultaneously lowering fuel costs and also provides some temporary employment for local individuals.

By expediting the weatherization contracts once they're awarded, Kodiak will have their program available as soon as possible.

cc. Karen Perdue

RECEIVED  
JAN 18 1984

Dept. of Community & Regional Affairs  
Division of Community Development

# MEMORANDUM

State of Alaska  
Community & Regional Affairs

TO: Mark Mickelson  
Grants Administrator  
Division of Community Development

DATE: January 16, 1984

FILE NO: 6.1.8

TELEPHONE NO: 465-4890

FROM: Sherry Valentine  
Block Grants Administrator  
Division of Community Development

SUBJECT: Program Funds  
Re: Kodiak Island

Pursuant to your request for potential and/or actual funding available to Kodiak Island, I have identified the following source of funds:

1. (A) Community Development Block Grant Program:

These federal Department of Housing and Urban Development funds are passed through to states in the form of a block grant. The state disseminates CDBG funds to incorporated communities on a competitive basis for community development and planning projects.

(B) Funding Available: \$1,500,000

In FY84, the State will receive approximately \$1.5 million. Cities are eligible to apply for community development funds up to \$105,000 maximum per applicant, or \$55,000 maximum for planning funds. Grantees are selected on the basis of a competitive review and scoring process.

(C) Matching Requirements:

There are no matching funds required of sub-grantees. However, due to the limited federal funding available for this program, the leveraging of other sources of funds is encouraged. An applicant can receive up to 40 points depending on the amount of other funds leveraged.



(D) Present Funding for Kodiak Island Communities:

The City of Kodiak was designated a three year comprehensive grantee by HUD for the period FY81-83. When the State accepted the CDBG program in FY82, it agreed to honor this three year commitment. As a result the City of Kodiak has received the following funds:

FY81:	\$500,000	(directly from HUD)
FY82:	500,000	(through the State of Alaska)
FY83:	500,000	(through the State of Alaska)
TOTAL	<u>\$1,500,000</u>	

Funds are being utilized for street construction, a mini park, and teen center renovation.

Utilizing FY82/83 combined competitive funds the City of Port Lions has been selected to receive a CDBG grant:

FY82/83: \$78,000

These funds will be used to add an addition to the City offices. The community will use local hire to help offset high unemployment.

2. Critical Needs:

Most rural alaskan communities need capital project and planning funds. Funding which can create needed facilities, supply jobs, and aid in developing some level of economic development are critical. Employment opportunities are essential in Kodiak.

3. Action Plan:

Because of the competitive nature of the CDBG program, quick access to funding is not possible. However, other potential resources might be the federal Economic Development Administration (EDA) with an outreach office located in Anchorage. HUD should also be contacted concerning their Urban Development Action Grant (UDAG) program which can provide a percentage of funding for the overall cost of a project in distressed communities.

*CDBG - 84. Grant cycle - deadlines not known yet  
applications will probably not be available until  
mid April 84. (Street Plan - still needs to be  
finalized + approval.  
Congress held up process)*  
Technical Assistant = *Port ...*

# MEMORANDUM

State of Alaska

TO: Mark Mickelson



January 16, 1984

Dept. of Community & Regional Affairs  
Division of Community Development

FROM: Lare' *L*  
Child Care Coordinator

SUBJECT: Kodiak Island:  
Child Care Programs

## I. Child Care Programs Available

The Child Care programs administered by the Department and operating on Kodiak Island are:

	<u>Program</u>	<u>Total '84 Budget</u> \$	<u>Kodiak Island '8</u> \$
1. a.	Day Care Assistance	5,693,393	150,121
b.	Local Administration for Day Care Assistance	569,739	15,012
2.	Child Care Grant	1,117,963	34,479 (Estimate)
3.	Education & Training	84,500	2,430
4.	Developmentally Disabled	194,400	Not operati
5.	Head Start	2,768,000	(B
(A)	Reallocation of Day Care funds takes place by the end of January. Kodiak is requesting \$30,000 more to alleviate Waiting Lists caused by lack of program dollars for eligible families.		
(B)	Rural CAP administers the Head Start program in Kodiak and is one of approximately 30 sites. The budgeted dollar figures for Head Start in Kodiak for FY '83 was \$45,000 (federal and State dollars)		

## II. What are most critical needs?

From the child care perspective, the most critical needs are (1) more licensed child care facilities, (2) more program dollars to allow eligible families access to child care services (3) additional training of staff and parents in early childhood issues (4) additional training for early childhood administrators.

Because of the "recession" in Kodiak, more and more mothers are entering the active labor force. This will further increase the demand for child care, as well as place an even greater demand on limited State Day Care dollars for this community.

From a broader perspective, diversification of employment is essential if Kodiak is to move from the rollercoaster syndrome of a one industry community. This will include not only attracting new and small industries but also developing a trained and diversified labor force.

### III. Expansion and Infusion of Dollars:

Day Care: Day Care Assistance dollars are allocated by the number of licensed child care spaces in a given community. In the past two years (1981 to 1983) the number of licensed child care spaces has increased by 50. However, even with this increase, each year Kodiak requests additional program dollars to allow eligible parents to participate in the program. This has a direct impact on employment and training.

There is also a need for additional child care spaces. While there are six licensed child care centers, the number of licensed homes has dropped from 17 to 9 family day care homes in the past year. This issue has been discussed with the Department of Health & Social Services.

Thus, if more homes are licensed, there will be both a larger number of child care spaces as well as alternatives where parents can have their children in care.

Child Care Grant: The Child Care Grant has allowed Kodiak child care facilities to augment budgets in salaries, food and age appropriate equipment expenditures. The Child Care Grant Program has assisted child care providers in not drastically raising rates.

Education & Training: Kodiak's Small World Child Care Center was awarded two Education & Training grants in FY '84. One grant will provide a series of audio tapes on infant development for the Kodiak area, as well as Anchorage, Juneau, Bethel, Fairbanks, Kotzebue and Nome. The other grant provides funding for three Small World staff members to participate in the AAEEYC annual conference in April of '84.

Kodiak, as with other rural areas in Alaska, is rather isolated. The Education & Training grants provide Kodiak child care staff an opportunity to work with other child care professionals within the State.

# MEMORANDUM

State of Alaska  
Community and Regional Affairs

TO: Jeff Smith, Deputy Commissioner  
Municipal & Regional Assistance Div.

DATE: January 20, 1984

FILE NO:

TELEPHONE NO:

FROM: Michael Cushing, Research Analyst  
Municipal & Regional Assistance Div.

SUBJECT: Kodiak Island  
Assistance

MRAD community assistance programs were reviewed with regard to their application to the immediate needs of the economically depressed communities of Kodiak Island. More specifically, the focus was on employment generation in the next 30 to 180 days. Appendix A presents an overview of the range of program options available within the Division. A number of these assistance options are not immediately applicable to the situation at hand, either because of lack of existing funding or because the program is inherently directed at longer range solutions. Budgeted FY 84 program funds are already expended or committed. FY 85 program funding will not be available until July or later. This essentially narrows the range of possible options to those which could be funded by a supplemental appropriation to the FY 84 budget.

Following is a presentation of selected options which could provide some form of short-term economic relief:

## 1. Planning Grants/Technical Assistance

Given a supplemental appropriation, funds could begin to enter the communities as early as March. The most immediate form of employment opportunity would be provided by a local-hire survey program. In this program two or more individuals would be employed in each community for several months to assist in the performance of an updated attitude and/or economic assessment survey of their community. The survey would be designed to provide baseline information in support of developing longer range solutions for the communities. Local people could be brought to Kodiak/Anchorage for initial training workshops, to assist in developing the survey instrument, and later, to assist in the assessment of survey results. These efforts would be coordinated through the Kodiak Island Borough/KANA.

### Timeframe:

Jan/Feb: MRAD Staff Assignment; draft program requirements (budget) in preparation for supplemental appropriation request.  
Feb/March: draft preliminary survey; coordinate with Kodiak Island Borough; select and hire local individuals.  
March-June: hold training sessions, perform and assess survey.

Jeff Smith, Deputy Commissioner  
January 20, 1984  
Page Two

## 2. Rural Development/Bulk fuel storage Grants

Present program guidelines limit grants to \$100,000 per community per fiscal year. The six outlying Kodiak Island communities would require a designated supplemental appropriation totaling \$600,000. The community of Old Harbor has an FY 85 request in for \$27,000 and Larsen Bay is formulating a request for harbor development. Other project possibilities mentioned by communities which could generate some short term local employment are:

Akhiok: equipment storage buildings  
road to new bulk fuel site  
phase II bulk fuel storage facility (\$65,000)  
Karluk: equipment (proposed fire truck, existing fuel truck) storage buildings  
Larsen Bay: community center  
tie-down spaces at airstrip  
Old Harbor: community building  
Ouzinkie: water & sewer repair  
Port Lyons: upgrade community building and Library  
site preparation for cannery or cold storage

## 3. Coastal Energy Impact Program (CEIP) loan program

While all grant monies from the CEIP program have been disbursed, loan monies are available (\$20,000,000). The present terms are unapproachable by smaller communities (10% interest), especially when potential default is already a major problem in the community. One possible approach that the State could consider would be the creation of a loan subsidy program whereby the State would pay all or part of the interest on a federal CEIP loan to communities. A further depth of subsidy would include the State's paying the costs of deferring the loan repayment for a period of time until the immediate economic problems are past. This loan subsidy concept should be pursued by the Department of Revenue and, more specifically, by the Municipal Bond Bank which presently maintains the CEIP loan account. Depending upon the mechanics of installing such a program, funds could be available in the communities by late-summer (84)

cc: Marty Rutherford, Director  
Municipal & Regional Assistance Div.



