

ALASKA LEGISLATURE COMMITTEE FILES, 1989-1990 8672
6208 SENATE C&RA

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Jim Butler

Signature of Camera Operator

10/22/93

Date

1989-1990

SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

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1 1

BOARDS & COMMISSIONS WITH COMPENSATION OTHER THAN STANDARD TRAVEL & PER DIEM

<u>Board/Commission Name</u>	<u># Members</u>	<u># Meetings</u>	<u>Compensation</u>
Commercial Fisheries Entry Commission	3	120	Salaried
Commercial Fishing & Agricultural Bank	7	11, (22Day)	\$250/Day Max.
Disability Review Board, Pub. Emp & Teachers	5	Call-Chair	Hourly Comp.
Fisheries, Board of (met 43 days in 1987)	7	6	\$150/Day-Reg. \$100/Day-Other
Game, Board of (met 35 days in 1987)	7	2	\$150/Day-Reg. \$100/Day-Other
Historical Records Advisory Board, State	7	3	Fed. Funding
Housing Finance Corporation, AK	5	16	\$100/Day
Industrial Development & Export Authority, AK	5	26	\$100/Day
Medical Indemnity Corporation of Alaska	9	4 30Day	Necessary Expenses
Municipal Bond Bank Authority, Alaska	5	5	Actual Expenses
Occupational Safety & Health Review Board	3	2 6Day	\$50/Day
Oil & Gas Conservation Commission, Alaska	3	N/A	Salaried
Parole, State Board of	5	4 Min.	Set by Governor
Permanent Fund Corporation Board of Trustees	6	7 40Day	\$400/Day
Pharmacy, Board of	7	3 9Day	Actual Expenses
Public Offices Commission, Alaska	5	6 15Day	\$50/Day
Railroad Corporation, Board of Directors	7	4 Min.	\$400/Day
Teachers' Retirement Board	5	2 6Day	Actual Expenses
Utilities Commission, Alaska Public	5	Cont.	Salaried
Western Interstate Commission for Higher Ed.	3	2 10Day	Actual Expenses
Workers' Compensation Board, Alaska	9	2	\$50/Day

#18,750~~00~~

5 CS SB 292 (CRA) am

SB 11: An Act authorizing compensation for members of the state Local Boundary Commission and providing for an effective date.

Sponsor: STURGULEWSKI

The first bill on our agenda today is SB 11, an Act authorizing compensation for members of the state Local Boundary Commission and providing for an effective date. Testifying this afternoon for the bill's sponsor, Senator Sturgulewski, is McKie Campbell. Also here to testify is LBC Chairman, C.B. Bettisworth.

I'd like to invite Mr. Campbell to the table and have him give a brief presentation of the bill.

FISCAL NOTE

REQUEST: _____

Revision Date: _____
 Title: "An Act..compensation for members
 of the State Boundary Commission..."
 Sponsor: Senator Sturgulewski
 Requestor: _____

Agency Affected: Community & Regional Affairs
 BRU: _____
 Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL	18.75	18.75	18.75	18.75	18.75	18.75
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	18.75	18.75	18.75	18.75	18.75	18.75
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND	18.75	18.75	18.75	18.75	18.75	18.75
FEDERAL FUNDS						
OTHER						
TOTAL	18.75	18.75	18.75	18.75	18.75	18.75

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

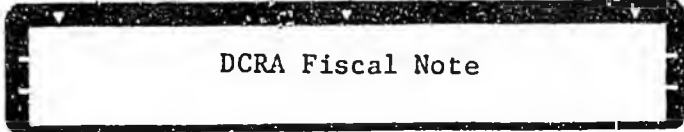
ANALYSIS : (Attach a separate page if necessary) No fiscal impact in FY 90.

This fiscal note assumes 25 days of meeting per year with compensation at \$150 per day.

Prepared by: Jim Plasman, Deputy Director Phone: 465-4750
 Division: Municipal & Regional Assistance Date: March 7, 1990
 Approved by Commissioner: [Signature] Date: 3-7-90
 Agency: Department of Community & Regional Affairs

Distribution (by preparer):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)



Senate Bill 11 - "An Act authorizing compensation for members of the state Local Boundary Commission".

This bill is virtually identical to a measure approved by the Senate in 1988 to provide compensation to each member of the Commission at a rate of \$150 for each day the member attends a meeting. The Commission supports this legislation.

The merits of compensation to the Commission were perhaps first recognized by the Public Administration Service (PAS) which assisted the Alaska Statehood Committee and Alaska Constitutional Convention in setting the framework for the operation of the State of Alaska. In a 1959 report, the PAS provided suggestions on the significant issues requiring immediate attention to effect Alaska's transition to statehood. In its proposed program for action by the First Session of the First State Legislature it is recommended that the Local Boundary Commission be established. The report goes on to state that "*Members of the Commission should be adequately compensated . . .*" (Local Government Under the Alaska Constitution, A Survey Report, Public Administration Service, Chicago, Illinois, January 9, 1959, p. 23.)

It would appear that compensation was not a particularly significant issue with the Commission during the years immediately following Statehood. When the Local Boundary Commission was first formed, there were only about 30 municipal governments in Alaska. Records indicate that the Commission met only a few times each year. By contrast, there are 163 municipalities in the state today. The current Commission typically meets 15 - 20 times a year, often in remote parts of the state.

The increase in the number of municipal governments and the number of meetings alone do not fully account for the additional demands placed on the Commission. Procedures which were simple thirty years ago have, regrettably, grown much more complex. For example, the Commission operated without regulations until it was mandated to establish such by a ruling of the Supreme Court in 1971. Today, the Commission's regulations take up more than 50 pages. Another example of added procedural responsibilities is the relatively recent requirement that the U.S. Justice Department review and approve every municipal incorporation, dissolution and boundary change approved by the Commission.

Further, given our litigious society and the typically controversial nature of the issues brought before the Commission, actions taken by the Commission are often challenged in court. Decisions of the Commission have been the subject of four landmark rulings by the State Supreme Court. A host of other Supreme and Superior

ANNUAL REPORT TO THE STATE LEGISLATURE
JANUARY 1990

Court decisions affect each and every action taken by the Commission. The ever present threat of legal challenge of actions by the Commission demand that the Commission often spend several days preparing for a single meeting.

To deal with the current burden placed upon the Commission requires a level of expertise and perseverance beyond that which might be reasonably expected of volunteers. The fiscal impact of such legislation would be minimal. Based upon 25 one-day meetings per year with compensation of \$150 per day, the total compensation to the Commission would amount to \$18,750. Therefore, the Commission urges the Legislature to approve Senate Bill 11.

(5) "rural" means

(A) a community with a population of 4,500 or less in the first or second judicial district of the state;

(B) a community with a population of 4,500 or less in the third judicial district of the state that is more than 100 nautical miles from the conforming boundary of jurisdiction of the Municipality of Anchorage; or

(C) a community with a population of 4,500 or less in the fourth judicial district of the state that is more than 35 nautical miles from the conforming boundary of jurisdiction of the City of Fairbanks;

(6) "rural housing" means housing, whether or not it is nonconforming housing, that is located in a rural area of the state. (§ 73 ch 106 SLA 1980; am § 50 ch 113 SLA 1982; am § 7 ch 128 SLA 1984)

Effect of amendments. — The 1982 amendment added paragraphs (5) and (6). The 1984 amendment rewrote paragraph (5).

Article 9. Local Boundary Commission.

Section	Section
565. Local boundary commission	575. Quorum
567. Powers and duties	577. Boundary change
569. Meetings and hearings	579. Expenses
571. Minutes and records	581. Hearings on boundary changes
573. Notice of public hearings	583. When boundary change takes effect

Sec. 44.47.565. Local boundary commission. There is in the department a local boundary commission. The local boundary commission consists of five members appointed by the governor for overlapping five-year terms. One member shall be appointed from each of the four judicial districts described in AS 22.10.010 and one member shall be appointed from the state at large. The member appointed from the state at large is the chairman of the commission. (§ 7 ch 64 SLA 1959; am § 5 ch 200 SLA 1972; am § 100 ch 59 SLA 1982)

Revisor's notes. — Formerly AS 44.19.250. Renumbered in 1980. Cross references. — For further provisions relating to the local boundary commission and to annexation by local action, see AS 29.68.010. As to appointment, qualifications, and terms of office of members of departmental boards, councils, or commissions, see AS 39.05.060. Effect of amendments. — The 1982 amendment substituted "judicial districts described in AS 22.10.010" for "major senatorial election districts" and inserted "member shall be appointed" in the third sentence.

NOTES TO DECISIONS

When constitutional provision effective. — The method for making boundary changes, contemplated by art. X, § 12, of the Alaska Constitution, was operative upon the enactment of AS 44.19.260 [now AS 44.47.567] and this section. Fairview Pub. Util. Dist. No. 1 v. Anchorage, Sup.

Ct. Op. No. 61 (File Nos. 69, 71), 368 P.2d 540, appeal dismissed and cert. denied, 371 U.S. 5, 83 S. Ct. 39, 9 L. Ed. 2d 49 (1962).

Cited in Mobil Oil Corp. v. Local Boundary Comm'n, Sup. Ct. Op. No. 989 (File No. 1947), 518 P.2d 92 (1974).

Sec. 44.47.567. Powers and duties. (a) The local boundary commission shall

- (1) make studies of local government boundary problems;
- (2) develop proposed standards and procedures for changing local boundary lines;
- (3) consider a local government boundary change requested of it by the legislature, the commissioner of community and regional affairs, or a political subdivision of the state; and
- (4) develop standards and procedures for the extension of services and ordinances of incorporated cities into contiguous areas for limited purposes upon majority approval of the voters of the contiguous area to be annexed and prepare transition schedules and prorated tax mill levies as well as standards for participation by voters of these contiguous areas in the affairs of the incorporated cities furnishing services.

(b) The local boundary commission may

- (1) conduct meetings and hearings to consider local government boundary changes and other matters related to local government boundary changes, including extensions of services by incorporated cities into contiguous areas and matters related to extension of services; and
- (2) present to the legislature during the first 10 days of a regular session proposed local government boundary changes, including gradual extension of services of incorporated cities into contiguous areas upon a majority approval of the voters of the contiguous area to be annexed and transition schedules providing for total assimilation of the contiguous area and its full participation in the affairs of the incorporated city within a period not to exceed five years. (§ 7 ch 64 SLA 1959; § 2 ch 45 SLA 1960; am §§ 1, 2 ch 55 SLA 1964; am §§ 1, 2 ch 161 SLA 1966; am § 6 ch 200 SLA 1972)

Revisor's notes. — Formerly AS 44.19.260. Renumbered in 1980.

Cross references. — For further statement of powers of local boundary commission, see Alaska Constitution, art. X, § 12.

Opinions of attorney general. — When grouped together, the powers and duties of the local boundary commission

are as follows: (1) To consider any local government boundary change (§ 12, art. X, Alaska Constitution); (2) to present proposed changes to the legislature (§ 12, art. X, Alaska Constitution; § 7, ch. 64, SLA 1959); (3) (subject to law) to establish procedures whereby boundaries may be adjusted by local action (§ 12, art. X, Alaska Constitution); (4) to make studies

of local (§ 7, ch proposed changing) SLA 19 proposed

By this provide make a boundar standard boundari changes visions. hearings proposed change legislature permits Staelting Boundar (File No. When tive. — § 44.47.567 Alaska lished t bounda direct ac sion subj (2) by es procedur aries by City of V No. 1990 Step : ase:milit in .edie tion p assimila incorpor ation we Port Val Op. No. 1147 (19 How i Ordinar menced specific although could re the step Valdez, 1996), 5 Secti art. X, mented

Revisor's notes. — Formerly AS 44.19.280. Renumbered in 1980.

Sec. 44.47.573. Notice of public hearings. Public notice of a hearing of the local boundary commission shall be given in the area in which the hearing is to be held at least 15 days before the date of the hearing. The notice of the hearing shall include the time, date, place, and subject of the hearing. The director of local affairs shall give notice of the hearing at least three times in the press, through other news media, or by posting in a public place, whichever is most feasible. (§ 3 ch 45 SLA 1960)

Revisor's notes. — Formerly AS 44.19.290. Renumbered in 1980.

Sec. 44.47.575. Quorum. Three members of the commission constitute a quorum for the conduct of business at a meeting. Two members constitute a quorum for the conduct of business at a hearing. (§ 3 ch 45 SLA 1960)

Revisor's notes. — Formerly AS 44.19.300. Renumbered in 1980.

Sec. 44.47.577. Boundary change. A majority of the membership of the local boundary commission must vote in favor of a proposed boundary change before it may be presented to the legislature. (§ 3 ch 45 SLA 1960)

Revisor's notes. — Formerly AS 44.19.310. Renumbered in 1980.

Sec. 44.47.579. Expenses. Members of the local boundary commission receive no pay but are entitled to the travel expenses and per diem authorized for members of boards and commissions. (§ 4 ch 45 SLA 1960)

Revisor's notes. — Formerly AS 44.19.320. Renumbered in 1980.

Sec. 44.47.581. Hearings on boundary changes. A local government boundary change may not be proposed to the legislature unless a hearing on the change has been held in or in the near vicinity of the area affected by the change. (§ 2 ch 45 SLA 1960)

Revisor's notes. — Formerly AS 44.19.330. Renumbered in 1980.

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Reviso 44.19.340 Cross i

By this provided make at boundar standards boundarie changes r visions. hearings i proposed change b ielature i permits Smelting. Boundary (File No. Alaska empowe mission i Ref. & l Comm'n. 1461), 48 But si compel complia United St v. Local No. 727 (1971). This se § 12, do whether with th United St v. Local No. 727 (1971).

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Section 610. Dec 620. Sen

S B

31

Alaska State Legislature

Al Adams
District L

WHILE IN SESSION
P.O. Box V
State Capitol
Juneau, Alaska 99811
(907) 465-3707

OUT OF SESSION
P.O. Box 333
Kotzebue, Alaska 99752
(907) 442-3245

3111 C Street
Anchorage, Alaska 99503
(907) 561-7622



Official Business

February 16, 1989

TO: Senate Community and Regional Affairs Committee

FROM: Senator Al Adams
District L

RE: SB 31: An Act relating to entitlements for municipalities and unincorporated communities; and providing for an effective date.

This is a very simple bill that raises the minimum entitlements for both incorporated and unincorporated communities from \$25,000 to \$50,000 under the state revenue sharing program.

Because of a relative lack of resources, many small communities in our state are in serious financial trouble. The costs of managing a municipality have increased greatly over the years, but the amount of state assistance to these particular communities under the revenue sharing program has not increased since 1981. All communities in Alaska rely on state funding to provide basic services to their residents. However, it is increasingly difficult for our cash poorest communities to provide this basic, minimal level of service.

I have no intention of creating a hardship for any community as a result of this legislation. Therefore, the effective date clause specifies a level of funding which would effectively hold harmless any community receiving more than the minimum entitlement.