Appendix A

KODIAK ASSISTANCE PROJECT

OUTLINE OF POTENTIAL MRAD ASSISTANCE OPTIONS

I. EXISTING PROGRAMS/ Existing (FY 84) funding

- A. Summary: Primarily because such funding is expended or committed, existing MRAD programs and FY 84 funding provide no means of immediate employment generation on Kodiak Island.
- B. RDA Grants/Bulk Fuel Storage: FY 84 funds have been almost entirely disbursed. There is a small RDA reserve which is committed to an appeals process.
- C. General Planning Grant Money/ Technical Assistance: Of the original \$180,000 for FY 84, approximately \$33,000 remain. These remaining funds are to be distributed to existing proposals, none of which come from Kodiak Island. There were over a million dollars in requests for these funds, again, none of which came from Kodiak Island communities.
- D. CEIP funds: All grant monies from this have been disbursed. Kodiak City received \$140,000 in a grant; the Borough received \$307,000 in 6 grants (1978-1983). While loan monies are available (\$20,000,000), the present terms are unapproachable by smaller communities (10% interest), especially when potential default is already a major problem in the community. One possible approach that the State could consider would be the creation of a loan subsidy program whereby the State would pay all or part of the interest on a federal CEIP loan to communities. A further depth of subsidy would include the State's paying the costs of deferring the loan repayment for a period of time until the immediate economic problems are past. This loan subsidy concept should be pursued by the Department of Revenue and, more specifically, by the Municipal Bond Bank which presently maintains the CEIP loan account. Depending upon the mechanics of installing such a program, funds could be available in the communities by late-summer (84)

II. EXISTING PROGRAMS/ Supplemental FY 84 Funding

- A. Summary: With regard to supplemental funding providing specific assistance to Kodiak Island, a major consideration is that existing MRAD programs function on a statewide basis incorporating distribution equity



guidelines. Therefore, in the case of supplemental appropriations to existing programs, Kodiak Island communities would be competing with communities throughout the State for supplemental funding. As an alternative, a supplemental appropriation to the Department could be provided which specifically targets Kodiak Island and then directs that the Department's RDA/Technical Assistance mechanisms be employed in the distribution/management of those funds to the community level.

Assuming that such a supplemental appropriation were passed in February, funds could probably enter the communities by March or April. This would require that community proposals for funding requests be in the works now and submitted as soon as possible after passage of the supplemental appropriation. Another time frame consideration is the necessary coordination of efforts through the Kodiak Island Borough, which has planning powers in the region.

- B. RDA: Present RDA guidelines limit grants to \$100,000 per community per fiscal year. Assuming this maximum were to be provided to each of the six outlying communities on Kodiak Island, this would require a supplemental appropriation of \$600,000.
- C. Planning Grants/Technical Assistance: Given a supplemental appropriation in late February, these funds could begin to enter the community by March/April, 84. One employment possibility would be a local attitude and economic conditions survey effort. This could include workshops, training, survey, and assessment activities at the local level. This would require coordination with the Kodiak Island Borough.

### III. EXISTING PROGRAMS/ FY 85 funding

- A. Summary: The time frame of FY 85 program funding would essentially preclude any immediate employment generation. The first effect of these funds, if proposals were successful, would begin in late summer (84). There are several ways in which the Department might be able to facilitate the disbursement of these funds.
- B. RDA/Bulk Fuel: Community proposals are to be submitted to the Department by June 1. Depending on the duration of the legislative session, it could be mid-summer before an appropriation level is determined. A Statewide competitive selection process must then disburse the available funding amongst submitted

proposals. One possibility of facilitating this process would be to provide technical assistance to the communities during the process of proposal submission. This service is available, time and funding permitting, upon formal request from the community. A second possibility would be to advance the deadline date for proposal submission and begin a preliminary selection process before the final program appropriation level is actually known.

- C. General Planning Grant/ Technical Assistance: These are general fund monies and the actual level of funding is determined contingent upon other internal funding requirements. Given the present budgeting process, the level of money available for such grants and assistance is not clearly established until July, or disbursed until at least August. This process might be fast tracked to disburse funds a month earlier, but probably no earlier than mid-July. The FY35 amount is estimated to be about \$200,000, similar to the FY 84 figure.

KODIAK PROJECT

Options and Projects for Near-Term Assistance

Working Group Plan

Department of Health and Social Services

The Department of Health and Social Services was assigned the task of reviewing five specific areas to determine levels of services presently being provided, additional services or programs which may be needed and special projects which may be undertaken to provide economic relief to the Kodiak area. These five areas included:

- (A) Inventory of DHSS programmatic activity in the Kodiak Island area
- (B) Investigate "matching fund" constraints to community access to federally funded grants, projects, etc.
- (C) To the degree possible, define present and projected increases in program use (WIC, Food Stamp, AFDC, Mental Health, Family and Youth Services, etc.) attributable to the recent economic slowdown. Investigate the cost requirements of serving this increased need.
- (D) Assess levels of most critical, immediate needs (health, social and financial)
- (E) Research temporary employment opportunities of DHSS program activity.

I. Inventory of DHSS Programmatic Activity in the Kodiak Island Area:

(A) Division of Public Assistance

The Division of Public Assistance provides services to Kodiak and the surrounding villages through a network of fee agents, two full time Eligibility Technicians in Kodiak and field unit staff support from Anchorage. The Division offers a variety of cash, food and medical assistance programs which include the following:

Aid to Families with Dependent Children (AFDC) A nationwide state/federal financial aid program helping needy children who are deprived because at least one parent is absent, disabled, or dead. Assistance is intended to provide the basic necessities for the children, thereby enabling them to remain within the family unit.

Adult Public Assistance (APA) APA Includes Aid to the Blind, Aid to the Disabled, and Old Age Assistance. These programs provide cash assistance to needy adults who are unable to provide for their own basic needs.

Energy Assistance Program (EAP) EAP is a 100 percent federally funded program to aid low-income households. Cash assistance in the form of payments to home energy suppliers are made on behalf of eligible households to offset the impact of rising home energy costs. Renters and homeowners are served.

General Relief Assistance (GRA) The GRA program provides assistance for obtaining the necessities of life for people who temporarily have absolutely no other personal, private, or public resources available to meet their needs.

Food Stamp Program Food stamps provide assistance to low-income households in purchasing food. The objective is to improve nutrition of recipients.

Medicaid Medicaid is a joint state/federal program which pays providers of medical care for medical services delivered to eligible low-income Alaskans. Early and Periodic Screening, Diagnosis and Treatment (EPSDT), a component of Medicaid, is a preventive health program for children of eligible low-income families.

General Relief Medical (GR Med) This state program pays providers for medical care and emergency dental care for low-income persons.

Catastrophic Illness Program This is a state-funded program established to financially assist residents of Alaska who have suffered a serious illness or injury resulting in unpaid medical expenses exceeding \$1000.

(B) Office of Alcoholism/Drug Abuse

The Kodiak Council on Alcoholism is presently operating an Intensive Intermediate Care, 45 day non-medical treatment program at Hope House, utilizing 13 beds in the facility. Non-medical detox for those persons wishing to enter the treatment program is accomplished in a

seperate 1-bed and bath wing of Hope House. Outpatient, aftercare, family counseling, outreach and intervention are provided from a seperate clinic. Education and consultation, youth alternative and the alcohol safety action program (drunk driving diversion) are also provided through a subcontract with the Kodiak Area Native Association. Information, education and prevention services are provided through Community Health representatives to six villages on Kodiak Island.

(C) Division of Family and Youth Services

The Kodiak office provides services to residents of the island of Kodiak plus 15 villages on the peninsula. Services provided include child abuse investigations, individual and family assessments, adult protective services, individual and family counseling, information and referral, foster care for children and adults, residential care for children and adults, and protective services day care. Licensing services include homemaker support, residential child care, and day care. Our Kodiak staff also provides a good deal of community service serving as members of committees and boards.

(D) Division of Public Health

The Division of Public Health provides health services to Kodiak and surrounding villages through a staff of three Public Health nurses and two support staff. The Kodiak Area Native Association (KANAA) receives a \$120,600 rural itinerant health care grant. The Division offers a variety of services which include the following provided by Public Health nurses:



Immunizations: Immunizations to infants, preschool, school children and adults.

Tuberculosis: Give TB tests annually to preschool and school-aged children. TB testing and surveillance of cases and contacts.

Venereal Disease: Conducts VD clinics, obtains lab tests for diagnostic purposes and does surveillance and treatment of cases including follow-up of contacts.

Early Periodic Screening, Diagnosis and Treatment (EPSDT): Inform and outreach high risk medicaid eligible children. Screen children according to guidelines. Refer for medical or dental evaluation. Track referrals to resolution.

Handicapped Children: Case finding through EPSDT and well child conferences; complete HCP application and coordinates case management until condition resolved.

Communicative Disorders: Cooperate with school personnel to screen hearing of preschool and school children according to schedule. Coordinate patient referrals, treatment, clinics and follow-up.

Infancy and Preschool: Early identification and intervention through home visits of newborn infants at risk for health or social reasons. Well child conferences to screen, refer and facilitate medical care; (target pop.0-3 years).

School Age: Coordinate with school nurses as indicated in TB, vision, hearing, screening and school entry immunization.

Child Bearing Years: Provide family planning outreach, education, counseling and referral services. Identify early pregnancy through testing, promote physician evaluation in first trimester and make home visits to postpartum referrals and at risk infants or families.

Middle and Late Years: Promote adult health services aimed at reducing risks associated with the following: heart disease, stroke, cancer, accidents. Provide cancer screening services, pap smears, breast exam, stool testing, blood pressure, etc.

Health education is integrated into each individual encounter or through the utilization of group classes and sponsoring of local community health fairs.

Home Health Aides: PHNs set up plan of care and supervise HHA who provides health related personal care to individuals at their place of residence.

The public health nurse that works in the villages also teach and work with the community health aides.

## HEALTH EDUCATION

Positive health practices are promoted by integrating health teaching into each encounter and through group classes, i.e., prenatal, childbirth, child rearing, family planning, stress management, etc. The focus of health education is personal responsibility for quality of life and the relationship between personal choices and health.

### (E) Division of Mental Health and Developmental Disabilities

The Division of Mental Health and Developmental Disabilities offers a comprehensive services to include outpatient services, school counseling services, day care services, 24 hour emergency services, child and adolescent services, inpatient services, diagnostic and testing services to vocational rehabilitative clients, chemotherapy and residential training services.

## II. Investigate "Matching Fund" Constraints to Community Access to Federally Funded Grants, Projects, etc.

### (A) Division of Public Assistance

In the domain of cash, food and medical assistance DPA is offering communities all available state and federal resources for such aid. There are no constraints to a particular community's access to DPA programs. Communities do not have the option to operate these programs in most instances. In the event they could, it would not generally profit a community to duplicate an existing and currently available DPA service.