FISCAL NOTE

REQUEST:

Revision Date: _____
Title: "An Act relating to entitlements
for municipalities.."
Sponsor: Adams, Zharoff
Requestor: _____

Agency Affected: Community & Regional Affairs
BRU: Municipal Revenue Sharing

Components: State Revenue Sharing

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS	-0-	3,510	-0-	-0-	-0-	-0-
MISCELLANEOUS						
TOTAL OPERATING	-0-	3,510	-0-*	-0-*	-0-*	-0-*

CAPITAL						
---------	--	--	--	--	--	--

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

FUNDING: (Thousands of Dollars)

GENERAL FUND	-0-	3,510	-0-	-0-	-0-	-0-
FEDERAL FUNDS						
OTHER						
TOTAL	-0-	3,510	-0-*	-0-*	-0-*	-0-*

POSITIONS:

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

ANALYSIS : (Attach a separate page if necessary)

SEE ATTACHED

*It is assumed that the amount of funds identified in Section 3 of this bill would become the new base amount for the State Revenue Sharing Program for subsequent fiscal years.

Prepared by: Jim Plasman, Deputy Director

Phone: 465-4750

Division: Municipal & Regional Assistance

Date: 2-20-89

Approved by Commissioner: David C. Hoffman

Date: 2-20-89

Agency: Community & Regional Affairs

Distribution (by preparer):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

FISCAL NOTE ATTACHMENT
SB 31

This bill would increase the amount of funds issued to recipients under the State Revenue Sharing Program by increasing minimum entitlements for unincorporated communities and municipalities from \$25,000 to \$50,000. Since this would affect the allocation of funds under the revenue sharing formula, the reallocation of funds would result in a decrease in entitlements to other revenue sharing recipients in the absence of additional funds for the program. This bill would take effect only if additional funds are made available to "hold harmless" those other recipients.

This fiscal note is based upon the difference between the FY 89 State Revenue Sharing appropriation and the amount in Section 3 of the bill. Based upon our most recent data, it is estimated that it would cost approximately \$3,441,000 to "hold harmless" recipients. However, we anticipate changes to our FY 90 data which would increase the costs closer to the \$3,510,000 assumed by the bill.

STATE OF ALASKA

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

STEVE COWPER, GOVERNOR

- P.O. BOX B
JUNEAU, ALASKA 99811-2100
PHONE: (907) 465-4700
- 949 E. 36TH AVENUE, SUITE 400
ANCHORAGE, ALASKA 99508-4302
PHONE: (907) 563-1073

February 17, 1989

POSITION PAPER

RE: SB 31

SPONSORS: Senator Adams and Senator Zharoff

EFFECTS OF BILL

This bill would increase the State Revenue Sharing Program entitlement for unincorporated communities from \$25,000 to \$50,000 and the minimum municipal entitlement \$25,000 to \$50,000.

Based upon FY 90 data that has not yet been finalized, it is estimated that 61 unincorporated communities will receive State Aid to Unincorporated Communities under the State Revenue Sharing Program. Unincorporated community entitlements are paid out of the Miscellaneous Services Account, along with entitlements to municipalities for roads, health facilities and hospitals, and entitlements to volunteer fire departments in the unorganized borough. The revenue sharing entitlements from this account will be prorated at about 55 percent in FY 90, so that unincorporated communities will receive about \$14,171 rather than \$25,000. Assuming FY 90 funding variables, raising the unincorporated community entitlement to \$50,000 and including the prorata share of additional funds provided for in Section 3 of the proposed legislation, the entitlement would increase the actual payment to unincorporated communities to about \$28,297 through a reallocation of funds within the Miscellaneous Services Account. Without the additional funds, the payment to unincorporated communities would increase to about \$26,695. Other payments from this account would be reduced by about 5.7 percent.

In FY 90, we project that about 81 municipalities will receive funds under the minimum municipal entitlement provision. The amount of money used to fund the existing minimum municipal entitlement (\$25,000 plus a cost-of-living-allowance geographic differential) will be about \$1.4 million, which comes from the tax equalization account of the state revenue sharing program. Assuming FY 90 funding variables, this bill will include an additional 27 communities under the minimum municipal entitlement provision. Actual payments will vary, based upon differing COLA'S and the impact of the prorating of the tax equalization account.

RE: SB 31 POSITION PAPER
February 17, 1989
Page Two

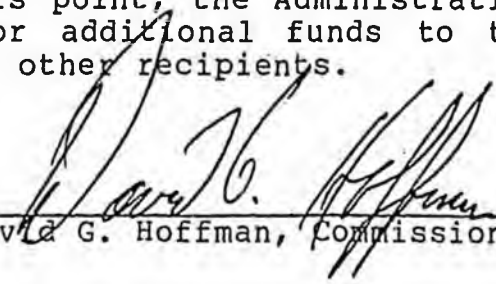
COMMENTS

Including the prorata share of additional funds provided for in Section 3, the proration factor for other payments from the tax equalization account would fall from about 94.8 percent to about 86.4 percent.

Without the additional funds, the proration factor for other payments from the tax equalization account would fall from about 94.8 percent to about 84.9 percent.

The department supports the concept of this bill, which is designed to give a greater measure of financial support to those smallest municipalities and communities in the state. Recent events have shown that these small municipalities are suffering tremendous hardship. Those municipalities which will be affected by this provision will be those with relatively small local revenue raising capacities because of the lack of a local tax base. Consequently, the bill would focus assistance on those areas with the greatest need and the least resources to respond to the need. A continuing problem for these municipalities is to attract and retain qualified municipal personnel because of their inability to pay adequate, stable wages. Raising the minimum entitlement will enhance their ability to do this, leading to greater continuity of services at the local level, and a better ability to maintain proper fiscal controls over local finances.

This bill would take effect providing that additional funds in the amount of approximately \$3.5 million are made available to the State Revenue Sharing Program. Without additional funds, the reallocation of funds will result in a decrease in entitlements to other revenue sharing recipients. In light of the state's revenue situation at this point, the Administration is unable to support a request for additional funds to the program necessary to "hold harmless" other recipients.



David G. Hoffman, Commissioner

ALASKA MUNICIPAL LEAGUE

1989 Policy Statement

4

Taxation & Finance

B. MUNICIPAL ASSISTANCE/REVENUE SHARING PROGRAMS

1. Revenue Sharing:

a. The League supports the State Revenue Sharing Program. In order to provide more predictability of payments under the program and to insure that the benefits and burdens of changes in state revenues are shared equitably by state and local government, changes in the annual appropriation by the Legislature to the State Revenue Sharing Program should be based on such criteria as state population, inflation, cost of local government services, and other timely considerations.

b. In those cases in which legislation is approved increasing the state revenue sharing entitlement for specific recipients or for a specific purpose, the League advocates that the total funding for state revenue sharing be increased accordingly in order to preclude the dilution of funding to other recipients.

c. The League supports an increase in the state revenue sharing minimum entitlement.

d. The League supports full state funding for road maintenance at the \$2,500 per-mile level and ice road maintenance at the \$1,500-per-mile level determined by the First Session of the 11th State Legislature. The League also supports the adjustment of that amount to reflect the increased cost of maintenance. The League also urges that the Legislature add an entitlement for winter trail staking.

e. The League is very concerned that funding of miscellaneous statutory entitlements not dilute revenue sharing appropriations. The League recognizes this program's purpose in providing funding of basic services expected by the public.

The delivery of public services is the primary purpose of state and local government and can best be implemented through a cooperative state/local partnership. The State, with its acknowledged superior access to public resources, has recognized that many public services are more effectively delivered through local government and that state resources should be used to assist municipalities in delivering such services. In order to maintain the appropriate level of locally delivered services, revenue sharing and the various municipal assistance programs should be adjusted annually based on factors that are relevant to the services to be delivered. This would make the program more rational and improve predictability of funding levels. In addition, such funds should be partially funded at an adequate level at the beginning of the fiscal year so that municipalities are not required to "borrow" from other local funds to support the State's share of such programs.

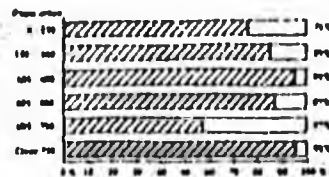
Rural Alaska Feels The Pinch

The downturn has left some rural areas struggling to provide basic services to a dwindling population less able to pay.

Percent Of Municipalities That Buffered Cuts (By Community Size)

Budget Cuts

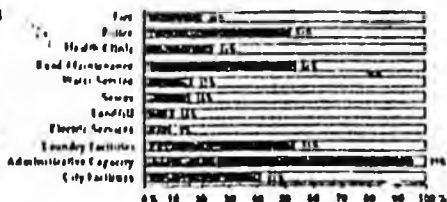
The worsening state economy has meant a cut in municipal revenue and trimmed down local budgets.



Less Money Means Fewer Services

Dwindling revenue-sharing and municipal assistance money has led to a cut in services. Some 95% of the 128 cities surveyed have had to reduce at least one service.

Percent of Municipalities That Reduced Services (By Type Of Service)



Exodus To Urban Centers

With fewer jobs available and diminished local services, residents of Alaska's smaller cities are migrating out of state or to Anchorage, Fairbanks or other urban centers.

Where Rural Residents Who Leave Are Headed



Source: Alaska Department of Community and Regional Affairs

Strapped Bush villages scratch for cash

By HAL SPENCER
Daily News reporter

At least one rural Alaska village is about to drain and shut off part of its water system for the winter because it lacks the money to keep it operating.

Some villages are so desperate for money that they have sought disaster relief from the state Department of Military and Veterans Affairs — the agency that delivers help only in life-threatening emergencies such as floods and fires.

Eight Bush villages and five Na-

live village corporations apparently lost a total of \$1.5 million in uninsured deposits when Alaska Bank of the North failed a few weeks ago.

Forty-two percent of 128 Alaska towns and villages recently surveyed by the Alaska Department of Community and Regional Affairs said their residents are economically worse off this year than last year, and 95 percent said they have reduced at least one municipal service.

Fourteen percent of those surveyed said they are so strapped for cash that they're having trouble pay-

ing even federal withholding taxes.

These facts, and plenty more just as grim, fell like bricks Friday on a roomful of village and small-town officials who attended a presentation by Gov. Steve Cowper's Cabinet Committee on Economic Dislocation.

Many in the room at the Egan Convention Center came to hear what Cowper intended to do for them as they scratch for cash to heat buildings and meet payrolls in the aftermath of state budget cuts brought by the oil bust of 1980.

What they heard from Lt. Gov.

Steve McAlpine and other top officials was this: The state wants to help with financial and technical advice, but can offer no immediate financial relief. Cowper himself put it more succinctly earlier this week when he told an Alaska Municipal League luncheon crowd that unless legislators find new sources of revenue, he foresees no increases in state aid to cities and villages.

"I guess I'm a little bit disappointed," said Walton Smith, the city manager of Mountain Village, a community of 700 on the Yukon

River in western Alaska.

That had to be the understatement of the week.

Smith, who waited anxiously all week for McAlpine's committee to unveil a rumored relief package, is looking at a 1250,000 deficit in the village budget after cutting his staff from four people to two.

The committee's relief package, which was said to contain provisions for loans, and for advance payment of 1980 municipal assistance among

See Page C-3, VILLAGE



Familiar names dot Fink team

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...k, Whitaker

Lady Essex also reports



STARTING AS LOW AS
\$9899
Regular Bed
3x4 Pickup
904. 6170678


61-1750

plained now...
He said American Telephone & Telegraph, which owns the 800 numbers, divides the United States into six regions. Alaska formerly belonged to region No. 5, which also includes Hawaii and Puerto Rico. It's quite expensive for companies to "buy" that region, that is, to buy the right to have residents in that region call for free. Smirnov said Alascom convinced AT&T to include Alaska in region No. 5, the West Coast region.

VILLAGES: Feel economic pinch

Continued from Page C-1

other things, is parked in Cowper's Office of Management and Budget for study, McAlpine said.

"You talk about bankruptcy. I don't know what that means. But I can tell you we're broke," Smith said.

He drew one of the few laughs of the session when he said: "There are some advantages to being broke. You don't get many bill collectors on the Yukon River."

Smith said those who think Mountain Village is in tough shape haven't looked closely at scores of other villages around the state.

"If you look, you're going to find that we're a long ways from being in the worst shape. There are a lot of villages in the (Yukon-Kuskokwim) Delta right now. ... Their books are so bad that they don't even know they're in trouble yet. They're going to start wondering when the checks start bouncing," he said.

David Hoffman, a committee member and the commissioner of Community and Regional Affairs, said there are four obvious reasons that so many Alaska villages are deep in the red. At last count, 18 fit the description and 20 more will by year's end, his department has said.

The first reason, Hoffman said, was a 79-percent reduction in state public works outlays in the past two fiscal years. At the same time, he said, the state cut cash assistance to local communities by 32 percent.

Then, Hoffman said, several regions suffered extremely poor commercial fishing seasons this year.

"And to add insult to injury," he said, the Alaska Bank of the North failed a few weeks ago. Eight villages and five Native regional corporations stand to lose about \$1.5 million in uninsured deposits in the bank, a huge amount for entities of this size, one of Hoffman's department heads said.

If village officials at Friday's meeting needed more convincing that the state isn't about to bail them out anytime soon, it came from another committee member, Department of Environmental Conservation Commissioner Dennis Kelso.

"It's no secret that some towns are going broke, and with it, their water and sewer systems," he said.

Financially ailing villages that want to see their systems from freeze-up and ruin essentially have two choices at this point: Cut operating costs or temporarily shut them down. Whatever the choice, the state stands ready to help with advice and technical assistance, he said.

A team of DEC officials plans next week to travel to one north central village to give instructions on how to mothball part of an expensive water system, Kelso said. He and his staff declined to name the village until officials had met with the council there.

Other villages also are considering shutting down their systems, one of Kelso's aides said.

SNOW: Motorists slow down

Continued from Page C-1

a year to re-educate the summer drivers," said Sgt. Greg Stewart.

"I think the people had a little more control today that yesterday," said Art Repp, a driver for ABC Towing. Repp said his company probably pulled 25 or so cars from the ches during the snowfall.

"I think a lot of it is speed. Then they run across someone going slow," he said. "Then someone hits their brakes and everybody panics. I would probably panic, too."

Police said the weekend would bring only light flurries as the low pressure system which brought the snow weakened.

...ing an airplane crash.
The Murkowski-Proxmire amendment, however, would require the Nuclear Regulatory Commission — one agency that must approve a final task — to load airplane with casks and then crash aircraft to see if the containers maintain their integrity.

Because the Japanese are considering use of a new-generation Boeing 747 carry the radioactive material, the presumption is that an aircraft of that size would be used in the crash test.

The Murkowski-Proxmire amendment also would require that a cask dropped from the aircraft at crash altitude.

The crash-test program would be governed by the National Environmental Policy Act involving full public hearings.

"This action puts the Senate on record early in the negotiations and gives us an opportunity to direct the agency on a plutonium issue," Murkowski said in a statement.