The Kodiak Area Native Association will soon be serving the area temporarily through the Bureau of Indian Affairs General Assistance program. They have limited one-time funding, but there is a possibility of additional funds being available this year if there is a caseload increase. Though not a major source of assistance it will provide temporary cash assistance to some households.

DHSS has transferred \$500,000 from its Low Income Home Energy Assistance block grant to the Department of Community and Regional Affairs to augment their state and federal funding for low-income weatherization. This has helped create more flexibility in the program, thus allowing the weatherization program to be offered in the Kodiak area for the first time. It will create some temporary jobs and result in considerable energy savings to those households served. The work should occur this spring and summer.

(B) Office of Alcoholism and Drug Abuse

In FY'84 the Kodiak Council received a grant award of \$265,000 requiring a local match of \$29,400. The State Office has the ability to waive this match at any time. It should be noted that the program has ample funds to meet the match requirement this year and during the coming fiscal year.

(C) Division of Family and Youth Services

No impact as no local match required.

(D) Division of Public Health

KANA receives \$120,600 which is a rural itinerant health care project and community health aide supervision and training. There are no matching fund constraints.

(E) Division of Mental Health and Developmental Disabilities

Currently, the Kodiak program is required to match the mental health grant by 25%. Reducing the match requirement to a poverty level 10% will have no appreciable effect upon the program since it now far exceeds the match requirement meeting nearly 50% of the program costs.

III. To the Degree Possible Define Present and projected increases in program use (WIC, Food Stamp, AFDC, Mental Health, Family and Youth Services, etc.) attributable to the recent economic slowdown. Investigate the cost requirements of serving this increased need.

(A) Division of Public Assistance

Some DPA programs are more likely to experience caseload increases than others. Aid to Families with Dependent Children, Adult Public Assistance, and Medicaid have had no significant recent increase in participation from the Kodiak area, nor is an increase anticipated.

This is due largely to the nature of these programs and their qualifying standards. If caseload increases occurred in these programs, applicants could be handled. Kodiak does not have a large enough population of potential eligibles to seriously impact program budgets.

The Energy Assistance Program, Food Stamps, and General Relief Assistance are the programs most likely affected by an economic slowdown. EAP has increased response from Kodiak this year. Last year approximately \$275,000 in EAP benefits went to eligible applicants on the island. The increase in benefits and qualifying income guidelines this year, coupled with the poor economic situation have resulted in more applicants applying and being found eligible. There has also been increasing demand for additional emergency benefits to avoid home energy crisis such as utility service termination and running out of heating fuel. The FY 84 estimate is for expenditures in excess of \$300,000. The FY 84 EAP budget can accommodate the projected caseload and emergency service increases. With its liberal eligibility requirements, EAP is the DPA program most accessible and drawn upon by Kodiak households facing economic difficulties.

The Food Stamp program has more restrictive eligibility requirements including an assets test. The food stamp program caseload in the Kodiak area is up only slightly in the last year.



<u>DATE</u>	<u>HOUSEHOLDS</u>	<u>DATE</u>	<u>HOUSEHOLDS</u>
May 1982	253	May 1983	268
Sept 1982	181	Sept 1983	201
Nov 1982	216	Nov 1983	211

Workers in the Kodiak DPA district office reported an overall increase in inquires and applicants, particularly from persons involved in the fishing related occupations. They also noticed an increase in first time applicants which had not previously applied for public assistance. A lengthy economic slump in the area could bring a rise in the food stamps caseload. In the event that this were to occur, it would not impact the food stamps program budget since it is 100 percent federally funded and can cover all qualifying applicants.

General Relief Assistance is a program of last resort aiding the destitute with basic subsistence needs. The caseload during October to December 1982 is identical to the same period in 1983. Its highly restrictive qualifying standards and low assistance amount make GRA available only to those in desperate need. There were but two such cases in Kodiak in December.

It is not anticipated that GRA will be drawn upon heavily in coming months. If it were, the FY 1984 GRA budget does appear able to accommodate a moderate increase in demand.

DPA programs basically have income and resource tests, and are designed to serve low-income households. Most have strict federal regulations concerning eligibility and benefit amounts. Many households facing temporary economic hardship may not qualify for public assistance, however, those falling to the point of eligibility have a range of services available to meet their basic needs. DPA is meeting the needs of those who currently qualify for its programs, and is capable of aiding those who may soon need to draw upon its services.

(B) Office of Alcoholism/Drug Abuse

The program has seen an increase in outpatient case load which may be due to the recent economic slowdown. During the past year, they have seen 325 clients compared to 152 the prior year. This is due in part to an improved program, but unemployment has been a major factor. Budget cuts last year necessitated the cessation of client services to residents of the outlying villages other than in Kodiak.

(C) Division of Family and Youth Services

The Division of Family and Youth Services is experiencing increases in caseloads. Child Protective Service investigations are estimated to increase this fiscal year by 10% and individual and family counseling cases will increase by 15%. Just how much of this projected increase may be attributed to the economic down-turn is unknown.

(D) Division of Public Health

In 1983 4,990 individuals were served by the Section of Nursing Services. This represents an increase of 770 over the previous year. At present, the current staff is able to meet the service demands. No significant demand for service resulting from the recent economic slowdown is anticipated.

(E) Division of Mental Health and Developmental Disabilities

The active number of cases in July 1983, was 370. This increased to 406 in August, 382 in September when several staff were on vacation, 400 in October, 435 in November and 415 in December. There has also been a noticeable increase in collaborative type cases between mental health and vocational rehabilitation since July. Thus, during the first half of FY84, the number of active cases served by the Kodiak Mental Health Program ranged from 370 in July to 435 in November, an increase of 18% in four months.

Based upon the current trend, there will be a major increase in the demand for mental health services in the Kodiak. There is an expected increase in the number of shared mental health/vocational rehabilitation cases. Patients who are carrying private insurance are dropping insurance coverage due to their inability to pay the premiums. This is resulting in an increased number of no-charge cases and an expected decrease in revenue for the program.

IV. Assess levels of most critical, immediate needs (Health, Social, Financial)

(A) Division of Public Assistance

From the DPA viewpoint there is an increasing level of need and demand on its programs. The DPA district office in Kodiak and village Fee Agents are busier than usual, but are currently meeting that demand. The Energy Assistance Program has been very active. Many households are contacting DPA seeking additional energy assistance much earlier in the winter heating season than usual. This program is well known and widely used in the area. To ensure that those unfamiliar with the program are made aware, additional display advertisements will be run in the local paper. The DPA network is good in the Kodiak area. The Fee Agents are of high quality and have been recently trained. The Kodiak Area Native Association has a good social services staff, and works cooperatively with DPA by referring needy households. An EAP outreach contract with the Kodiak Area Native Association has been recently executed.

DPA programs do form a "safety net" which can help needy families. The network is in place, and the services available to those who qualify. There has not been a crisis situation to date. Applicants are being served in a timely way by existing staff. Caseloads have

not dramatically expanded. With the economic slowdown in the area, many families are experiencing genuine hardships. This has not yet translated into a major migration to DPA programs. It may be that many of these households still have income and resources that keep them above the DPA qualifying standards. The most critical and immediate need is for DPA to be prepared to meet the demand should it increase suddenly, being particularly mindful of caseload trends.

(B) Office of Alcoholism/Drug Abuse

The increase in the outpatient load has forced the program to exceed the appropriate counselor to client ration necessary for effective counseling interaction. The addition of another staff counselor would reduce the overload and improve service quality. The additional counselor position would also allow Kodiak Council on Alcoholism to provide increased aftercare and outreach services to strengthen those components of the program, and community development services to the six other villages on the island. Some additional travel funds would also be required. Total projected costs for an additional worker and travel would be \$30,000.

(C) Division of Family and Youth Services

Unmet needs. In view of the anticipated workload, additional staff will be required, preferably at the entry level and/or paraprofessional level, either a Social Worker I or a Social Service Associate III. Using an entry level position should result in local

hire. Additional funds for support, such as office equipment, space, travel and per diem will be needed. This is the best projection we can give for needs for FY 85. A supplemental for this fiscal year would not be required.

(D) Division of Public Health

The existing staff is able to meet the service demands

(E) Division of Mental Health and Developmental Disabilities

The program has an immediate need to increase their residential training program and had plans to do so had they been allowed to apply for CSP monies. They would need 2-5 local hire positions that would be involved with the residential training program as well as the vocational rehabilitation cases. These people would be trainers and aides.

V. Temporary Employment Opportunities of DHSS Program Activity

The opportunity available for temporary employment through the expansion of DHSS appears minimal. The Department of Health and Social Services has not yet realized a significant increase in the demand for services which can be attributed to the recent economic slowdown in the Kodiak area. For the most part, the present level of demand for services can be met with the existing level of staff. Various program enhancements could be made which would provide employment opportunities in the Kodiak area, if the



department were to receive additional resources. These enhancements would be of benefit to both the programs and the people who are served. At the same time opportunity for employment, although minimal would be available to residents of the Kodiak Island area.

# MEMORANDUM

State of Alaska

TO: Jeff Smith  
Deputy Commissioner  
Department of Community & Regional Affairs

DATE: January 23, 1984

THRU: Bob Landau *BL*  
Assistant Commissioner

FILE NO: 465-4342

TELEPHONE NO:

FROM: *James J. O'Connell*  
James J. O'Connell *JJO*  
Regional Supervising Investigator  
Department of Labor

SUBJECT: Kodiak  
Near-Term Assistance

1. Grants to City and/or Borough for capital improvements projects, to be used as force account. Force account are a do-it-yourself type of construction, wherein the City or Borough decides not to contract out the work, but actually performs it "in-house" with its own employees. Therefore, the City or Borough could hire local people, to provide interim employment opportunities.
2. Alaska's 34,000-miles coastline represent the world's largest and most productive commercial fishery. Therefore, the Governor's Fisheries Task Force, should communicate with, and contact all floating or shore based processors in/or outside the State, and ask them for assistance in hiring Kodiak residents, through private sources, or the state employment centers.
3. Contact all businesses working on the North Slope and ask for assistance in hiring Kodiak residents.
4. A joint effort between the state and private industries, to train Alaskan residents in the field of tourism.

JJO/BL/law  
N-13

# MEMORANDUM

ALASKA DEPARTMENT OF LABOR

State of Alaska

Employment Security Division

TO: Jeff Smith, Director  
Dept. of Community & Regional Affairs  
Division of Municipal & Regional  
Assistance

DATE: January 23, 1984

FILE NO: AK (EMS 9)

TELEPHONE NO: 465-2712

THRU: Robert Landau *RL*  
Assistant Commissioner

SUBJECT: Kodiak Near-Term  
Assistance

FROM: John W. Shay, Jr. *JWS*  
Director

During the current drastic economic downturns the Employment Security Division will provide the residents of Kodiak with direct placement assistance, employer tax credits, Veterans Job Training enrollment and unemployment insurance benefits. In addition, the office will maintain information on job and training opportunities in other locations and can assist job seekers and employers in taking advantage of Job Training Partnership Act and other programs.

ESD operates a full-service office in Kodiak staffed by three Employment Service (ES) and two Unemployment Insurance (UI) workers who have the capability to deliver all division programs on site immediately.

## UNEMPLOYMENT INSURANCE IN KODIAK

The Job Service office in Kodiak contains a full-service unemployment insurance contingent. The staff via direct satellite communication with the Employment Security Division's main frame computer, are able to directly input claim transactions which result in overnight payments or determinations of eligibility. The staff in Kodiak and the support system behind them in Anchorage and Juneau are capable of paying timely Unemployment Insurance benefits to those eligible and out of work in a falling economy. Those benefits not only provide partial wage replacement to the individuals affected, but provide much needed cash flow to the local economy. Without modification, unemployment insurance is designed for just such a situation.

## EMPLOYMENT SERVICE

### Basic Placement Assistance

The Kodiak Employment Center, as part of the Employment Service network, provides the full range of employment services for job applicants who are seeking employment and employers who are recruiting qualified employees.

Kodiak job applicants are assisted in matching their job skills to labor market demands through the registration process, referral to appropriate

jobs, job development, and through special referral for applicants who need pre-employment assistance from other appropriate service agencies.

Employers, through the Kodiak Employment Center, are able to recruit workers who meet their specific industrial needs.

The Kodiak Employment Center registered for work over 3,000 new job applicants during the 1983 Federal Fiscal Year. Over 1,200 of those registered applicants were identified as being qualified for occupations in the seafood industry. In addition, 1,325 job openings were filled and it is estimated that 42 percent of the openings were in the seafood processing industry.

The following special programs are administered by the Employment Service:

#### Job Placement Assistance For The Seafood Industry

With the exception of seafood plants outside of Kodiak City, housing for workers is a constant problem. As a result, there is a strong tendency for these plants to hire workers who live in Kodiak. On the other hand, those plants located away from the city have adequate quarters and have hired many of their workers from the mainland and from the Lower 48.

Job Service personnel in Kodiak are working closely with managers of all plants on Kodiak Island to provide a service that promotes consideration of available workers in and around Kodiak. Considerable progress is reflected in statistics for the local office as placement to seafood worker positions has nearly doubled over the past two years, from 310 in 1981 to 585 in 1983.

As a measure to further improve consideration for local hire of seafood workers, the State Seafood Placement Coordinator will revisit the Seattle offices of Kodiak plants in February and further encourage the use of Job Service in Kodiak to obtain their workers.

#### The ES Computer Network

The Kodiak Employment Center is assisted in its efforts to find jobs for people by an extensive statewide computerized network. Information describing both job orders and applicants for Kodiak, as well as statewide, is stored in the ES computer files and is retrievable from the computer via terminals at the Employment Centers. The computer is programmed to match employer job openings with qualified registered applicants.

This computerized network can also provide applicants with information on job openings and identify qualified applicants for employers in Kodiak and throughout the state. Current labor market information for areas within the state served by other Employment Centers is also available.

Job Training Partnership Act (JTPA)

Job Service functions as a liaison with the Department of Community and Regional Affairs and the Department of Education, to coordinate and provide JTPA services to eligible individuals and locate interested employers.

During the registration process, Job Service makes an assessment of an individual's need for training or other assistance to become employable. Applicants interested in JTPA are pre-screened for eligibility and enrollment is facilitated by referring the applicants to the Division of Community Development (DCD). Since DCD has no staff on site, Job Service is able to channel interested and eligible individuals for JTPA service that otherwise might not be reached in a rural area.

Job Service also promotes JTPA among employers to develop On-the-Job Training (OJT) slots, provides information on and recruits for JTPA openings and does pre-apprenticeship aptitude and proficiency testing.

Job Service will also provide placement services to JTPA-trained clients, such as job seeking skills assistance, job search information, specialized job development, and job referral.

Emergency Veterans' Job Training - (VJT)

A special effort can be made through Job Service, Job Service Employer Committees and its links with the private sector to assist employers to prepare significant training programs for eligible veterans. VJT will subsidize with federal funds up to \$10,000 in wages. The subsidy will help offset employer's cost of training and bring federal dollars into the community while training eligible veterans to perform significant jobs. VJT can also be linked with other subsidized programs such as Targeted Jobs Tax Credit (TJTC).

Targeted Jobs Tax Credit

The Targeted Jobs Tax Credit (TJTC) program stimulates private sector employment opportunities by providing a federal income tax credit to those employers who hire and pay wages to eligible individuals. The potential two-year savings can amount to as much as \$3,870 per eligible employee, depending upon the amount of wages paid and the employer's tax bracket.

Eligibility of applicants for the program is determined by Job Service. Those targeted groups who are eligible for TJTC certification include certain youth, Vietnam-Era veterans, ex-convicts, handicapped individuals, recipients of Supplemental Security Income (SSI) payments and recipients of Aid to Families with Dependent Children or general assistance.

SUPPLEMENTAL FUNDING REQUIREMENTS

Most of the above programs are currently funded with the exception of some of the Job Training Partnership Act (JTPA) activity. We are currently planning to request additional staffing to assist the statewide coordination of this program. Any increase in Unemployment Insurance payment activity costs will be covered by reimbursement from the Federal Government.



Kodiak Project  
Options and Prospects for Near-Term Assistance  
Working Group Plan  
Department of Transportation and Public Facilities

The Kodiak Working Group assigned the Department of Transportation and Public Facilities the task of reviewing five specific areas to determine options and prospects for near-term assistance which might be undertaken to provide for some level of immediate economic relief to the Kodiak area. The five transportation areas identified for review are listed below, along with specific recommended action. The areas and projects include:

A. Investigation of the costs and effects of supplemental appropriations for the Local Service Roads and Trails Program;

- |   |             |
|---|-------------|
| 1. Akhiok Access Road from Airport to Floating Dock | \$500,000   |
| 2. Ouzinkie Boardwalk                               | \$60,000    |
| 3. Old Harbor Landfill Access Road Improvements     | \$250,000   |
| 4. Port Lions Road Rebuilding and Extension         | \$2,000,000 |
| 5. Karluk Upgrade of Road to Sanitary Landfill      | \$200,000   |

B. Investigate the specific steps of early implementation of funded capital improvements in the Kodiak Island area;

- |                              |           |
|------------------------------|-----------|
| 1. Mission Road Supplemental | \$340,000 |
|------------------------------|-----------|

C. Investigate facilitating early implementation of proposed Federal construction projects (BIA, PHS and HUD), in so far as they might provide immediate employment opportunities;

- |   |           |
|---|-----------|
| 1. Old Harbor Access Road to Proposed HUD Housing Project | \$400,000 |
|---|-----------|

D. Erosion Control Program; and

E. DOT&PF Maintenance and Operations Program

Findings and conclusions regarding each of the five areas are detailed below. In addition, we have summarized one additional category which includes a variety of activities not identified above. In summary, the "other" activities include:

F. "Other"

- |   |           |
|---|-----------|
| 1. Dog Bay Small Boat Harbor Upgrade    | \$900,000 |
| 2. Village Equipment Storage Facilities | \$100,000 |
| 3. Port Lions Ferry Dock Repairs        | \$500,000 |
| 4. Old Harbor Fuel Dock Repairs         | \$800,000 |

A. Local Service Roads and Trails Program

Findings: The Local Service Roads and Trails (LSR&T) program was initially created in 1971 to provide State grant funds to improve local roads within municipalities, boroughs and small cities. In July 1982, the program was phased out. However, an appropriation was identified by the 1983 State Legislature and the program was reauthorized.

The allocation for the Kodiak Island Borough, determined on the basis of a formula which includes population, road miles and other factors, has amounted to \$1,027,710, since the program's inception. This year the LSR&T allocation to the Kodiak Island Borough was \$130,821. Individual projects for the program are determined by the Borough according to State Statute.

Practical application of this program in the villages within the Borough is very limited. Mobilization costs for equipment and machinery sufficiently inflate any single project cost to far exceed any cost-benefit ratio given the limited funds in the LSR&T program. As an example, if the annual appropriation were divided evenly among the six villages, roughly \$22,000 would be available per village. This amount would barely cover mobilization costs for two pieces of heavy equipment to a village. For this reason, the Kodiak Island Borough has elected to use LSR&T program funding only for preliminary engineering design preparation for projects on the contiguous road system.

Actions: The distribution formula and funding cycle for the LSR&T program significantly affects its ability to be responsive to Kodiak needs in any significant fashion. However, if some type of add-on or supplemental funding were made available, designated for the Kodiak Island Borough and not the statewide Local Service Road and Trail program, several local projects have been identified for immediate construction. They include:

1. Akhlok Access Road from Airport to Floating Dock \$500,000

The project would fund construction of a road from the airport to the floating dock. Preliminary engineering estimates the project will cost \$500,000. Most of the remaining work will involve heavy equipment work for grading, hauling and other construction activities. Consequently, near-term economic benefit to the community would be limited since little labor intensive work remains to be done.

2. Ouzinkie Boardwalk \$60,000

Boardwalk improvements are needed to provide safe access for pedestrians around the harbor area. It is estimated the project could be constructed, using local labor, at a cost of approximately \$50,000-\$60,000. Near-term economic benefit would be limited, but would provide immediate income for the laborers.