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570 E. BENSEN BLVD



Southbound along Turnagain Arm

An Alaska Railroad passenger shuttle rounds a bend near Potter en route to Whittier along Turnagain Arm. A special issue of *Wa Alaskans* focuses today on the beauty and history of the arm.

Anchorage Daily News/Star Herald

Hard times put Alaska villages on the brink

Combination of oil bust, cuts in federal aid leave Native communities in bad financial shape

By HAL SPEICER
Daily News reporter

The bitter wind of hard times is battering village Alaska harder and more suddenly than many people expected. Eighteen western Alaska villages are in critical financial condition and another 20 are expected to be in similar straits by year's end, state officials say.

A sharp drop in state spending sparked by the 1980 oil bust has combined with shrunken federal aid to leave these Native communities with payrolls they can't meet, buildings they can't heat, and utilities they can't afford to operate.

"We've got buildings all over this damn village we can't afford to take care of,"

said Walton Smith, the city manager of Mountain Village, a Yupik Eskimo community of 665 people about 100 miles northwest of Bethel on the Yukon River.

"We've got a teen center, a community hall that needs thousands of dollars of foundation work, a clinic that we're losing because it really needs foundation work, a

brand new Head Start building."

"We've got these projects that were given to us. They brought us jobs, but now we can't afford to maintain them so we're letting them go," Smith said.

Recently, Gov. Steve Cowper hastily convened a task force headed by Lt. Gov. Steve McAlpine to look into

just what can be done for Mountain Village and other troubled hamlets dotting the tundra from the Arctic Circle to Kodiak Island.

"The problem is that many villages are on the financial brink. They're at the point where they have got very serious financial problems, in some instances irreversible problems," McAlpine said.

"We recognize that the legislature left no appropriation to deal with it. We're trying to figure out what we can do in this situation."

Direct financial relief is not likely this year, said Bethel Republican Sen. John Blakley, co-chairman of the Senate Finance Committee.

See Back Page, VILLAGES

Business is brisk but risky on the Soviet black market

By LEW FREEDMAN
Daily News reporter

L ENINGRAD, U.S.S.R. — The man materialized from the crowd filling the sidewalks on Nevsky Prospekt, the main street of this bustling and historic city of 5 million people.

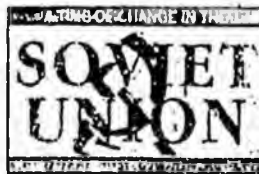
"Change money?" he whispered. "Change money?"

In the early days of the 19th century, when Leningrad was still St. Petersburg, citizens dressed in their Sunday finery and came to this long, straight boulevard to see and be seen.

In modern-day Leningrad, crowds still flock to the heart of the city led by Peter the Great in 1703 to shop, dine and admire the baroque buildings. But the aim of many is not to be seen. Nevsky Prospekt is where the illegal black market flourishes. These days, many of those who walk along the three-mile main section of the street talk out of the sides of their mouths and move their eyes furtively, on the lookout for police.

The dark-haired man was in his 20s. His offer of three rubles for a dollar was against the law. The official exchange rate is one

See Page A-9, BLACK MARKET



Daily News sports editor Lew Freedman visited the Soviet Union for 15 days in August as a delegate to the 15th conference of The Forum for U.S.-Soviet Dialogue.

More stories on Soviet life
in Forum, Page F-1

Rare, nice store eases pain of Soviet shopping

By BILL KELLER
The New York Times

MINSK, U.S.S.R. — At the corner of Partizan Avenue and Zhdanov Street in this city, the Byelorussian capital is a place that would seem utterly mystifying to most Soviet consumers. It is a nice department store.

In this store, sales clerks do not meet when a customer approaches, as they do in most Soviet stores during those infrequent periods when they are not on cigarette breaks.

The women's underwear section here does not look like the usual unisex truss department, and the shoe

See Page A-9, NICE STORE

42RE A-D-11

Mountain Village: Community on the Yukon River faces a deficit of \$250,000.

VILLAGES: They're running out of money

Continued from Page A-1

There's nothing in the law that permits the Cooper administration to just write a check to cover village deficits. It means you can't just sit down and write a check to the Mountain Village administration," he said.

Binkley said that for now state officials can continue to offer management advice and technical assistance, such as suggestions on where to cut budgets and help in rescheduling debt.

McAlpine said the crisis has been compounded in some villages by mismanagement and reluctance to accept that the days of easy money are over.

The state Department of Community and Regional Affairs, the agency that funnels legislative appropriations and technical advice to village Alaska, has been quietly wrestling with the problem for a year. "What had been a smattering of problems last year is now pervasive," said Jerry Rutherford, the department's director of municipal and regional assistance.

"It's extremely serious. The difference between now and year past is that state money isn't flowing as easily; the capital projects, revenue sharing, and municipal assistance," he said.

Several far western villages suffered even more this summer due to poor salmon runs," McAlpine said.

Rutherford's department has prepared a list of 18 communities with "immediate and significant financial problems." They include Mountain Village, Teeter, Kotlik, Stebbins, Unalakleet, Ambler, Buckland, Deering, Noatak, Noorvik, Scammon Bay, Hooper Bay, Tuluksak, Kasigluk, Akhiok, New Stuyahok, Ekwook, and Twin Hills.

Mountain Village is among the hardest hit. City manager Smith said the community has an annual budget of about \$450,000, with a deficit expected to be about \$250,000 this year.

Smith said one 20th Century comfort enjoyed by the village has become a particular albatross: its \$6 million water system.

The water is heated and circulated nine months of the year at a minimum operating cost of \$120,000. "You can't cut down on the heating cost. If you do, the water freezes and then you've got a million dollar repair job," Smith said.

The growing scarcity of personal income in village Alaska, also partly the result of state cutbacks, is making the situation even worse, Smith said.

About half of the village water users are in arrears of their bills, and collecting is a very task, he said. The system was designed without shutoff valves, so the only way to cut off delinquent customers is by digging up the lines to their houses. New shutoff valves Smith intends to install this month will allow



lower rates of \$50 to \$75 and go after those who won't pay. "We've taken the backbone out and dug up lines before. People tend to pay when they see the backbone in front of their houses," he said.

Smith, who became city manager only four months ago, said he cut his own salary by \$4,000 to \$38,000. He has a fulltime and part-time police officer, a clerk and a bookkeeper. He's thinking about cutting employee hours and eliminating the part-time police officer.

McAlpine said village financial problems have been aggravated in some cases by poor management. It isn't that village leaders were derelict in their duties, said Margaret Hansen, a community and regional affairs official in Kotzebue. Instead, money was often dropped on village officials who had only vague notions about the need for bookkeeping and auditing.

Perhaps the most severe case of mismanagement occurred in Buckland, an Inupiat Eskimo village of 260 people about 70 miles southeast of Kotzebue.

In 1984, a previous village administrator, without telling anyone, stopped withholding federal taxes for village employees, Hansen said.

Hansen, who is helping Buckland and several other villages bring their budgets under control, discovered the problem only recently. "The administrator was intercepting warning letters from the Internal Revenue Service," Hansen said. "The city council didn't even know the problem existed."

The village, with an annual budget of \$228,500, now has begun the painful work of paying the IRS a \$100,000 debt, Hansen said.

"a lot," she said. "The clerk and administrator both work part-time, we've sold some equipment to raise cash."

Still, said Mayor Jimmy Geary Sr., "without help from the state, there's no way we can survive."

Among services that are suffering is the village-owned laundry, which is open only half-time now, he said.

McAlpine said many villages made the same mistake committed by some urban communities: They failed to accept the fact that state funding was declining, and spent money they didn't have.

Now, many are taking drastic steps to reduce spending. "Noorvik cut their budget in half," Hansen said. "A new administration came in not too long ago, and the new administrator is getting \$23,000 a year." The predecessor got \$40,000, Hansen said. "The new administrator is getting half the pay and is doing twice the work."

The sudden severity of the problem in Bush Alaska seemed to take some top Cooper officials by surprise.

But it was no surprise to Lee Gorsuch, the head of the University of Alaska's Institute of Social and Economic Research. He said two events contributed to the development.

The first was the quiet shrinkage of federal assistance since 1980, a trend virtually unnoticed in the state because oil dollars poured in to fill the gap.

"It's clear that the whole period of the 1920s began to witness a withdrawal of the federal government. (Bureau of Indian Affairs) schools pulled out. The BIA discontinued its General Relief Program to buy fuel and other things, and other programs lost federal assistance," he said.

Now the state is no longer able to pick up the slack, he said.

The biggest source of state money for municipalities, including village governments, is state municipal assistance and revenue sharing funds. But budget figures show that total funding from this source fell dramatically in the past two years. Three years ago, it was \$140.8 million. Last year, it fell to \$113.1 million, and this year, the total is 196.8 million.

In addition, billion-dollar capital construction budgets in the mid-1980s have fallen to a \$80 million budget this year.

A municipal assistance chief of Rutherford said there is hope on the horizon for some villages.

Her department and the Department of Commerce and Economic Development are searching for ways to put cash into villages from sources other than the government.

For example, they are exploring the creation of "cabin industries" that would put small numbers of people to work. "We're not saying we'll have rich villages or rich people, but a little bit of cash goes a long way in a village," she said.

Partly through a state grant of about \$70,000, Aniak, a Kuskokwim River village of 318 people, has created a small canning plant to produce "gourmet salmon packs." State and Aniak officials are optimistic about the future.

Gorsuch said the 12 regional Native corporations will play a big part in weaning village Alaska from its "transfer economy," an economy relying primarily on government "transfer payments." A transfer payment occurs when the government takes money from one place, say the oil industry, and transfers it to another, in this case the villages.

In the NANA Region, the Red Dog zinc mine, a joint venture of NANA and Conminco Alaska Inc., is seen as a major source of permanent jobs once it begins production in 1989 or 1990, Gorsuch noted.

Some village populations, which grew in recent years with the oil money, will shrink as life gets harder, he predicted. But Gorsuch sees no large-scale flight to urban centers.

Villagers still have subsistence hunting and fishing to help them get by, as well as an extended family with whom to pool resources.

"Numerous people have been forecasting the demise of the Native villages for the last 20 years. The resilience of villages is quite high, and their abilities to adjust seem to be quite flexible," he said.

Furthermore, Gorsuch added, many villagers "simply don't have anywhere else to go."

... of a major... November that followed the killing of another... or, Rolando Ollata... the chief... man of a radical labor union. The killing of Ollata came shortly before a coup attempt by the same officers who staged the rebellion last month.

Some supporters of last month's uprising have suggested that its leaders, who are now in hiding, might adopt urban warfare as their next step.

Some of the officers have in the past boasted of having "hit lists" of leftist leaders and members of the government with whose views they disagreed. The leader of the coup, Col. Gregorio Haza...

MISSILES: Dis

Continued from Page A-1

... and nuclear warheads contain materials that may be poisonous, explosive, radioactive, or all three. They are among the more dangerous materials.

• Missile fuel. Different missiles carry different fuels, but all are dangerous to varying degrees. Solid fuel, similar to the fuel used in the space shuttle's booster rockets, contains an extremely blend of aluminum powder and ammonium perchlorate. Another type of propellant, called hypergol, consists of two ingredients: monomethyl hydrazine and nitrogen tetroxide — that react violently when combined even in the absence of an external spark. These circumstances are also lethal to persons.

• Plutonium. One of the essential ingredients in nuclear warheads, plutonium is dangerously radioactive. Small quantities enter the body through the air or via the substance concentrates bones. Radiation poisoning, cancer and other diseases result.

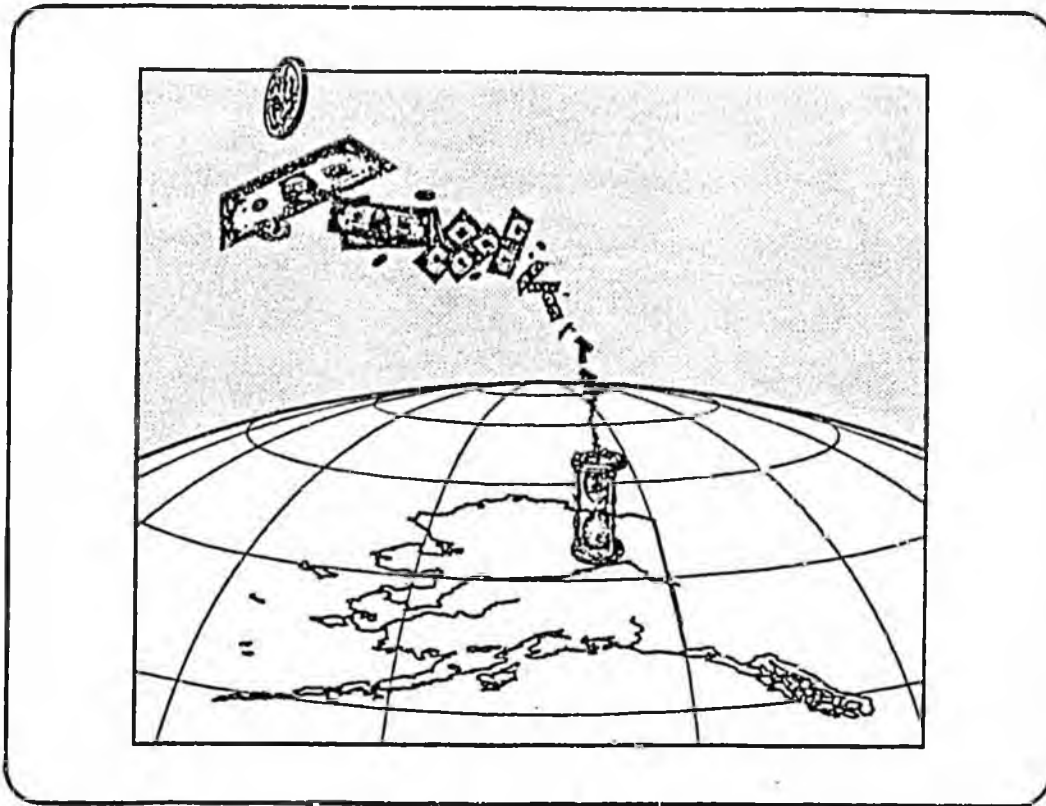
• Uranium. Both enriched 235 and 238 are used in nuclear warheads. Cop pounds of both forms, called isotopes — of this element can cause dermatitis, kidney damage and arteriosclerosis. Radiation from particles of uranium that lodge in the lungs poses long-term cancer hazard.

• Beryllium. This metal is used in nuclear warheads as a mirror to focus internal energy and increase the power nuclear detonations. It is a extremely poisonous. Even short exposure to beryllium and its compounds can cause dermatitis, corneal burn, pneumonia and death.

• Tritium. A radioactive isotope of hydrogen, tritium is one of the main power sources in a thermonuclear explosion. When combined with oxygen to form water, it can enter the body as a chemical and cause kidney damage in a warhead that is usually compounded with lithium, and lithium tritide, combined with water, has unique properties similar to those of household lye.

• Chemical explosives. Nuclear warheads use conventional explosives to trigger. They are designed to be extremely insensitive to shock and to

Impacts of Declining Revenues On Alaska's Smaller Communities



February 1988

State of Alaska
Steve Cowper, Governor

Department of Community and Regional Affairs
David G. Hoffman, Commissioner

Municipal and Regional Assistance Division
Marty Rutherford, Director

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Impacts of Declining Revenues On Alaska's Smaller Communities

Summary

The Department of Community and Regional Affairs surveyed 128 of the smaller cities and 44 unincorporated communities statewide to determine their financial condition. This survey indicated the downturn in the state's economy has resulted in reduced revenues and services in small cities and unincorporated communities. As the full impacts of the State's economic condition filter out to small cities there could be even more significant reductions in revenues and services in small communities.

Basic public health and safety services such as fire, police, health, water and sanitation have been reduced across the State in an effort to accommodate declining revenues. In addition 47 communities reported they did not provide water service and 82 communities did not provide sewer service. Every region of the state reports an increase in the number of cities and communities with residents who are having difficulty paying for municipal services. It appears that the gains made in public health and safety in rural Alaska may be in jeopardy if State funding to smaller communities continues to decline.

In FY86, almost 60% of the revenue for second class cities was derived from direct State funding of entitlement programs, capital project grants or contracts for services (see Chart 1.2, page 1.2). Entitlement programs such as Revenue Sharing and Municipal Assistance are of even greater importance as the small community's capital project grant revenues are reduced. If further reductions occur in entitlement programs it could result in even greater cuts to basic health and safety services since these funds often "subsidize" water, sewer and medical services.

Because of local economic conditions it is unlikely that most cities will be able to increase taxes or service charges to fully offset the decline in State funds. Unincorporated communities are even more dependent on State funds because they do not have the power of taxation. Many communities expect declines in health and public safety services if current levels and methods of State funding continue.

In order to cut costs, most communities have reduced positions, maintenance, operator training, and operating hours of facilities and equipment. Fifty seven of the cities surveyed reported they have no property loss insurance. These conditions indicate that the State investment in equipment and facilities may be in jeopardy, or at least that the useful life of facilities and equipment may be reduced if only local revenue is available to support these facilities and equipment.

Communities in the Yukon-Kuskokwim Delta, Bering Straits region, Northwest Arctic Borough and the Doyon region appear to be the most negatively impacted.

In the Appendix, eight community case studies are presented to illustrate the meaning of the survey results. Communities were selected as typical examples of small rural communities in their respective regions of the state.

Impacts of Declining Revenues On Alaska's Smaller Communities

Introduction

During October, 1987, the Department of Community and Regional Affairs, Division of Municipal and Regional Assistance, conducted a telephone survey of executive officials from 172 Alaskan municipalities and unincorporated communities. The survey was designed to gather information on the financial situation of communities outside of the major metropolitan areas. The survey concentrated on these communities because there was little information available on the economic impacts upon the smaller communities compared to information about urban areas.

The survey results are presented on a statewide basis, by regions of the state, and by community size. The intent of the survey was to focus upon the more profound and widespread financial issue confronting Alaska's smaller communities.

This Report is divided into five chapters:

Chapter One – Municipal Survey Results:

This chapter reviews the significant findings of the Economic Dislocation Survey as it relates to small rural cities. The survey data are examined in terms of regions, and city size. This chapter looks closely at the revenue situation and impacts upon service delivery.

Chapter Two – Unincorporated Community Survey Results

This chapter reviews the significant findings of the Economic Dislocation Survey as they related to the State's unincorporated communities

Chapter Three – Policy Issues

This chapter identifies and discusses some of the major policy implications for the State to be drawn from the survey results.

Appendix – City Case Studies

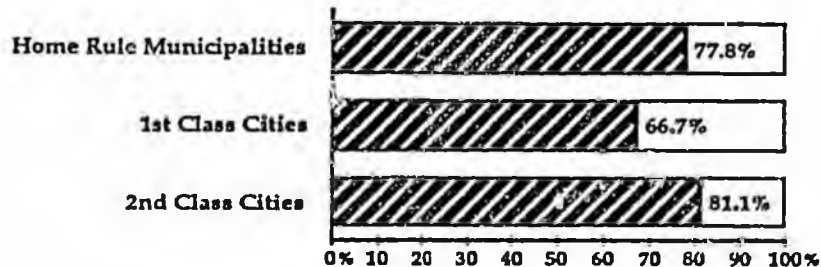
This chapter is an effort to bring the realities of the economic situation facing rural cities into a more focused perspective. Each case study presents a description of city revenues and expenditures as well as the level and type of services provided by the city. The purpose of the case studies is to review a "typical" city in each region and not look for worst case scenarios.

Chapter 1

Municipal Revenue Reductions

With the recent downturn in the state's economy there has been a reciprocal reduction in municipal revenues and expenditures. For the cities in the survey sample, it appears that an overwhelming majority have reduced budgets this fiscal year. The following chart identifies the percentage of cities statewide which experienced budget reductions this year:

Chart 1.1 Percentage of Surveyed Municipalities With Budgets Reduced From Last Year



The municipalities with budget reductions identified in the above chart are indicative of a trend that has been occurring for several years. The following Chart 1.2 reveals the trend in municipal budget reductions for second class cities occurring since FY84.

The entitlement programs identified in Chart 1.2 (Municipal Assistance and State Revenue Sharing) have slightly declined in their proportion of municipal budgets as the amount of funding for entitlement programs has declined from FY84 to FY87.

Each year the State Revenue Sharing (SRS) and Municipal Assistance (MA) programs provide municipalities with essential operating revenues. The reduction in funding for each of these two programs from FY '86 to FY '88 amount to a little less than 32%. These reductions have an especially large impact on the second class cities as a significant portion of their budgets come from these program sources.

The entitlement funds are crucial to the operations of many small municipalities because these funds are the only source of discretionary funds. Such funds frequently cover municipal administrative costs, cover losses in services revenue, and help pay for services that generate little or no revenue.

Chart 1.2 also reveals that the overall contribution from State sources (Municipal Assistance, Revenue Sharing and Government Revenues) has consistently made up over 50% of the operating revenues available to small municipalities until FY 87. As government revenues have been drastically reduced, the State contribution has dropped to 42.3% in FY 87.

The following chart demonstrates how municipal budget reductions have varied by regions of the state.

Chart 1.3 Percentage of Surveyed Municipalities (By Region) With Budgets Reduced From Previous Year

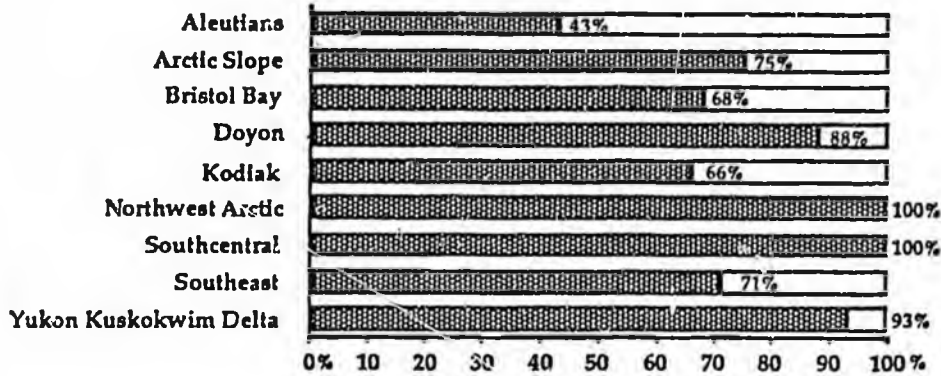
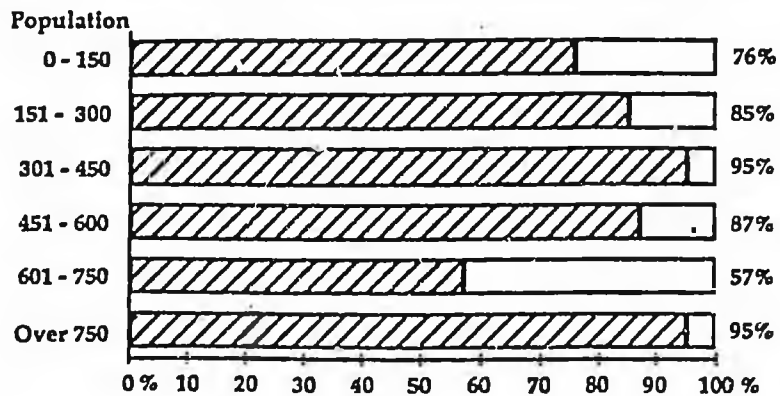


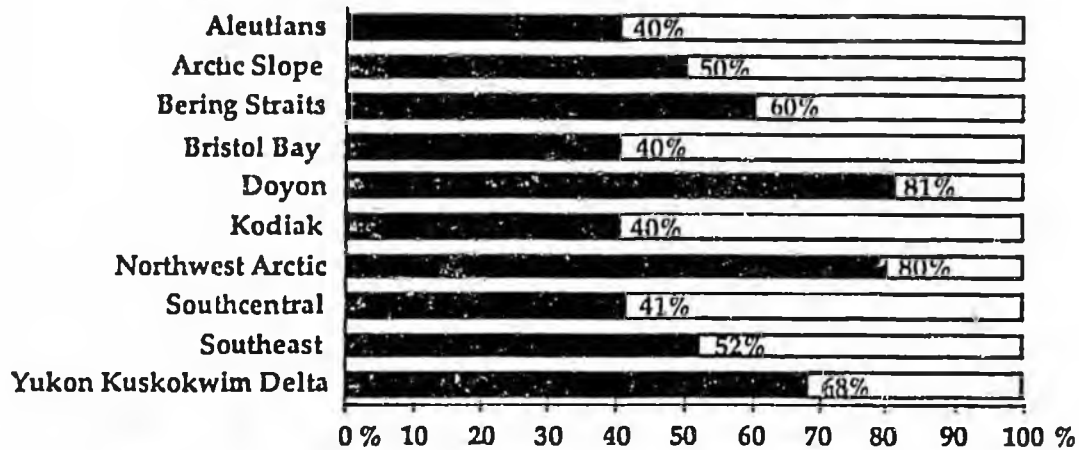
Chart 1.4 identifies by city size the effect of budget reductions. Note that over 90% of Alaska's second class cities have a population of 600 or less. It is clear from the chart that an overwhelming majority of the second class cities surveyed have experienced budget reductions.

Chart 1.4 Percentage of Surveyed Municipalities (By Community Size) With Budgets Reduced From Previous Year



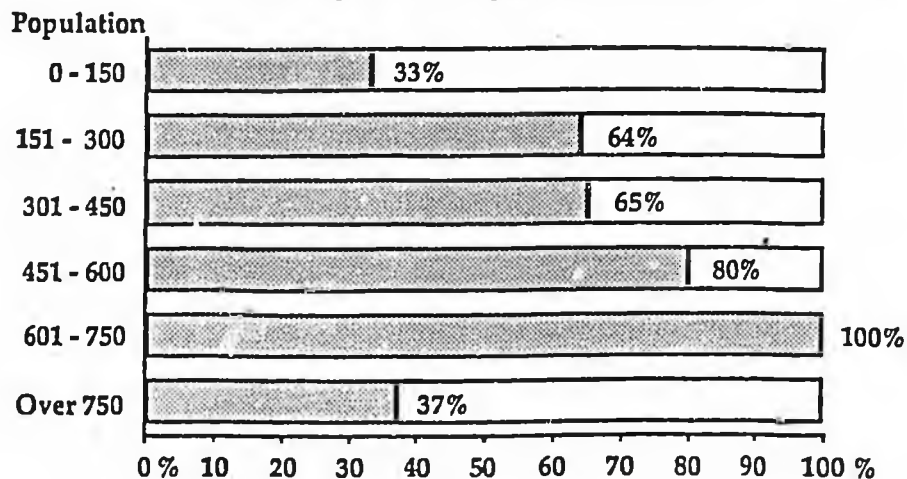
The reduced ability of families to pay municipal service charges compounds the problem of reduced city revenues. The following charts identify where the impacts of reduced ability to pay for municipal services are being experienced:

Chart 1.7 Percentage of Surveyed Municipalities (By Region) Reporting An Increased Number Of Families Experiencing Difficulty In Paying For Services



The following chart indicates that residents in many smaller cities are experiencing a reduced ability to pay for services.

Chart 1.8 Percentage of Surveyed Municipalities (By Community Size) Reporting An Increased Number Of Families Experiencing Difficulty In Paying For Services



According to the survey results, of the 128 cities questioned 55% (70 cities) provide police services. This fiscal year, thirty-eight (38) of the 70 cities providing this service have had to reduce police services. In addition, 17% (12 cities) of the cities providing police protection report that the service will be eliminated if local economic conditions continue next year.

The survey further indicates that the most common reductions are in the areas of staff positions; reduced hours; and, reduced salaries.

POLICY ISSUES: There are several factors that demand that rural cities have local public safety officials. As indicated in recent Anchorage Daily News articles, rural Alaska tends to have a high level of violent crime and death, much of which is alcohol related. The control of alcohol coming into communities is a difficult task but without the ability to enforce local alcohol control laws the task is impossible. In addition, most of these cities are remote and isolated from immediate assistance from the State Troopers. A forced reduction in rural public safety raises the questions of how important it is to the State to ensure the safety of rural residents and whether there is a basic level of protection all communities should enjoy.

HEALTH CLINICS

The majority of Alaska's small rural cities have a health clinic staffed by Village Health Aides. The Health Aides provide primary and health maintenance care. A majority of these clinics are funded, in part, by the U.S. Indian Health Service. In addition, there are 118 cities dedicating a portion of State Revenue Sharing funds to clinic operations. A city's contributions to the clinic normally covers building maintenance, operations costs, and the funding of alternative health aides.

According to the survey results, of the 128 cities questioned 72% (92 cities) provide funds for community health clinics. This fiscal year, 23 of the 92 cities providing this service have had to reduce the level of service. In addition, 12.5% (16 cities) of the cities funding health clinics report that the funding will be eliminated if current revenue conditions continue next year.

The survey further indicates that the most common reductions are in the areas of operations and maintenance costs; reduced hours; and, equipment not replaced.

The great distance many small rural cities are from fully staffed medical facilities necessitates the continuation of fully operational village health clinics. Since Statehood, Alaska has funded the construction and maintenance of health clinic facilities across the State. This effort, combined with annual allocations of federal dollars and the efforts of the regional Native health corporations, has resulted in greatly improved health services for rural residents.

prohibitive cost of drilling wells in rural Alaska and the presence of deep permafrost make the feasibility of individual wells unlikely in many communities. A more detailed description of the range of water services provided by rural cities can be found in the Appendix - Community Profiles.