3. Old Harbor Landfill Access Road Improvements \$250,000

Improvements are needed to the existing landfill access road to prevent its continued erosion by tidal action. The project was originally estimated to cost \$250,000. Some near-term economic benefit would accrue villagers employed as laborers on the job.

4. Port Lions Road Rebuilding and Extensions \$2,000,000

The Port Lions City Council has identified a number of local roads which need rebuilding and/or extensions to better serve the residential and commercial areas of the city. The roads include:

- a. Main Street - 1,500 feet
- b. Spruce Drive - 1,800 feet including 400' extension
- c. Birch Drive - 1,200 feet
- d. Birch Street - 1,800 feet
- e. Beach Drive - 750 feet
- f. Cove Drive - 300 feet
- g. Bayview Drive (Phase II) including sewer and water - 1,300 feet

5. Karluk Upgrade of Road to Sanitary Landfill \$200,000

Improvements are needed to the existing landfill access road. The project is estimated to cost \$200,000 and would provide some near-term economic benefit to villagers used on local labor crew.

B. Early Implementation of Funded Capital Improvement Projects

Findings: The Department's annual capital budget has included a number of Kodiak area projects. The following construction projects are presently funded:

1. Pedestrian Safeway \$670,000

Kodiak Borough has accepted funds through a TORA for project management and construction of a pedestrian bicycle path to run parallel to Rezanoff Drive from East Elementary School to Fort Abercrombie State Park.

2. Mill Bay Road \$1,285,000

Mill Bay Road paving (CDS 1.90-2.59) and construction of a pedestrian walkway with curb and gutter.

3. Mission Road Reconstruction \$1,000,000

Funds will be used to upgrade, realign, pave and acquire R-O-W for Mission Road between Cutoff Road and Shahafka Cove.

4. Kodiak Highway Repair \$1,276,000

Emergency repairs on the Kodiak road in the area of Pillar Mountain. A \$1,000,000 setaside remains from the original appropriation. A portion of the remaining funds will be used for rip-rap maintenance project this summer.

5. Port Lions Innerharbor \$1,650,000

Project consists of construction to complete boat harbor mooring facilities with 50 berths and 10 transient mooring berths.

Three of the above five projects are ready for construction this spring, including the Pedestrian Safeway Project, Mill Bay Road and Port Lions Innerharbor. The Kodiak Highway Repair project is still in the design stage. The repair project includes a Pillar Mountain stabilization element and, because of the complexity of the design problem, probably could not provide any near-term economic benefit, even if accelerated. The Mission Road project has been identified as having a funding short-fall. If so, the project will not be able to proceed until additional funds could be secured or the project scope reduced.

Actions: Three of the funded Capital Improvement projects are already on line and ready for construction as soon as the weather allows. Nothing can be done to accelerate their implementation, barring an early spring. Little can be done to expedite the Kodiak Highway Repair project because of the design phase which must precede any construction activity. A small maintenance project using some of those funds has been planned for this summer. Mission Road will be ready for construction this spring, but with a reduced scope unless supplemental funding is made available. A supplemental appropriation for Mission Road could be considered for immediate action for its near-term benefit.

1. Mission Road Supplemental

\$340,000

C. Federal Construction Programs (BIA, PHS, HUD)

Findings: The Department has contacted the Bureau of Indian Affairs (BIA), the Public Health Service (PHS) and the Department of Housing and Urban Development (HUD) to determine if early implementation of any proposed Federal construction projects could be facilitated. All three of these agencies already seem to work in close concert with one another in the development of projects.

A large share of the housing in rural Kodiak is HUD housing, constructed and financed by HUD through the Kodiak Island Housing Authority. The Public Health Service generally piggybacks the housing construction projects by funding off-site water and sewer development. At the same time, the BIA generally tries to develop road projects which support the housing projects.

There is currently only one outstanding program reservation for HUD housing in the Kodiak area. The reservation is for 15 family units in Old Harbor. The Kodiak Island Housing Authority has not been able to proceed with the project because they cannot ensure HUD they have physical access to the site. The Housing Authority is working with BIA, at this time, to secure a commitment for the road construction. BIA, unfortunately, has very limited sources and is concerned it will not be able to make any financial commitment to the project. The housing units cannot be built without the access road because HUD will not release the reserved funds unless they are assured of site access.

Many village road needs have been met recently by the BIA construction program. The BIA recently completed road reconstruction projects in Akhiok and Old Harbor. This fall their road equipment was moved to Larsen Bay to await a spring start-up on a project there which will construct 9,000' of road to the village's new sanitary landfill. After Larsen Bay, the Bureau road crew and equipment will move to Ouzinkie for a road reconstruction



project. BIA operators travel with the equipment since few villagers are licensed as heavy machine operators. Whenever possible the Bureau employs local labor through force account hiring. Generally that work is limited to brush clearing and labor intensive tasks.

Actions: The Department could be useful in expediting the Federal construction project by supporting an Old Harbor Access Road project. A financial commitment here would allow the Kodiak Island Housing Authority to proceed with construction of the 15 housing units. It is likely at least some near-term economic benefit would be directly realized by Old Harbor residents given PHS and HUD local hire efforts.

1. Old Harbor Access Road to Proposed HUD Housing Project. \$400,000

This project would fund construction of a road from the village to the proposed new HUD housing area. Only preliminary cost estimates from the Kodiak Island Housing Authority are available at this time. Near-term economic benefit to the village residents for this project would include labor intensive work associated with brush clearing and site preparation. Lead time would be required to coordinate the road project's development with HUD. It is possible that construction could proceed late this Spring.

D. Erosion Control Programs

Findings: Three erosion control studies, completed by the Department, have identified potential problem areas and have recommended solutions. The three areas include:

1. Cape Chiniak Road Erosion Control Study

Cape Chiniak road is located on Kodiak Island and connects Cape Chiniak residential area to the City of Kodiak. Wave erosion is cutting into a section of the highway at MP 0-1.0. The recommended alternative for mitigating erosion damage and maintaining access on Cape Chiniak Road is to relocate approximately 0.8 miles of road to the south of the existing route. The report includes a conceptual road relocation alignment. A ground survey and additional engineering studies will be needed to refine the final project, but preliminary estimates place the project cost at \$1,069,000. The near-term economic benefit of this project would be limited since this would be a large scale construction project involving road relocation with much preliminary engineering yet required.

2. Karluk Erosion Control Study

The recommended structural alternatives for mitigating damage include the construction of a rubblemound revetment at Karluk, a rip-rap revetment at Old Karluk, and a sacrificial gravel berm along the bank of the new townsite. Estimated project cost for this alternative is \$631,500. Near-term economic benefit for this project would be limited because of the emphasis on heavy equipment work inherent in the structural alternative recommendation.

Recommended non-structural measures include the relocation or replacement of two endangered structures. This measure would provide several local employment opportunities. Total replacement cost are approximately \$532,000. However, these types of improvements do not have strong local support.

### 3. Ouzinkie Erosion Control Study

The study recommends that a slope revegetation project be implemented to reduce the rate of side slope erosion. Other non-structural remedial measures include the regulation or control of foot traffic and reduction of the practice of hauling firewood over the eroding slope. It is further recommended the City's sewer outfall system be regularly inspected and future construction near the top of the bluff be discouraged.

The recommended structural alternative includes construction of a quarry stone revetment. Estimated costs for such a revetment is \$407,000, assuming a breakwater project is not implemented. The revetment project should be reevaluated if harbor breakwater plans are ever finalized. If a breakwater is constructed, a less substantial revetment structure would be required. No funds have been identified either for harbor development or erosion control measures at this time. Near-term economic benefit for this project would be limited because of the emphasis on heavy equipment work inherent in the structural alternative recommendation.

Actions: Very little near-term economic development could be realized with the early implementation of any of these projects. All three of the projects emphasize heavy equipment work in their preferred structural alternatives. The most direct economic benefit would probably accrue to the Kodiak metropolitan area where contractors are prepared to handle such work.

### E. Maintenance and Operations Effort

Findings: The State of Alaska currently provides maintenance service at the State Airport and on the Island's contiguous highway network of State roads. Services in the villages are limited to the airports and are provided, on a contract basis, with the local unit of government or a private individual.

The following table summarizes major expenses associated with the Kodiak Maintenance and Operations program:

Kodiak and Kalsin Hill Maintenance & Operations Staff	
Average Annual Salaries for 13 permanent full-time positions (including overhead)	\$631,500
Kodiak Airport Annual Maintenance Contracts (local purchase)	
Petroleum Products	\$ 32,000
Sand & Gravel	\$ 50,000
Kodiak Highways Annual Maintenance Contracts (local purchase)	
Highway Grading Material	\$ 60,000



Equipment Transportation Between Villages Barge (two trips per year)	\$ 6,500
Personal Services Contracts (Village Airport Maintenance Program)	
Karluk - Airport (City)	\$ 4,000
Larsen Bay - Airport (Private)	\$ 4,000
Old Harbor - Airport (City)	\$ 2,750
Port Lions - Airport and Road to Small Boat Harbor (City)	\$ 14,000
Akhlok	-0-
Ouzinkie - Airport (being advertised)	<u>\$ 3,500</u>
Total Maintenance & Operations	\$808,250

Actions: The Department's Maintenance effort, to the greatest extent practical, is already being passed through to the local economy. No new positions are expected to be added to staff since no increase in the FY'85 operating budget is expected. Any additional maintenance funding of Kodiak would create inconsistencies in maintenance level within the region.

F. "Other"

Findings: The Department has reviewed the Kodiak Island Borough Capital Improvement Program and other DOT&PF projects in order to identify other possible funding opportunities. A number of projects which did not fall into one of the above five categories might be identified for funding given the special needs of Kodiak. Some of the projects might be most appropriately administered by DOT&PF, some by other Departments, and even others by local units of government.

Actions: DOT&PF Design has identified an improvement project for the Dog Bay Small Boat Harbor facility which would increase its moorage capabilities and provide some safeguards against future failures occurring as a result of strong winds.

1. Dog Bay Small Boat Harbor Upgrade \$800,000

The project would upgrade "N" float, replace finger float hinges and stall float hinges re-drive miscellaneous piling and replace exterior pile collars and overhead lighting.

Community equipment storage facilities have been identified as a need in many of the communities. The communities are beginning to acquire various types of equipment for providing community services (i.e. fire fighting trucks, bulk fuel delivery trucks, small road maintenance equipment). While the villages have been able to acquire funding for the equipment they have not been able to secure funds for construction of storage sheds. The Borough is confident that with a construction foreman a number of local residents can be employed in the construction of the sheds. The Borough estimates the sheds could be constructed for an average \$100,000 per building.

1. Village Equipment Storage Facilities \$100,000/facility

In addition, two dock improvement projects have village priority. They may be implemented with a minimum amount of design work.

2. Port Lions Ferry Dock Repair \$500,000

3. Old Harbor Fuel dock Repairs 800,000

Other projects, including small equipment purchases and preliminary design (i.e. small boat harbors) have been identified, but their ability to respond to the near-term economic benefit criteria are much more limited.

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JUNEAU, ALASKA

# Alaska State Legislature

BLUE RIBBON COMMISSION ON THE  
STATE PERSONNEL ACT

Senator Bill Ray, Chairman

Pouch YG  
Mail Stop 3123  
Juneau, Alaska 99811  
(907) 465-4442

## MEMORANDUM

June 21, 1983

TO: House Labor & Commerce Committee

FROM: Teresa B. Cramer *Teresa B. Cramer*  
Administrative Assistant

SUBJECT: CS for Senate Bill No. 55 (Rules)  
Relating to Collective Bargaining

The Public Employment Relations Act provides that the monetary terms of any agreement entered into between the state and an employee representative are subject to funding through legislative appropriation. AS 23.40.215. The PERA does not set out a system of legislative review for the monetary terms. If the legislature is dissatisfied with the negotiated terms, there is no formal vehicle to explain to the parties to the agreement (the Administration and the employee union or association) the substance of the legislature's concerns. Therefore, the parties do not have a concrete set of limitations from which to work should they decide to renegotiate the original agreement. Furthermore, legislative delay and rejection of negotiated contracts has, in the past, led to the calling of a Special Session, which is an expensive way to resolve the issue.

The Blue Ribbon Commission recommends legislation to encourage legislative review of collective bargaining agreements early in the session. If the legislature is dissatisfied with the monetary terms, the parties may choose to renegotiate before the session adjourns with a clear understanding of the legislature's concerns.

### Bill Analysis

Page 1  
Line 9

The first section requires that the monetary terms of a collective bargaining agreement be submitted to the legislature within 10 days of agreement by the parties. If the parties reach an agreement while the legislature is not in session, then the monetary terms are to be submitted within 10 days of the convening of the next regular session. The legislature is given 60 days to consider the agreement and express its opinion by concurrent resolution.

- Line 17      Any approval given by the legislature is a "nonbinding, advisory expression of legislative intent." This language makes clear that the resolution does not take the place of an appropriation bill to fund the contract and permits the legislature to change its mind, should circumstances warrant.
- Line 19      If the legislature disapproves the negotiated agreement, the parties may resume negotiations.
- Line 23      The second section adds a definition of "monetary terms of an agreement" to the Public Employment Relations Act to set out those items which are subject to legislative review.
- Line 29      The third section provides for an immediate effective date.

TBC:lmk

Offered: 6/17/83

Original sponsor: Rules/Legislative Council

1 IN THE SENATE BY THE RULES COMMITTEE  
2 CS FOR SENATE BILL NO. 55 (Rules)  
3 IN THE LEGISLATURE OF THE STATE OF ALASKA  
4 THIRTEENTH LEGISLATURE - FIRST SESSION  
5 A BILL

6 For an Act entitled: "An Act relating to collective bargaining; and pro-  
7 viding for an effective date."

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

9 \* Section 1. AS 23.40.215 is amended by adding a new subsection to  
10 read:

11 (b) The Department of Administration shall submit the monetary  
12 terms of an agreement to the legislature within 10 days after the  
13 agreement of the parties, if the legislature is in session, or within  
14 10 days after the convening of the next regular session. The legisla-  
15 ture shall advise the parties by concurrent resolution if it approves  
16 or disapproves of the monetary terms within 60 days after the agree-  
17 ment is submitted to the legislature. The approval of the monetary  
18 terms of an agreement under this subsection is a nonbinding, advisory  
19 expression of legislative intent. If within 60 days after the agree-  
20 ment is submitted the legislature advises the parties by concurrent  
21 resolution that it disapproves the monetary terms of the agreement,  
22 the parties may resume negotiations. ARE CONSIDERED DISAPPROVED

23 \* Sec. 2. AS 23.40.250 is amended by adding a new paragraph to read:

24 (8) "monetary terms of an agreement" means the changes in  
25 the terms and conditions of employment resulting from an agreement  
26 that will require an appropriation for their implementation or will  
27 result in a change in state revenues or productive work hours for  
28 state employees.

29 \* Sec. 3. This Act takes effect immediately in accordance with



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ALASKA RURAL ELECTRIC COOPERATIVE  
ASSOCIATION, INC.

237 E. FIREWEED LANE • SUITE 301  
ANCHORAGE, ALASKA 99503 • (907) 276-3235

April 7, 1983

The Honorable Richard Eliason  
Alaska State Senate  
Pouch V  
Juneau, Alaska 99811

RE: CSSB 67

Dear Senator Eliason:

The Committee Substitute for Senate Bill 67 makes the cost of relocating utility facilities incident to a municipal highway project a cost of the highway project. This practice in regard to municipal highway projects would then be identical to the practice relating to State highway projects.

By making these utility relocation costs a part of the cost of the highway project, the local utility rate payer is relieved of this burden. In most cases a State grant is the funding source for the road project. In those cases, these relocation costs would be transferred to the State government.

In some cases the expense will be assumed by the municipality. When this expense is transferred from the local utility rate payer to the local municipal taxpayer, there is no net change for residents who are in both roles. However, a utility's consumers and the municipality's taxpayers are not always the same people. Fairness requires that if a municipal project causes the cost of relocating utility facilities, then the municipality should be responsible for that cost. It is also important that all of the costs as well as all of the benefits of a proposed project be considered at the time a municipality decides to relocate or widen a highway. Without Senate Bill 67, the municipality considers all of the benefits of a proposed project, but it only considers a part of the cost.

Sincerely,

David Hutchens  
Executive Director

Info on  
SB 67



ALASKA RURAL ELECTRIC COOPERATIVE  
ASSOCIATION, INC.

6000 C STREET • SUITE C • ANCHORAGE, ALASKA 99502 • (907) 278-3235

January 26, 1983

Senate Labor and Commerce Committee  
Alaska State Legislature  
Capitol Building  
Pouch V  
Juneau, Alaska 99811

RE: Senate Bill 67

Gentlemen:

Senate Bill 67 makes the cost of relocating utility facilities incident to a municipal highway project a cost of the highway project. This practice in regard to municipal highway projects would then be identical to the practice relating to State highway projects.

By making these utility relocation costs a part of the cost of the highway project, the local utility rate payer is relieved of this burden. In most cases a State or federal grant is the funding source for the road project. In those cases, these relocation costs would be transferred to the State or federal government.

In some cases the expense will be assumed by the municipality. When this expense is transferred from the local utility rate payer to the local municipal taxpayer, there is no net change for residents who are in both roles. However, a utility's consumers and the municipality's taxpayers are not always the same people. Fairness requires that if a municipal project causes the cost of relocating utility facilities, then the municipality should be responsible for that cost. It is also important that all of the costs as well as all of the benefits of a proposed project be considered at the time a municipality decides to relocate or widen a highway. Without Senate Bill 67, the municipality considers all of the benefits of a proposed project, but it only considers a part of the cost.

Sincerely,

David Hutchens  
Executive Director



TELEPHONES  
(907) 586-1325  
586-6526

204 N. FRANKLIN ST.  
JUNEAU, ALASKA 99801

February 8, 1983

to: Senate Labor & Commerce Committee  
from: Ginny Chitwood, AML Executive Director  
re: SB 67 - Utility Relocation Costs

Municipalities oppose SB 67 because the issue is a local one and should be resolved at the local level. This bill would amend Title 19, Chapter 25 - Protection and Use of State Highways and Roads (emphasis added). The changes in SB 67, however, don't relate to state roads; they deal with local roads, paid for by local funds.

It is easy to understand why there is a provision in law for the state to pay the utility relocation costs since much of the funding is paid by the federal government. In municipal road projects, however, there is no way to shift 95% of the costs to a non-resident third party. The costs are paid by the local taxpayer unless the municipality receives a specific state grant for a specific project.

Since cost figures vary widely depending on the circumstances of each road project, I was not able to generate any average municipal cost per mile figures, but I do have general comments from several municipalities:

City of Palmer - Manager Dave Soulak estimates the provisions of SB 67, without section 5, would cause a 5 to 15% increase on 3 road projects currently being planned. In many cases, utilities are not where they're supposed to be. He doesn't think that municipalities should have to pay for utility mistakes, but does not oppose the municipality paying to relocate the utility if it is put in according to a permit.

Matanuska-Susitna Borough - Manager Gary Thurlow basically agrees with Soulak.

City & Borough of Sitka - Administrator Rocky Gutierrez believes that municipalities shouldn't be in state statutes except in Title 29. Sitka has worked out an agreement with the non-municipal utilities.

City of Kodiak - Manager Sam Gesko opposes section 3 of the bill, making the relocation costs a municipal responsibility.

City of Fairbanks - Manager Wally Droz says there would be

# Alaska Telephone Association

3201 C Street / Suite 601  
Anchorage, Alaska 99503  
(907) 276-3293

A.C. Pistorius  
President

Gordon Parker  
Executive Director

February 4, 1983

Committee on Labor & Commerce  
Alaska State Senate  
Pouch V  
Juneau, Alaska 99811

Gentlemen:

I am writing in support of SB67, relating to the relocation of utility facilities. In doing so, the telecommunications industry joins the other utilities in our state in asking for passage.