Of the 128 cities questioned, 77% (99 cities) have a municipal managed water service. This fiscal year, 17 of the 99 cities providing this service have had to reduce the level of service. Service charges have been increased by 13 cities. In addition, 14% (14 cities) of the cities managing a water service report that the service will be eliminated if local economic conditions continue next year.

The survey further indicates that the most common reductions are in the areas of reduced hours of operation; reduced salaries; and, reduced operation and maintenance budgets.

POLICY ISSUES: Having an ample supply of safe drinking water is one of the most basic community needs. Does the State have a responsibility to ensure that each community has adequate water? What will happen to the State's investment in water systems if maintenance is neglected? Are there sufficient dollars available for the Village Safe Water Program? How much will the State save in future health care costs by assuring safe drinking water is, and continues to be, available?

SEWER SERVICE

Virtually every rural city has a means of sewage disposal though some are rudimentary by urban standards. Such systems can vary from individual septic tanks, to a honey bucket pickup system with an open sewage lagoon, to an outhouse, or a sophisticated secondary treatment plant. Many of the systems have been developed with a combination of Public Health Service and State funds but are managed by the municipalities.

According to the survey results, of the 128 cities questioned 55% (70 cities) have a municipal managed sewage disposal system. This fiscal year, 11 of the 70 cities providing this service have had to reduce the level of service this year. Service charges have been increased by 11 cities. In addition, 16% (11 cities) of the cities managing a sewage disposal system report that the service will be eliminated if local economic conditions continue next year.

The survey further indicates that the most common reductions are in the areas of reduced salaries; reduced positions; reduced hours; and, reduced operation and maintenance budgets.

POLICY ISSUES: The safe and sanitary disposal of sewage is essential for the maintenance of community health. If the existing rural systems are allowed to deteriorate there could a reciprocal decline in residents health. Again, is there a basic level of sanitation services that the State should guarantee each community in order to prevent higher health care costs in the future?

LAUNDRY FACILITIES

Many rural cities have city owned and operated laundry facilities. The city laundry frequently is the watering point for communities without distribution systems and also offers bathing facilities. The management of a laundry facility can also provide a city without a sewage system a means for disposing waste gray water. Many of these facilities have been constructed with funding from the State's Village Safe Water Program.

According to the survey results, of the 128 cities questioned 31% (40 cities) have a municipal managed laundry facility. twenty-two of the 40 cities providing this service have had to reduce the level of service this year. In addition, 20% (8 cities) of the cities managing a laundry facility report that the service will be eliminated if local economic conditions continue next year.

The survey further indicates that the most common reductions are in the areas of reduced staff positions; reduced hours of operation; and, reduced operation and maintenance budgets.

POLICY ISSUES: To urban residents, laundry facilities might seem like a strange service for a local government to provide. However, in rural Alaska when many homes do not have running water, the laundry facility provides two basic public health functions: a place for washing clothes and bathing. Often the laundry building houses the only water treatment plant. The potential loss of these public facilities and the question of maintaining a basic level of public health should be considered by the State.

CITY ADMINISTRATION

The administration of a city government is an essential function in the management of a municipality. Almost every city in the State has paid administrative staff. In the smaller cities, this frequently includes only the mayor and an administrator/city clerk. In addition, many of these cities have staff who are responsible for the direct delivery of municipal services (i.e., equipment operations for road and landfill maintenance, and electrical plant operators).

According to the survey results, of the 128 cities questioned 97% (124 cities) have city administrative staff. This fiscal year, 73 of the 124 cities providing this service have had to reduce administrative capacities. This reduction has resulted in the loss of 122 positions in city government employment which is often a major source of year-round jobs in small cities.

The survey further indicates that the most common reductions in administrative capacity are in the areas of reduced staff positions; reduced hours of operation; and, reduced salaries.

Municipal Services Reductions

The reductions in State Revenue Sharing (SRS) and Municipal Assistance (MA) combined with the downturn in capital construction funds have resulted in a reduction in the services provided by cities. Of the cities surveyed, 95% have had to reduce at least one service. The charts below indicate which services are provided by the surveyed cities and how these services have been reduced this year; statewide, and by region:

Chart 1.9 Number of Cities Surveyed Providing Municipal Services

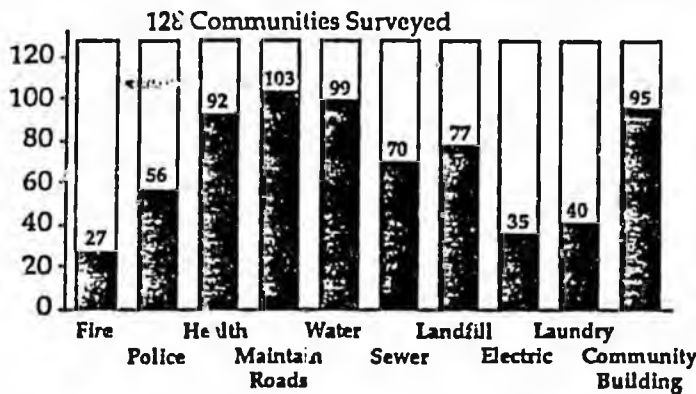


Chart 1.10 Percentage of Surveyed Municipalities Statewide Which Have Reduced Budgets This Year

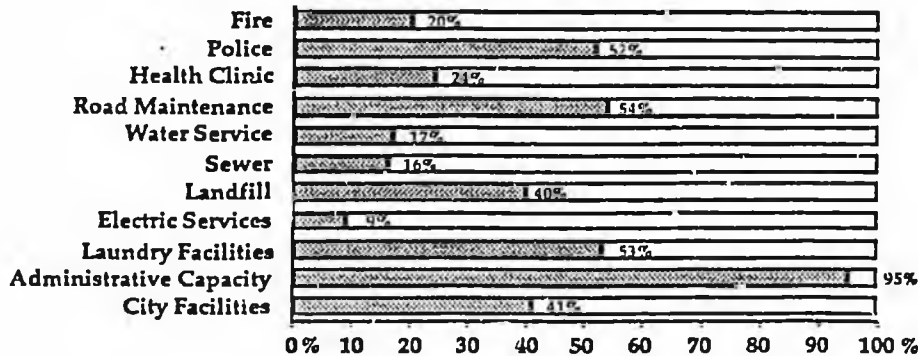


Chart 1.11 Percentage of Surveyed Municipalities (By Region) Which Have Reduced Essential Services

For each service, the three regions with the greatest percentages of reductions are highlighted

	Fire	Police	Health	Maintain Roads	Water	Sewer
Aleutians	-0-	40	17	40	17	-0-
Bering Straits	27	90	67	67	13	-0-
Bristol Bay	26	33	12	32	7	-0-
Doyon	21	20	23	37	24	11
Kodiak	33	-0-	25	67	17	20
Northwest Arctic	-0-	100	44	44	33	50
Southcentral	7	22	38	36	8	9
Southeast	16	58	28	47	17	29
Yukon Kuskokwim Delta	42	56	35	52	22	9

Note: The above percentages are based upon those cities providing services. Services for the Arctic Slope region are provided by the North Slope Borough and are not covered in this chart.

Insurance

Insurance is a large expense for many small cities. It is also a necessary expense to help ensure the continued delivery of municipal services. The survey results indicate that 45% of the surveyed communities do not have property insurance. This is significant because of the tremendous growth of public facilities in these communities during the past five years. The following charts depict the status of insurance coverage in rural Alaskan communities as identified by the survey.

Chart 1.14 Liability Insurance Coverage of Surveyed Communities

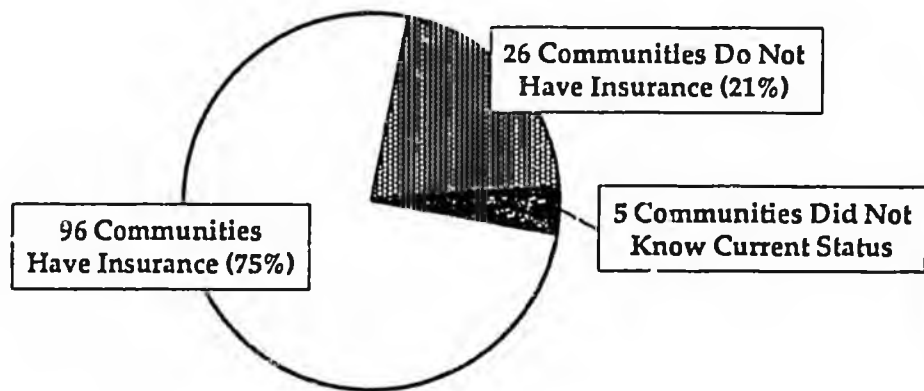
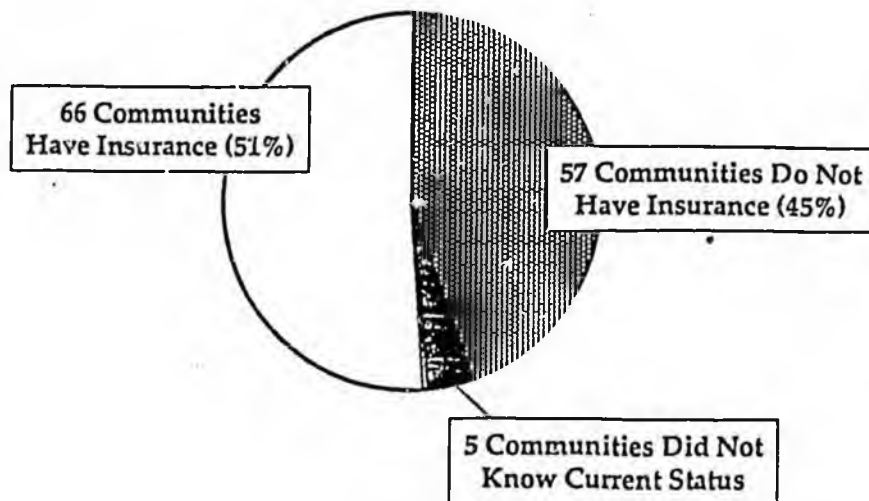
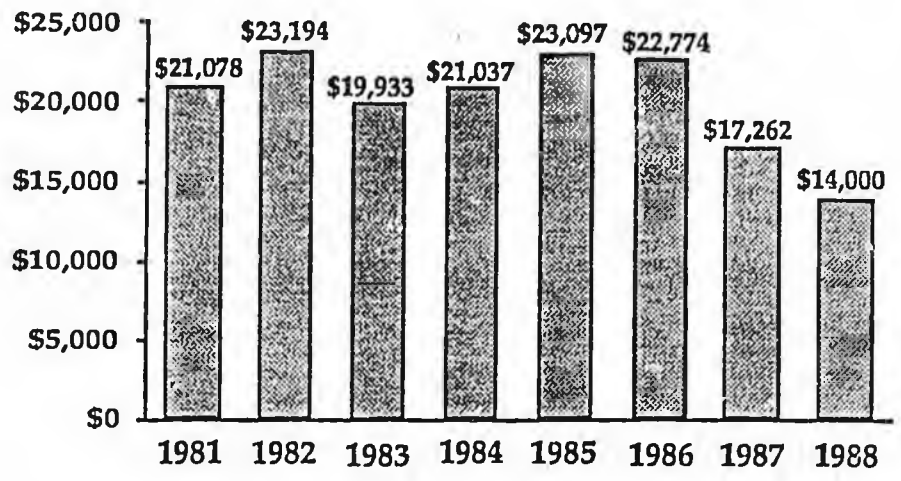


Chart 1.15 Property Loss Insurance Coverage of Surveyed Communities



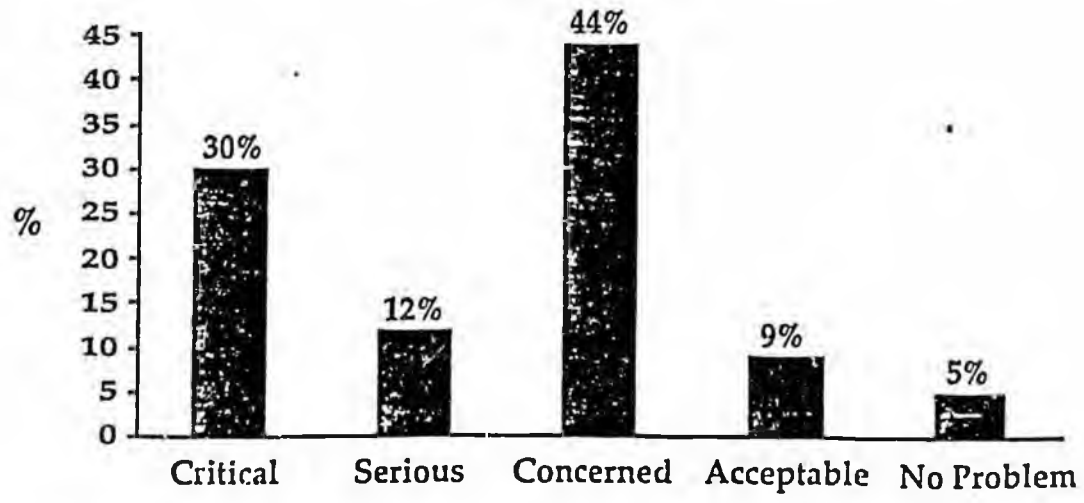
The reduction in State Revenue Sharing dollars has had a pronounced affect upon the communities. Since 1985 there has been almost a 40% reduction in these funds available to unincorporated communities. Table 4.6 profiles rise and fall of State Revenue Sharing funds distributed to these communities from 1981 to the present. The amount each unincorporated community receives is a flat amount and is not influenced by the type or level of services offered by a community.

Chart 4.2 Revenue Sharing For Unincorporated Communities Since 1981



The unincorporated communities are concerned with the current state of their local economies. All the communities surveyed were asked to think about the future of the community over the next couple of years and indicate how they saw their financial situation. The results show concern about the future. Table 4.2 indicates that 86% of the respondents view their situation from critical to concerned.

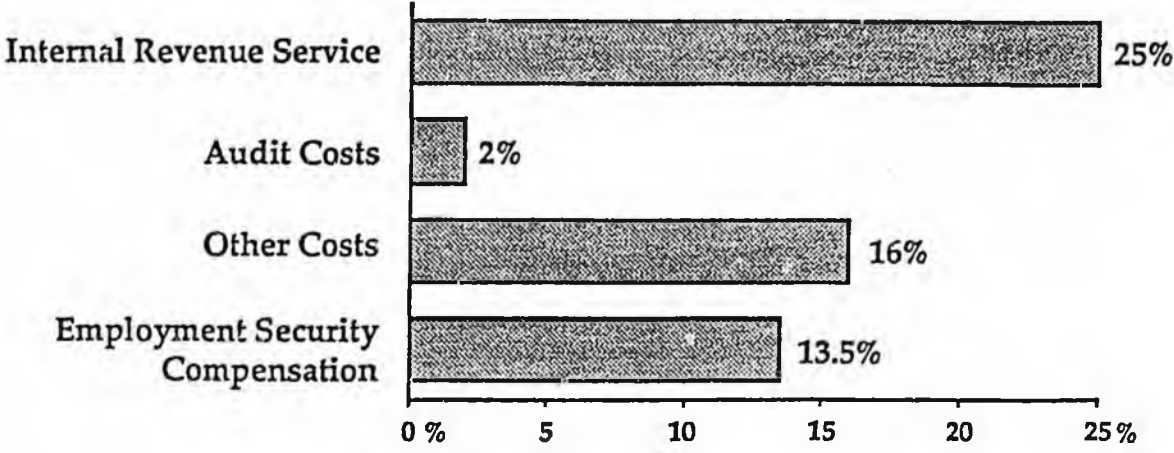
Chart 4.3 Unincorporated Communities Financial Situation As Reported In Survey



UNINCORPORATED DEBTS

A significant number of the unincorporated communities have incurred additional debts this year, placing increased pressure on limited budgets. The following chart identifies what percentage of the unincorporated communities surveyed have encumbered what kinds of increased debts.

Chart 4.6 Percentages of Surveyed Unincorporated Communities With Significant Debts



Chapter 3

Policy Implications of the Economic Dislocation Survey Results

The results of the Economic Development Survey indicate that Alaska's economic downturn, and particularly the reduction in State funding of local government projects, has seriously affected the ability of rural communities to provide basic public services. The communities surveyed have reported increasing difficulty in meeting the costs of maintaining and operating the many public facilities constructed during Alaska's recent period of relative wealth. Indications are that the abilities of rural communities to provide services and maintain facilities will continue to deteriorate unless there is a significant turnaround in the state's general economic picture. At the same time, the ability of State government to assist local communities has been severely handicapped by the decline in State revenues.

This situation poses significant questions for decision makers. A number of such questions are listed below, followed by a discussion which expands upon these questions.

POLICY QUESTIONS

- **State Responsibility.** What is the State's responsibility or appropriate role in addressing the immediate problem of reduced services and reduced facilities maintenance?
- **Local Responsibility.** What is the "local" responsibility, and ability, to address this situation.
- **Definition of "Basic Needs."** Should standards and criteria for "basic needs" be established to serve as a framework for equitably determining the level of support for "essential" services? If so, should such standards include community size, or location, with respect to the relative efficiency of service provision and facilities maintenance? Should certain services and/or facilities be given priority status in State/local budget reduction considerations.
- **Local Government Problems.** Does the structure of local government formation in Alaska lead to the existence of local governments too small to meet the needed fiscal and service delivery requirements?
- **Mothballing Option.** Would the temporary mothballing of certain public facilities be a feasible measure?

A determination of local responsibility must be made in conjunction with a decision on the basic level of services to which all Alaskans are entitled. Once this decision is made, then costs of the basic level of services can be estimated. With this information in hand it is possible to address the question of local responsibility and ability to pay. (See discussion below on basic needs.)

There are a number of policy questions related to deciding local responsibility for providing services, and constructing and maintaining public facilities. Should an "appropriate" or "acceptable" level of local financial responsibility or "ability to pay" be determined? Would this be done on a statewide, regional, or community basis? Should standards and criteria be developed to serve as a framework for determining the allocation of financial responsibility between the State and local governments?

Regarding the "local ability to pay," there are two different kinds of measures that need to be considered. First, in considering the general feasibility of the public policy option of allocating certain costs between State and local governments (or other local entities), there is a need to estimate the level of financial burden which local governments (and residents) would potentially be able to bear. Secondly, if such an allocation policy was actually implemented, there would likely be a need to establish suitable criteria and standards for use in the formal determinations of an appropriate "local" share.

Determining "Basic" Needs

Many have argued for the establishment of a more rational capital project planning process and the establishment of standards which define in some way the level of services and facilities which would be considered as "basic" community needs. The few such standards that do exist are fragmented and often do not play any effective role in determining the actual course of community development.

The construction of particular public facilities in any given community is still largely the result of a fortunate encounter between available outside revenues, a "local" concept, and a specific political will at some level of government.

It is generally accepted in the U.S. that certain services are essential. Among these are education (mandated by law), public safety (police and fire protection) and health and sanitation (safe water, sewage disposal, solid waste disposal). However, given the relatively high cost of providing these services in many small Alaskan communities, and the fact that the State has limited resources, what can the State be reasonably expected to provide?

This question has several components:

- o To what services is every Alaskan entitled regardless of his/her or the local government's ability to pay?

Communities do receive substantial financial support from the State through programs such as Power Cost Equalization, State Revenue Sharing and Municipal Assistance. However, State funds have been on the decline and the fixed costs of operating and maintaining facilities are typically so high that they consume all of the State assistance monies, and then some. Communities who received financial assistance often do not have the human and additional financial resources necessary to provide the services they been encouraged to provide. It is difficult, with a small population base, to find the managers and technicians necessary to financially and administratively manage services and maintain facilities in a proper state of repair. Because of this lack of human and financial resources, many rural city governments are often far in debt; collections for services are behind, or not made at all; and equipment often must be replaced prematurely because of poor maintenance. Policy makers need to address this issue by examining structural alternatives to service provision. This could include some form of public service management and maintenance services on a regional or sub-regional basis. The maintenance and management of public facilities and services associated with the REAAs might serve as a beginning point.

Mothballing Alternative

A program of "mothballing" certain public facilities is one interim measure for policy makers to consider. Many existing community facilities were constructed during periods when State funding was relatively plentiful. Now there is a shortage of financial resources to adequately maintain these facilities.

One basic assumption in any serious discussion of mothballing is that the financial situation will improve in the future to the point that funds will be available to reopen and maintain a mothballed facility. Mothballing is premised on the chance that sometime in the future the facility can be restarted. If this does not appear to be the case, salvage of the facility may make the most economic sense. However, even if there is only a small chance that the facility can be restarted, it may make sense to mothball the facility, if the costs of doing so are relatively minor. Boarding windows, locking doors, draining fluids on equipment, covering exterior equipment, draining water pipes may be all that is required to keep equipment in order for several years.

Questions about mothballing need not only be answered at the local level, in terms of specific facilities, but also at the State level in terms of community facilities in general. For example: Is the economic situation going to change regarding the future ability to maintain facilities? What types of facilities should be mothballed? What are the appropriate measures to take for each facility? What are the costs and benefits of alternative measures? How much technical and financial assistance to communities should the state provide?

S B

42

SENATE COMMITTEE REPORT

FIRST COMMITTEE OF REFERRAL

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

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

FURTHER RES
FIN

1/9/89

DATE TURNED INTO OFFICE _____

Mr. President:

C&RA

Committee considered SB 42

state marine parks

and recommended:

replace with CS _____ same title

attached amendment(s) and new title

_____ letter of intent adopted

do pass

do not pass

no recommendation

individual recommendations

further referral to _____

FISCAL NOTE(S) attached zero

appropriation no FN attached

fiscal impact

Gov. FN introduced w/ bill

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

[Handwritten signatures: C. J. ...]

[Handwritten signature: ...]

[Handwritten signature: ...]

[Handwritten signature: Mike Szymanski]

[Handwritten signature: ...] - DO PASS
Chairman signature and recommendation

Committee backup attached

FISCAL NOTE

REQUEST:

Revision Date: _____
Title: State Marine Parks
Sponsor: _____
Requestor: Szymanski & Kerttula

Agency Affected: Dept. of Fish and Game
BRU: Habitat
Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

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

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

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

FUNDING: (Thousands of Dollars)

GENERAL FUND		0				
FEDERAL FUNDS		0				
OTHER		0				
TOTAL		0				

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

Prepared by: Alaska Dept. of Fish and Game
Division: Habitat
Approved by Commissioner: *Orville Ellensworth*
Agency: Dept. of Fish and Game

Phone: 465-4105
Date: 1/23/89
Date: 1.23.89

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



STATE OF ALASKA
OFFICE OF THE GOVERNOR
BILL ANALYSIS

DEPARTMENT Fish and Game	Habitat	BILL NUMBER SB42	SPONSOR Szymanski and Kerttula
SHORT TITLE OF BILL An Act relating to state marine parks			
DEPARTMENT POSITION Support			
PREPARED BY Frank Rie	<i>Frank H. Rie</i>	DATE 1/23/89	<i>Robert Szymanski</i> DATE 1-23-89

SUMMARY

OTHER AGENCIES AFFECTED BY BILL Department of Natural Resources Division of Parks	CONSTITUENT GROUPS AFFECTED BY BILL Recreational users, fishermen, hunters
ORGANIZATIONAL SUPPORT FOR BILL None known	ORGANIZATIONAL OPPOSITION TO BILL None known
FISCAL IMPACT: <input type="checkbox"/> NONE <input checked="" type="checkbox"/> FISCAL NOTE ATTACHED	

BACKGROUND/LEGISLATIVE INTENT
 o add new marine parks to the state park system.

ANALYSIS OF BILL/PROGRAM EFFECTS
 The bill would add to the marine parks system eleven new areas: Beaches; Cance Passage; Decision Point; Driftwood Bay; Entry Cove; Granite Point; Jack Bay; Safety Cove; Sandpit Point; Sunny Cove; and Thumb Cove. This bill is in compliance with the recommendations agreed to in the Prince William Sound Area Plan.
 As written, the bill will specifically avoid overlap with the existing Cooper River Delta Critical Habitat Area. The critical habitat area is already managed for protection of fish and wildlife and their habitats and public use and enjoyment.

AMENDMENTS PROPOSED

PLEASE ATTACH A SEPARATE SHEET FOR ADDITIONAL COMMENTS OR ANALYSIS

**COMMUNITY AND REGIONAL AFFAIRS COMMITTEE
JANUARY 24, 1989**

**SENATE BILL 42: AN ACT RELATING TO STATE MARINE PARKS
SPONSOR: SZYMANSKI
FISCAL:**

THE NEXT BILL BEFORE THE COMMITTEE IS SENATE BILL 42, AN ACT RELATING TO STATE MARINE PARKS. THIS BILL WOULD ADD TWELVE NEW UNITS TO THE PRESENT MARINE PARK SYSTEM. THE ADDED UNITS ARE PRIMARILY IN PRINCE WILLIAM SOUND BUT SEVERAL ARE IN THE SEWARD AND RESURRECTION BAY VICINITY.

THE BILL IS ACCOMPANIED BY TWO FISCAL NOTES. ONE FROM THE DEPARTMENT OF NATURAL RESOURCES IS FOR \$36,500 IN FY 90. THE OTHER FROM THE DEPARTMENT OF FISH AND GAME IS ZERO.

SENATOR SZYMANSKI, THE BILL'S SPONSOR IS HERE TO TESTIFY. WE ALSO HAVE PEOPLE ON TELECONFERENCE FROM ANCHORAGE TO TESTIFY.

**T-CONF: PETE NOGLE- FROM CHUGIAK AK CORP
RITA HENDRICKS-PRINCE WILLIAM SOUND
CLIFF AMES-AK CENTER FOR ENVIRONMENT**

**AL MINERS DNR WILL BE HERE TO ANSWER QUESTIONS
BOB LAUFFLER-DNR
BILL GOUDE-**

STATE OF ALASKA
1989 LEGISLATIVE SESSION

BILL VERSION: SB 42

PUBLISH DATE: _____

FISCAL NOTE

REQUEST:

Revision Date: 23-Jan-89
Title: An Act relating to state marine parks
Sponsor: Szymanski & Kertulla
Requestor: Community & Regional Affairs

Agency Affected: Natural Resources
BRU: Parks Management

Components: Parks Management

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES		12.0	12.0	12.0	12.0	12.0
TRAVEL		0.0	0.0	0.0	0.0	0.0
CONTRACTUAL		2.0	2.0	2.0	2.0	2.0
SUPPLIES		3.0	3.0	3.0	3.0	3.0
EQUIPMENT		19.5	0.0	0.0	0.0	0.0
LAND&STRUCTURES						
GRANTS,CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	36.5	17.0	17.0	17.0	17.0

CAPITAL						
---------	--	--	--	--	--	--

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

FUNDING: (Thousands of Dollars)

GENERAL FUND		36.5	17.0	17.0	17.0	17.0
FEDERAL FUNDS						
OTHER						
TOTAL	0.0	36.5	17.0	17.0	17.0	17.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

See Attached

Prepared by: Neil Johannsen
Division: Parks Management

Phone: 762-2600

Date: 23-Jan-89

Approved by Commissioner: Lennie Gorsuch
Agency: Department of Natural Resources

Date: 23-Jan-89

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

Marine Parks

Personal Services: The following person months would be added to existing positions:

PCN 5223 Park Ranger I (Seward), 2 months @ \$3400/month - \$ 6,800
PCN 5144 Park Ranger II (Glenallen-Valdez), 1.5 months
@ \$3437/month -- \$ 5,200

Contractual: Boat storage, film processing, aircraft and vessel charters -- \$ 2,000

Supplies: Purchase of two lifejackets, a marine radio, fire extinguishers, emergency signaling equipment, survival suit, and miscellaneous camping equipment -- \$ 3,000

Equipment: Purchase of one 15 foot inflatable boat with a 25 hp motor and a trailer for use in the Valdez area, and purchase of one 18 foot Boston whaler for use in the Seward/Whittier area. \$19,500

Total \$36,500

These funds will provide a basic level of management for the new marine parks, as well as seven other previously established marine parks in this area. Rangers will work with the Prince William Sound Recreation Association in routinely supervising and managing the area's marine parks, and in developing management plans required under AS 41.21.302(c). The Division of Parks and Outdoor Recreation has signed a cooperative management agreement with this non-profit group.

PROPOSED ADDITIONS TO THE ALASKA MARINE PARK SYSTEM

<u>Contents</u>	<u>Page</u>
Introduction.....	A
Prince William Sound Region Map.....	B
Draft Bills..... HB 60 & SB 42	1
List of Areas/Acres/AS#.....	5
Boswell Bay.....	6
Canoe Passage.....	7
Decision Point.....	8
Driftwood Bay.....	9
Entry Cove.....	10
Granite Bay.....	11
Kayak Island.....	12
Jack Bay.....	13
Safety Cove.....	14
Sandspit Point.....	15
Sunny Cove.....	16
Thumbs Cove.....	17

Prepared by

Alaska Division of Parks

December 1988

Grant Anderson: No funds - get copy of manuscript re: Prince William Sound Region Project Map

PROPOSED ADDITIONS
TO THE
ALASKA MARINE PARK SYSTEM

The bill will add twelve marine parks to the Alaska State Park System. Five of the areas are located in the Seward/Resurrection Bay area and seven are located in Prince William Sound. These areas will be managed under the same laws and regulations as existing units of the Alaska Marine Park System (AS 41.21.302).