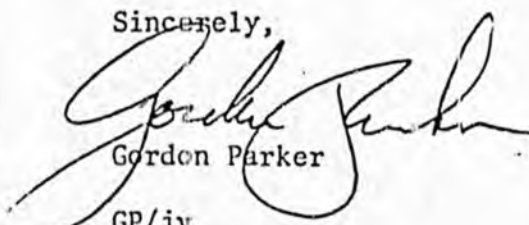
SB67 asks fair treatment in paying the costs of relocating facilities required by a municipal government. It asks, simply, that the entity which causes the cost pay the cost. This is a responsibility already recognized by the federal and state governments in existing statutes.

Under current statutes, a municipal government may order a utility to relocate its facilities at its own expense. Since ratepayers aren't necessarily the same as taxpayers in a given situation, this places an unnecessary burden on the ratepayer.

Many communities have recognized their responsibility to reimburse the utility for costs resulting from relocations required by the municipal government. However, they are under no obligation to do so. Consequently, utilities are at a disadvantage in recovering costs.

I would be happy to answer any questions you may have. I ask your support for the bill.

Sincerely,



Gordon Parker

GP/jv





Tony Knowles,  
Mayor

# Anchorage Telephone Utility

600 EAST 38TH AVENUE, ANCHORAGE, ALASKA 99503-6041  
TELEPHONE (907) 564-1000  
Telex 090-25-100  
Facsimile (907) 561-1703



Owned by the  
Municipality  
of Anchorage

March 18, 1983

Senator Eliason  
Chairman, Labor & Commerce  
Alaska State Legislature  
Pouch V  
Juneau, AK 99811

Re: SB-67

Dear Senator Eliason:

The passage of SB 67 will resolve a long standing disparity between the Federal and State laws on one hand, and local government policies on the other hand, as to reimbursements to utilities when they are required to relocate installed facilities to accommodate road and highway construction.

The Federal and State governments have historically reimbursed local utilities all reasonable costs associated with such relocation requests. The Municipality of Anchorage, for one, has refused such reimbursement.

Passage of SB 67 will be of significant, positive benefit to all Municipal utilities and their customers. No longer will the utilities have to bear unreasonable expenses incurred due to the failure of local governments to properly absorb relocation costs as a rightful part of their projects. Also rectified is the improper assignment of such relocation costs to all customers of a particular utility when only those living within a particular road improvement district or along a particular street may actually receive the benefits.

Cordially,

ANCHORAGE TELEPHONE UTILITY

A. C. Pistorius  
General Manager

cc: Patrick Anderson, Legislative Affairs  
Gary Tucker, Assistant Municipal Attorney  
Executive Manager, Public Utilities  
Alaska Municipal League





CITY OF KENAI  
*"Oil Capital of Alaska"*

P. O. BOX 580 KENAI, ALASKA 99611  
TELEPHONE 283 - 7535

March 11, 1983

Honorable Richard Eliason, Chairman  
Senate Labor and Commerce Committee  
State of Alaska  
Pouch V  
Juneau, Alaska 99811

Dear Senator Eliason:

In response to a request by you directed through the Alaska Municipal League in providing you with information on how much it will cost municipalities to pay for relocation of utilities in connection with municipal highway projects, please consider the following:

Homer Electric which is the provider of electrical power for the City of Kenai and the surrounding areas has indicated to the City that during the years 1980, 1981 and 1982, the cost for relocating their utility poles in conjunction with road projects undertaken by the City of Kenai cost in excess of \$300,000. In addition, for the last half of 1982, Homer Electric submitted a bill for \$60,000 for a particular road project that the City had under construction.

At this time, the City has refused to pay that bill and as a matter of fact, we now find ourselves in court with that utility over the dispute of whether or not the utility or the City is going to pay those costs. The City's contention is and will remain until directed otherwise that the utilities are in our right of ways at the sufferance of the public and therefore when the City undertakes a major road redesign or improvement project, the utility shall bear the cost for moving the poles to comply with the road design.

In addition to that, in 1982 the City had a downtown road project for which we were asphaltting almost a mile and a half of road, we requested that Homer Electric bury their lines in that area on the basis that it was downtown property. Homer Electric refused to bury those lines and we sat down and negotiated with Homer Electric and the City ended up paying for the burying of those lines and the cost to the City was \$75,000.

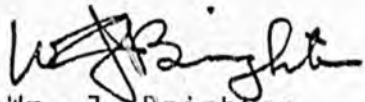
Now, as a matter of fact, we could have fixed two or three of our roads in this community that during breakup no-one can even drive down, citizens have to park their cars as far away as four or five city blocks from their home because the roads are in such condition during breakup they cannot be traversed.

It is for these reasons that the City opposes SB 67. The City's contention is that it always has been and should remain the utility's responsibility for relocating their utility lines when the City is improving the highway system from a safety standpoint and for a convenience standpoint for the traveling public in these communities.

At this point we have only talked about the electric utility, you must remember that if those costs are representative for the electric utility, most all of the telephone lines must be at the same time moved and on many occasions, the gas lines also have to be moved. If you multiply \$300,000+ then the City over the last three years was looking at a total expenditure of approximately \$1 million just to relocate the utilities in order to permit the City to repair and maintain the roads to benefit the traveling public.

It becomes obvious that a city of 5,000 people does not have the kind of money necessary in order to do the roadwork that we feel is our obligation and at the same time provide the money for all of the utilities which are private entrepreneurs and in the profit making business.

Sincerely,



Wm. J. Brighton  
City Manager

WJB/dg

cc: Senator Don Gilman  
Senator Paul Fischer  
Representative Hugh Malone  
Representative Milo Fritz  
Alaska Municipal League



# ANCHORAGE WATER & SEWER UTILITIES

3000 Arctic Boulevard  
Anchorage, Alaska 99503  
(907) 277-7622



*Tony Knowles*  
Mayor

Owned by the Municipality  
of Anchorage

March 7, 1983

Senator Eliason  
Chairman, Labor & Commerce  
Alaska State Legislature  
Pouch V  
Juneau, Alaska 99811

RE: SB-67

Dear Senator Eliason:

From the perspective of water and wastewater facilities, passage of the subject legislation should not have a significant impact on the cost of municipal road improvements.

In Anchorage for example, it is rare when a municipal road improvement impacts much more than the surface or above surface water and wastewater facilities. Generally this would include moving fire hydrants, adjusting sewer manhole elevations, adjusting water valve box elevations, etc. These type of relocations cost AWWU approximately \$100,000 in 1982, a year with significant road improvement activity.

An exception to the above would be a situation where a road improvement project necessitated relocating an entire stretch of water or sewer main. Generally this only occurs when the road grade is lowered so much that freezing becomes a potential problem for an existing facility. In these cases relocation could cost as much as \$100 per lineal foot of pipe, including appurtenances.

If the Anchorage Water and Wastewater Utility can provide any further information please contact either myself or Brian Crewdson at 265-5561.

Sincerely,

ROBERT E. SMITH  
General Manager  
Anchorage Water & Wastewater Utility

RES/BIC/slr  
II/SE

cc: Alaska Municipal League  
Patrick Anderson  
John Harshman

**DEPT. OF COMMUNITY & REGIONAL AFFAIRS**

OFFICE OF THE COMMISSIONER

POUCH B  
JUNEAU, ALASKA 99811  
PHONE: (907) 465-4700

March 25, 1983

BILL ANALYSIS

RE: CSSB 67  
SPONSOR: SENATE LABOR & COMMERCE COMMITTEE

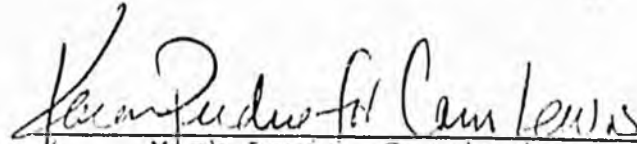
PROGRAM EFFECTS OF BILL

The current statute requires that if, as a result of a state highway construction project, utility facilities must be relocated the State may order the utility to relocate that facility and the State must also pay the cost of that relocation. This bill would also expand the statute to include Municipal highway construction. It also restricts the costs payable to utility facilities located as a result of valid easement or permits.

COMMENTS

It is reasonable to allow municipalities, which are responsible for construction of local roads and highways, this type of authority. We do, however, have some concern about relocation costs in instances where strict easement and right-of-way procedures have not been adhered to. Many of the smaller, older utilities do not have formal easements or right-of ways. It would seem that strict interpretation of new language could cause undue hardship for some of the smaller utility companies.

It would be our recommendation that some individual case by case discretion should be considered.

  
Mark Lewis, Commissioner

STATE OF ALASKA  
FISCAL NOTE

Revision Date \_\_\_\_\_, 1983

I. REQUEST

Bill/Resolution No.: CS SB 67  
 Title: relocation of utility facilities  
 Sponsor: Labor & Commerce  
 Requestor: Community & Regional Affairs

II. FISCAL DETAIL

Agency Affected: Community & Regional Affairs  
 Program Category Affected: development  
 BRU, Program of Subprogram(s) Affected: Local Government Assistance

Committee  
EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-
CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
REVENUE	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Source)						
	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS:

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

III. SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

Sponsor did not indicate.

IV. ANALYSIS: Attach a separate page for any Analysis

Prepared By: Terry Earley Phone: 465-4730  
 Division: Local Government Assistance Date: 3/25/83  
 Approved by Commissioner: [Signature] Date: 3/25/83  
 Department: Community & Regional Affairs

Distribution:

Original to Legislative Finance  
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 Copy to Department (for Governor introduced bills)  
 Copy to Sponsor  
 Copy to Requestor (if different from Sponsor)

3/8/83

SENATE LABOR AND COMMERCE  
STANDING COMMITTEE  
February 8, 1983

Members Present: Senator Dick Eliason, Chair  
Senator Bob Mulcahy  
Senator Pat Rodey

Members Absent: Senator Don Bennett  
Senator John Sackett

COMMITTEE CALENDAR

Senate Bill 67 - "An Act relating to the relocation of utility facilities incident to the construction of highway projects by a municipality; and providing for an effective date."

WITNESS REGISTER

Dave Hutchens, Executive Director  
Alaska Rural Electric Cooperative Association, Inc.  
237 East Fireweed Lane  
Anchorage, Alaska 99503  
586-2660  
Position Statement: Supports SB 67, proposed amendment.

Ginny Chitwood, Executive Director  
Alaska Municipal League  
204 North Franklin St.  
Juneau, Alaska 99801  
586-1325  
Position Statement: Opposes SB 67, issue should be determined on local level, placement should be in Title 29.

Patrick Anderson  
Municipality of Anchorage  
Pouch 6-650  
Anchorage, Alaska 99502  
264-4431  
Position Statement: Voiced objection to specific portions of bill, and will provide specific recommendations by Friday.

Gordon Parker  
Alaska Telephone Association  
3201 C Street, Suite 601  
Anchorage, Alaska 99501  
276-3293  
Position Statement: Supports measure.



PREVIOUS ACTION

No previous action to record.

ACTION NARRATIVE

TAPE #3  
Recording  
Number 004

Senator Eliason, Chair, called the meeting of the Labor and Commerce Committee to order at 1:35 pm with members Senator Mulcahy and Senator Rodey in attendance.

Number 020

Dave Hutchens, Executive Director of Alaska Rural Electric Cooperative Association, Inc., provided the first testimony on SB 67. He expressed support for the measure and offered an amendment to the bill. Several years ago, he stated, the legislature made a policy; whenever a state highway was being constructed utility relocation would be part of the construction cost. Presently the utility bears the cost when municipal road projects are in construction and a utility facility needs to be relocated. SB 67 will make the cost of the project include utility relocation. Last year the same measure passed the Senate late, and did not get through the House. The objections voiced last year included one concern with language (line 15, "under its jurisdiction" rather than "within its jurisdiction") and one concern dealt with by SB 67: for projects for which funding is in place (such as projects financed by bonding) and for which a municipality would not have adequate funds to cover utility relocation costs, an exemption is made. One of the major points stressed by Mr. Hutchens was that the utility does not cause the cost, but still pays. Dave Hutchens proposed an amendment prepared by Gary Thurlow of the Mat-Su Borough (Matanuska-Sustina); it amends Section 5 to read that "a municipality is not obligated for costs for relocating utility facilities which are not located in a municipal right of way pursuant to a valid easement or permit nor for costs for relocating utility facilities associated with a highway project for which general obligation bonds have been approved or for which state or federal grants have been received before the effective date of this act."

Number 300

Ginny Chitwood, Executive Director of the

Alaska Municipal League, provided testimony in opposition to SB 67. She stated that the measure did not belong in Title 19, Chapter 25, a section of the statutes concerned with state highways and roads. She further stated that the issue is a municipal one, and should be locally determined. In Anchorage a city ordinance is about to be adopted addressing the subject. Local determination more readily permits case by case determination. Ms. Chitwood stated that in the case of state grants going to a municipality for road construction it would be appropriate for the legislature to impose conditions. In the case of roads funded with federal dollars (state/federal) the cost is passed on to the feds.

Senator Rodey commented that the question is one of fairness. (Taxpayers end up paying...)

Number 380

Ms. Chitwood noted that most municipal officials are chiefly concerned about the proper placement of utilities.

Sen. Mulcahy commented that he didn't know why the measure wasn't placed in Title 29-- that it seemed to be "sneaking in the back door".

Sen. Eliason commented that the measure seems to spread the cost, assigning some of it to the municipality rather than concentrating the burden on the users (utility users).

Number 428

Pat Anderson, representing the Municipality of Anchorage, stated that the cost to the Municipality (of paying for utility facility relocation) would be \$1-2 million for what is on the street today. One objection of the Municipality not handled by Dave Hutchens' proposed amendment concerns the upgrading of utilities, and another concerns the question of general depreciation and whether the municipality bears the cost of replacement, thereby subsidizing the consumer. On a philosophical note, the Municipality of Anchorage maintains that the decision is best made at a local level. Mr. Anderson stated that he would submit the figures the committee had requested and would submit specific recommendations by Friday.

Number 505

Gordon Parker, representing the Alaska Tele-

phone Association (20 telephone companies) testified in support of the bill. He pointed out that although it is true that some communities do negotiate with the utility, but they are not compelled to do so under current law. He also clarified that there is not an intent to have municipalities fund expansion.

Number 538

There being no further testimony or questions, Sen. Eliason adjourned the meeting.

FLOOR COMMENTS ON SB 67

CSSB 67 MAKES THE COST OF RELOCATING UTILITY FACILITIES INCIDENT TO A MUNICIPAL HIGHWAY PROJECT A COST OF THE HIGHWAY PROJECT. THIS WOULD ALLOW ALL OF THE COSTS, AS WELL AS ALL THE BENEFITS, OF A PROPOSED PROJECT TO BE CONSIDERED AT THE TIME A MUNICIPALITY DECIDES TO RELOCATE OR WIDEN A ~~HIGHWAY~~ <sup>STREET</sup>.

UNDER CURRENT STATUTES, A MUNICIPAL GOVERNMENT MAY ORDER A UTILITY TO RELOCATE ITS FACILITIES AT ITS OWN EXPENSE. IT SEEMS ONLY FAIR THAT IF A MUNICIPAL PROJECT CAUSES THE COST OF UTILITY RELOCATION, THEN THAT MUNICIPALITY SHOULD BE RESPONSIBLE FOR THAT COST. CSSB 67 WOULD ALLOW THIS TO HAPPEN.

HOWEVER, IF UTILITY FACILITIES ARE NOT LOCATED IN A MUNICIPAL RIGHT-OF-WAY UNDER THE CONDITIONS OF A VALID EASEMENT OR PERMIT, A MUNICIPALITY WOULD NOT BE OBLIGATED TO PAY THE COST OF THE RELOCATION.

CSSB 67 IS A FAIR RESPONSE TO THE QUESTION OF WHO WILL BEAR THE COST OF UTILITY RELOCATION AND I URGE YOUR SUPPORT TO THIS LEGISLATION.

ANSWER TO POSSIBLE CONCERN:

- 1) A MUNICIPALITY IS NOT OBLIGATED FOR UTILITY FACILITY RELOCATION COSTS ASSOCIATED WITH A HIGHWAY PROJECT FOR WHICH GENERAL OBLIGATION BONDS HAVE BEEN APPROVED OR FOR WHICH STATE GENERAL FUND APPROPRIATIONS HAVE BEEN RECEIVED BEFORE THE EFFECTIVE DATE OF THE BILL.
  
- 2) CURRENTLY STATE AND FEDERAL HIGHWAY PROJECTS RECOGNIZE UTILITY RELOCATION AS AN ALLOWABLE EXPENSE.

**0.100. Use of the highway by industrial or commercial.**  
 (a) The department shall maintain the highway and keep industrial or commercial traffic throughout the year.

Industrial or commercial travel" means

necessary and related to resource exploration and to support of those activities, if the individual engaged in those activities has all necessary permits; or necessary and related to access by local residents to their

carriers engaged in commerce which are common carriers regulated by the Alaska Transportation Commission AS 42.10. (§ 3 ch 177 SLA 1980)

**0.110. Public use of a portion of the highway.** The department shall maintain the section of the highway between the road and Dietrich Camp and shall keep that section of the highway open to use by the public between June 1 and September 1. (§ 4 ch 177 SLA 1980; AS 19.40.120)

*Notes.* — This section was renumbered by the revisor of statutes pursuant to AS 19.40.120 but was pursuant to AS 01.05.031.

**0.120. Closure of the highway to traffic.** The provisions of AS 19.40.100 apply to the closure of the highway by the department. (SLA 1980; AS 19.40.110)

*Notes.* — This section was renumbered by the revisor of statutes pursuant to AS 19.40.110 but was pursuant to AS 01.05.031.

**0.200. Prohibition on disposal of land within five miles of highway.** The state may not dispose of state land under a claim which is within five miles of the right-of-way of the highway. (SLA 1980)

*History reports.* — For 1781. For attorney general's opinion returning SCS HB am S 1781. For attorney general's opinion advising the governor that the house and senate did not pass the same bill, see Op. Atty. Gen. July 1, 1980.

**0.210. Prohibition of off-road vehicles.** Off-road vehicles are prohibited on land within five miles of the right-of-way of the highway. However, this prohibition does not apply to a person who has a valid claim in the vicinity of the highway and who must use the land within five miles of the right-of-way of the highway to gain access to the claim. (§ 5 ch 177 SLA 1980; AS 19.40.200(b))

## Chapter 45. Miscellaneous Provisions.

### Section

01. Definitions

02. Penalties

15. Highway construction near airports

### Sec. 19.45.001. Definitions. In AS 19.05 — 19.40

(1) "commissioner" means the commissioner of transportation and public facilities;

(2) "construction" or any derivation means construction, reconstruction, alteration, improvement or major repair;

(3) "controlled-access facility" means a highway especially designed for through traffic, and over, from, or to which owners or occupants of abutting land or other persons have either no right or easement or only a controlled right or easement of access, light, air, or view;

(4) "cost of change, relocation, or removal" means the entire cost incurred by the utility properly attributed to the change, relocation, or removal of a facility, less any costs for improvements or upgrading over and above the cost of a functionally equal facility; if a facility is to be relocated and replaced with new equipment, there shall also be subtracted from the entire cost any salvage value derived from the old facility;

(5) "department" means the Department of Transportation and Public Facilities;

(6) "excess lands" means land acquired by the state in excess of land required for a highway, when the remaining portion of a parcel of land so acquired is left in such shape or condition as to be of little or no value to its owner, or to give rise to claims or litigation concerning reversion or other damage;

(7) "federal-aid primary, federal-aid secondary, and interstate system" include any highway which is a part of the federal-aid systems as provided in the Federal-Aid Highway Act of 1956, and any laws amending or supplementing it;

(8) "highway" includes a highway (whether included in primary or secondary systems), road, street, trail, walk, bridge, tunnel, drainage structure and other similar or related structure or facility, and right-of-way thereof, and further includes a ferry system, whether operated solely inside the state or to connect with a Canadian highway, and any such related facility;

(9) "maintenance" means the preservation of each type of highway, roadside structure and facility as nearly as possible in its original condition as constructed, or as subsequently improved, and the operation of highway facilities and services to provide satisfactory and safe highways;

(10) "municipality" means an incorporated city or political subdi-