The areas proposed as marine parks possess a wide variety of public values. They are areas frequented by Alaskans and visitors to the state for saltwater recreation activities. They contain outstanding scenic and natural values. Fish and wildlife values in these areas are high. These areas are generally located close to the communities of Seward, Whittier, Valdez and Cordova. They range in size from several hundred acres to several thousand. Under the provisions of the existing marine park law (AS 41.21.302) these areas will be managed to:

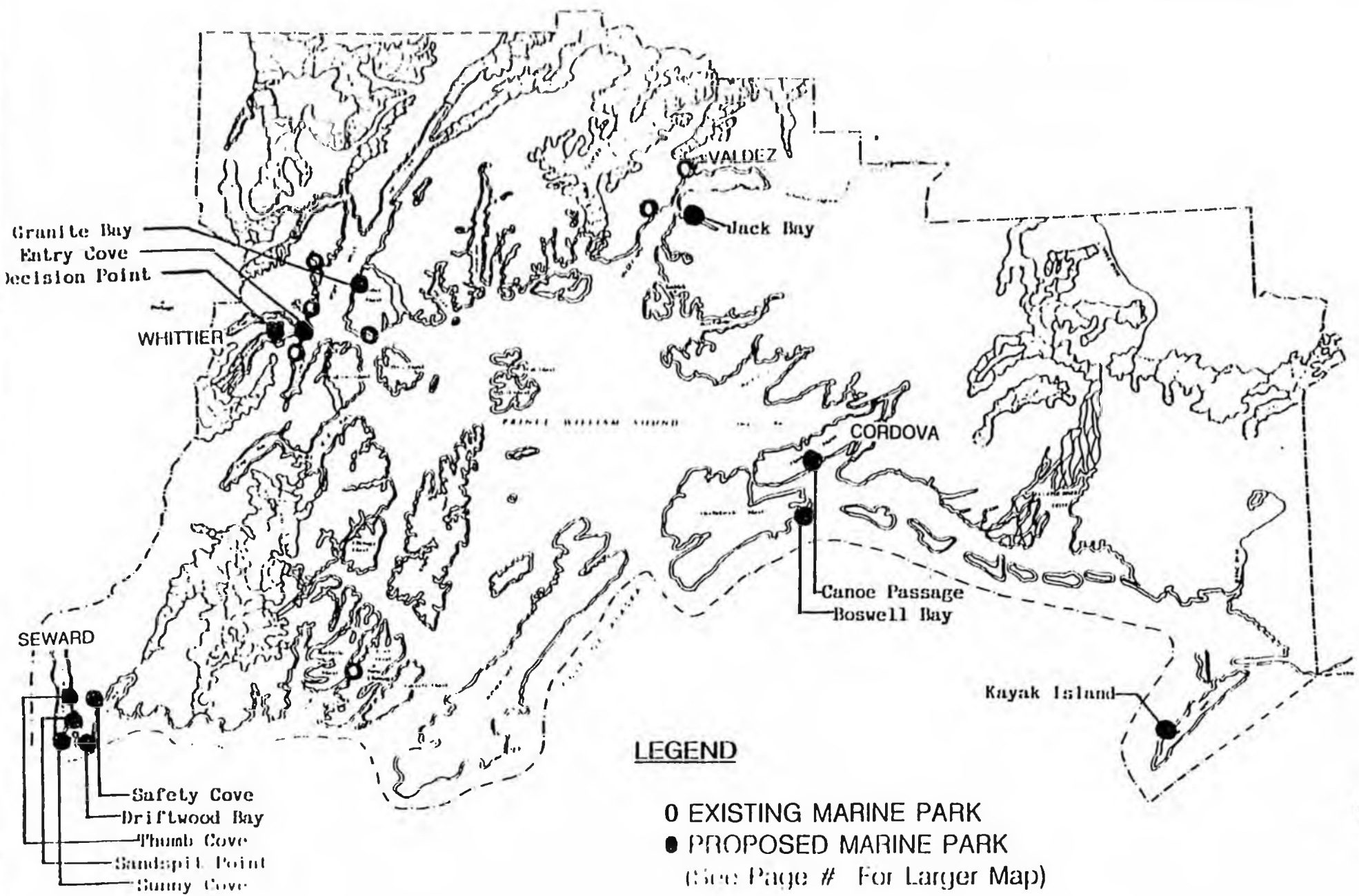
- (1) maintain natural, cultural, and scenic values;
- (2) maintain fish and wildlife resources and lawful existing uses of these resources;
- (3) promote and support recreation and tourism in the state.

DNR is assigned the land and resource management responsibilities in the areas. ADF&G manages the fish and wildlife resources including harvest activities.

Development of aquaculture facilities is permitted, though it may be regulated to protect park values. Access to adjoining mining claims is provided for as is cooperative management of native historical sites. Management plans are to be prepared for each area. The preparation of these plans requires consultation with agencies, local governments and interest groups.

The proposed marine parks are supported by the Cities of Seward and Whittier, Chugach Alaska, Inc. and outdoor recreation and conservation groups. The designation by the legislature of these areas as marine parks is recommended by DNR's recently completed Prince William Sound Area Plan. Public support for the establishment of these marine parks is strong, as evidenced by testimony at numerous public meetings on the Prince William Sound Area Plan.

PRINCE WILLIAM SOUND/RESURRECTION BAY STATE MARINE PARKS

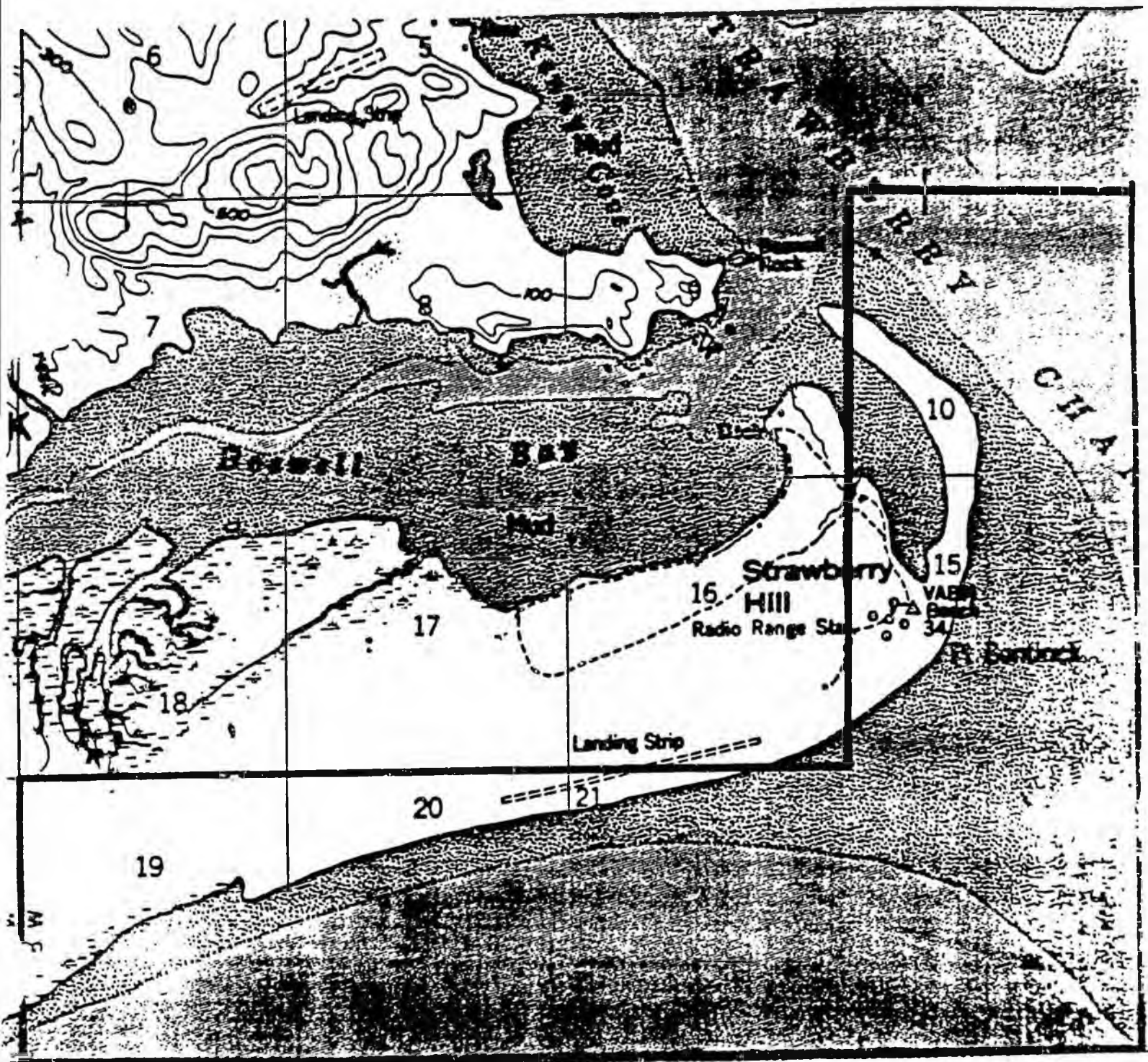


LEGEND

- EXISTING MARINE PARK
 - PROPOSED MARINE PARK
- (See Page # For Larger Map)

LIST OF AREAS

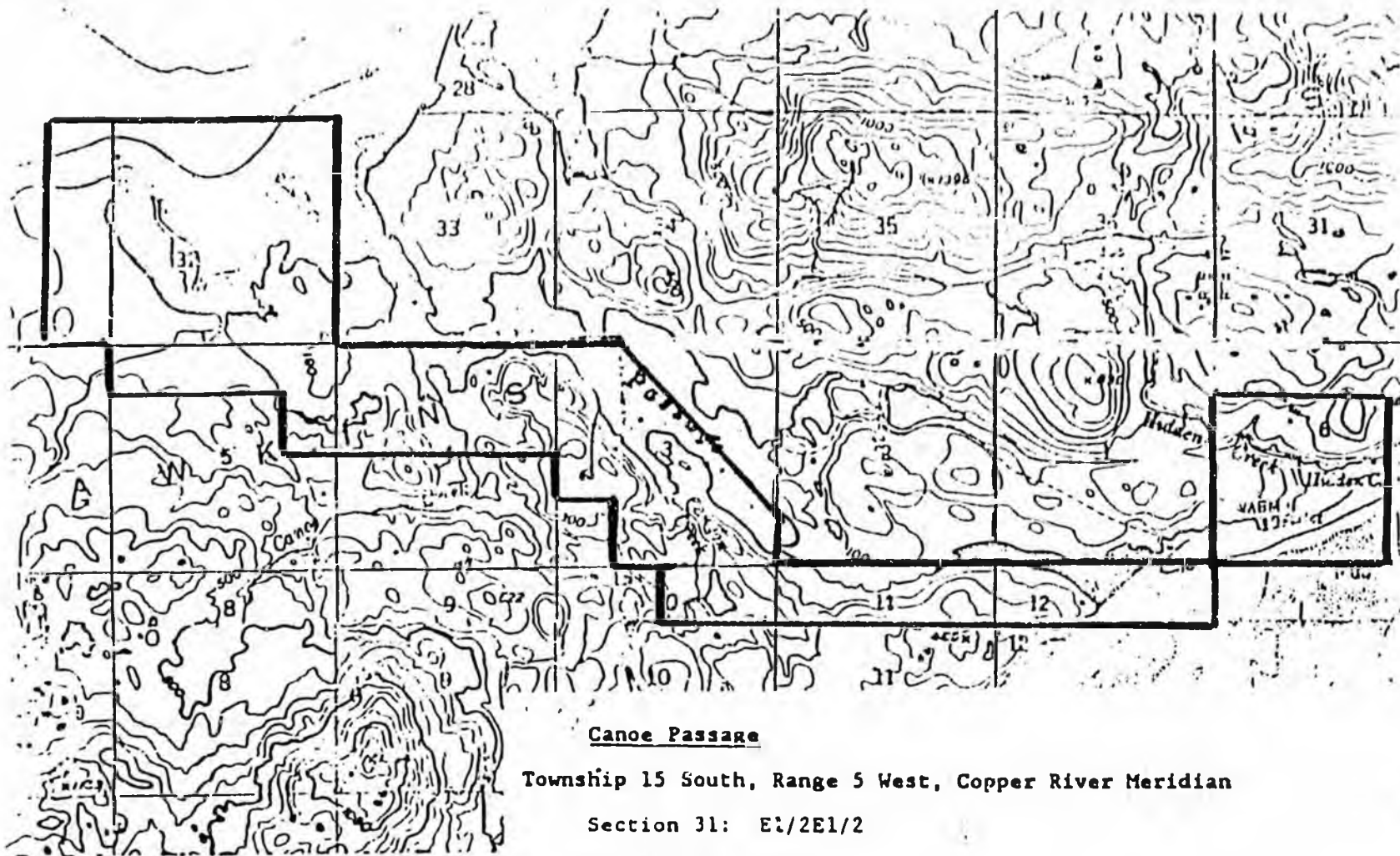
<u>Name</u>	<u>Acres</u>	<u>Map Page #</u>	<u>AS.41.21.304#</u>
Boswell Bay	799	6	20
Cance Passage	2,735	7	21
Decision Point	460	8	22
Driftwood Bay	840	9	23
Entry Cove	370	10	24
Granite Bay	2,105	11	25
Kayak Island	1,437	12	26
Jack Bay	811	13	27
Safety Cove	660	14	28
Sandspit Point	600	15	29
Sunny Cove	300	16	30
Thumbs Cove	300	17	31



BOSWELL BAY BEACHES (Upland acreage = approximately 799 acres)

- Township 17 South, Range 5 West, Copper River Meridian.
- Section 10: ALL excluding the Copper River Delta State Critical Habitat Area
 - Section 15: ALL excluding the Copper River Delta State Critical Habitat Area
 - Section 19: ALL
 - Section 20: ALL
 - Section 21: ALL
 - Section 22: AT.L.





Canoe Passage

Township 15 South, Range 5 West, Copper River Meridian

Section 31: E1/2E1/2

Section 32: All

Township 16 South, Range 4 West, Copper River Meridian

Section 6: S1/2, S1/2N1/2

Township 16 South, Range 5 West, Copper River Meridian

Section 3: the land South and West of the mid-channel
of Canoe Passage

Section 4: N1/2

Section 5: N1/2N1/2, SE1/4NE1/4

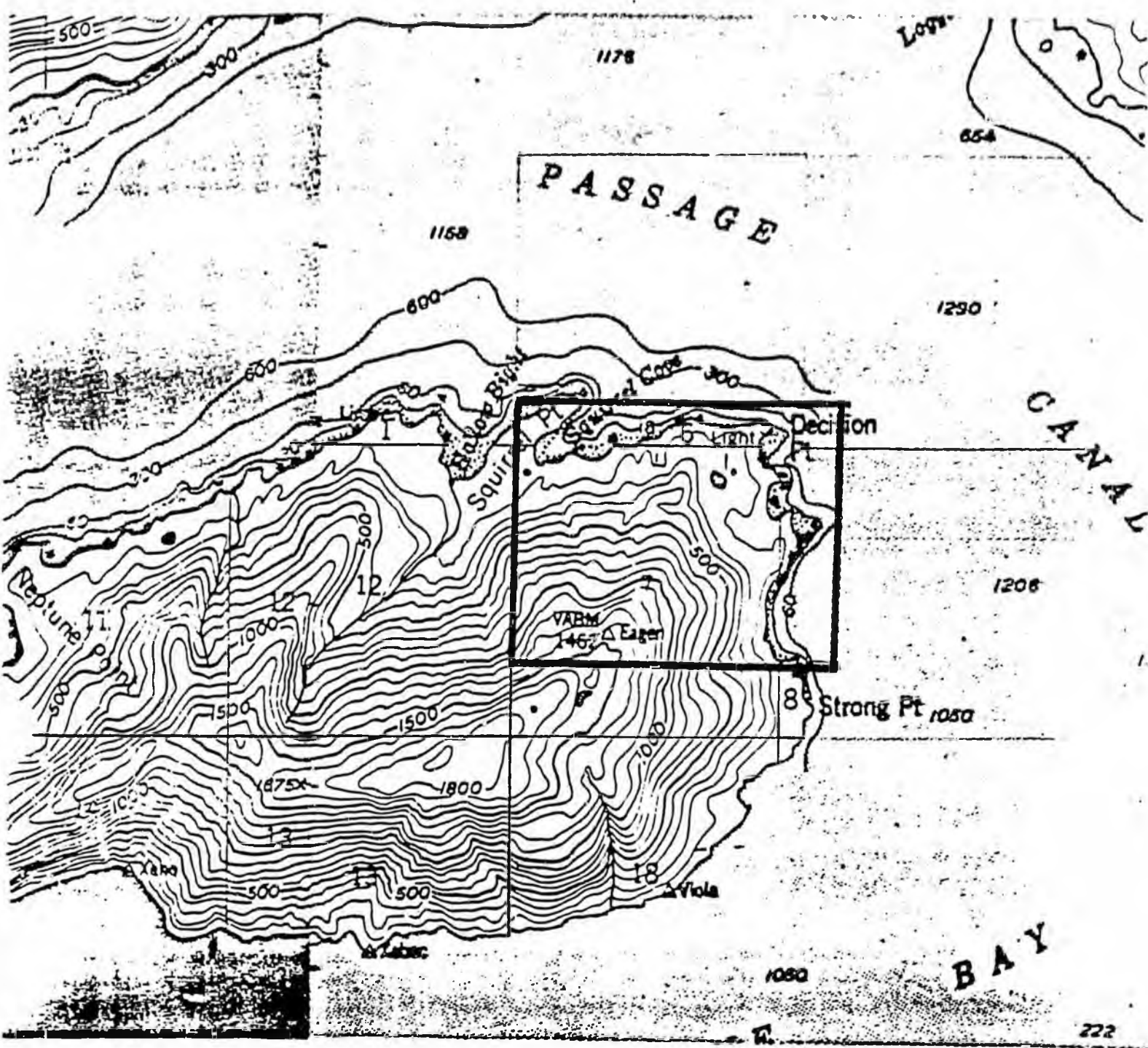
Section 10: N1/2NE1/4

Sections 11 -- 12: N1/2N1/2

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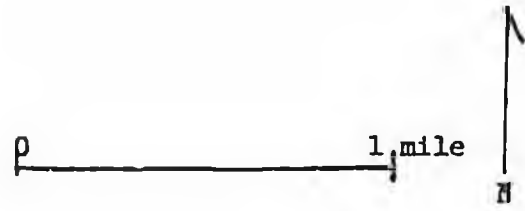


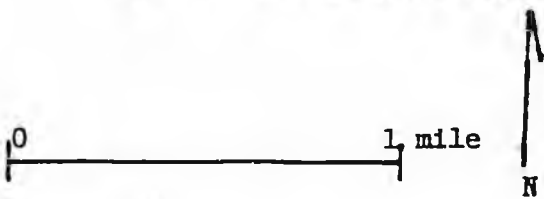
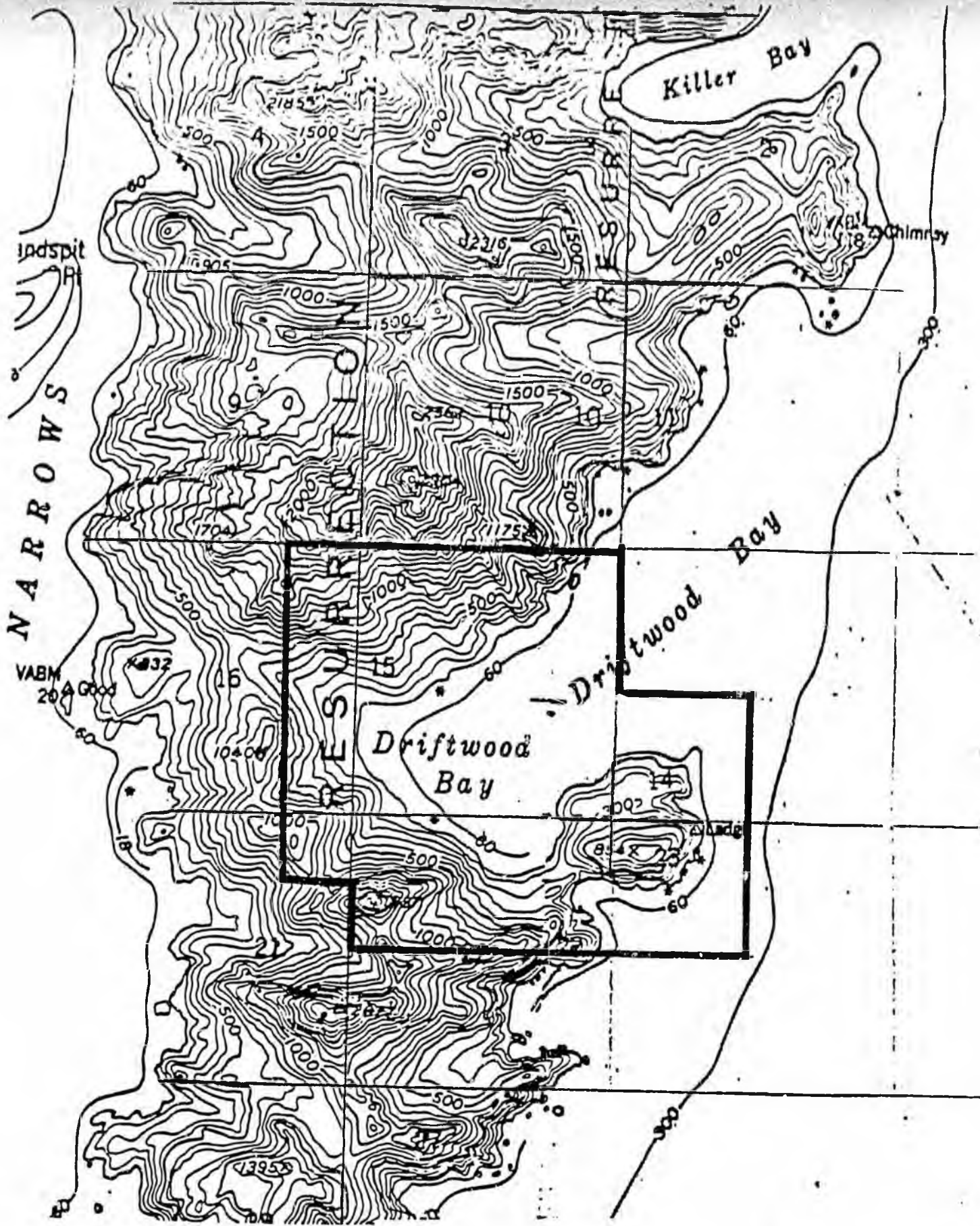


DECISION POINT (Upland acreage = approximately 460 acres)

Township 8 North, Range 6 East, Seward Meridian

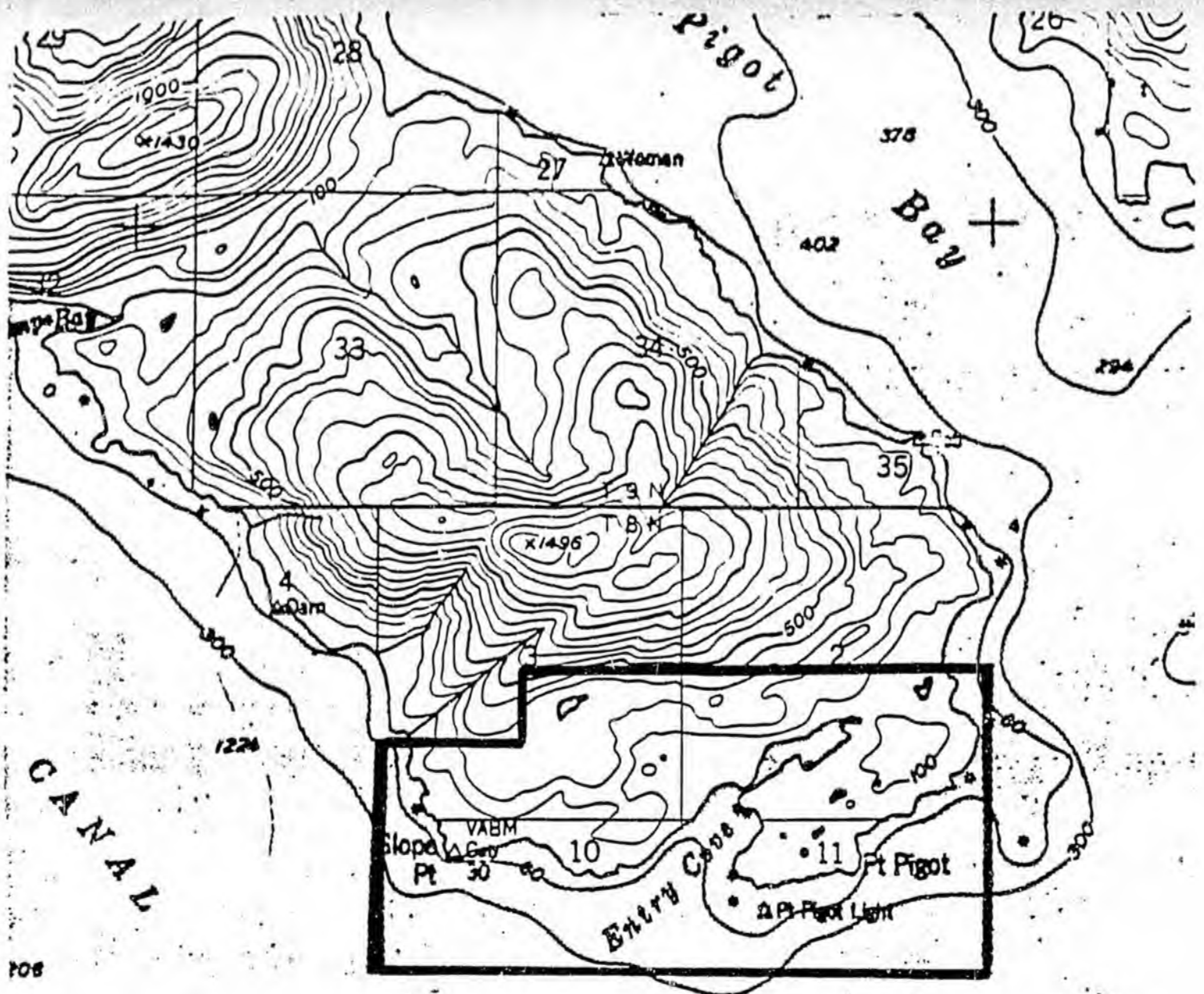
- Section 5: SW1/4SW1/4
- Section 6: S1/2S1/2
- Section 7: N1/2, N1/2S1/2
- Section 8: W1/2NW1/4, NW1/4SW1/4





DRIFTWOOD BAY (Upland acreage = approximately 840 acres)

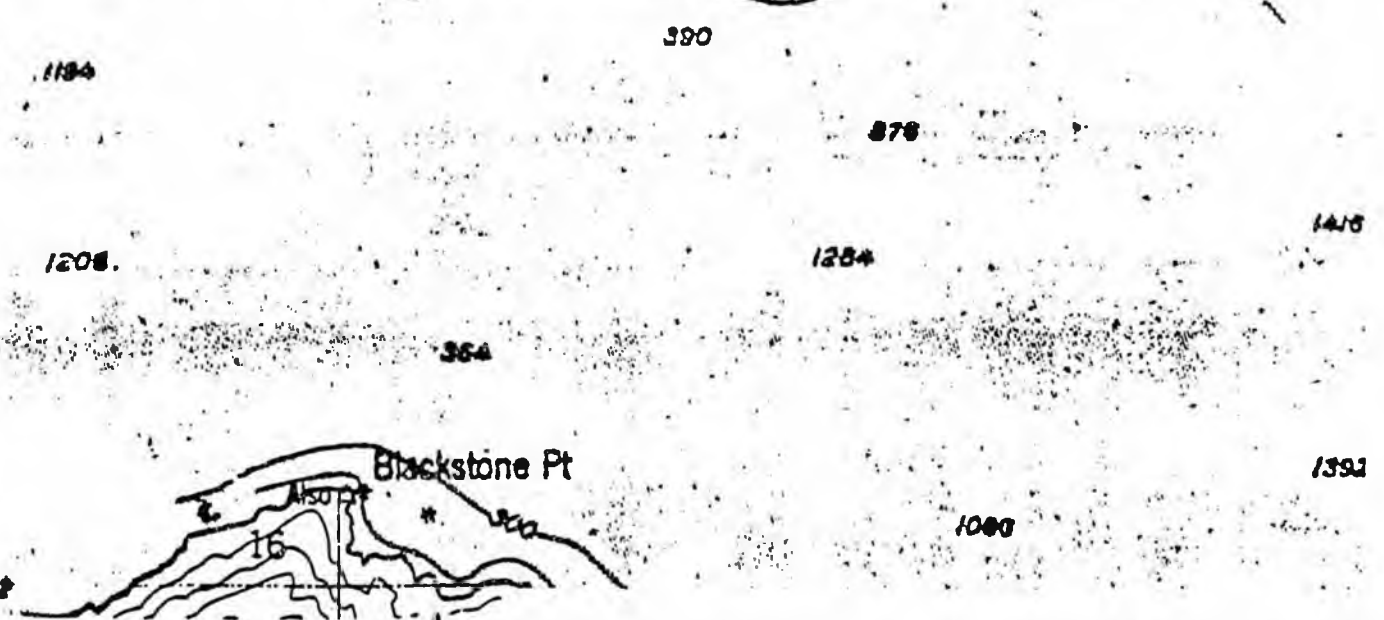
- Township 3 South, Range 1 East, Seward Meridian
- Section 14: SW1/4
 - Section 15: ALL
 - Section 16: E1/2E1/2
 - Section 21: NE1/4NE1/4
 - Section 22: N1/2
 - Section 23: NW1/4



CANAL

108

Y



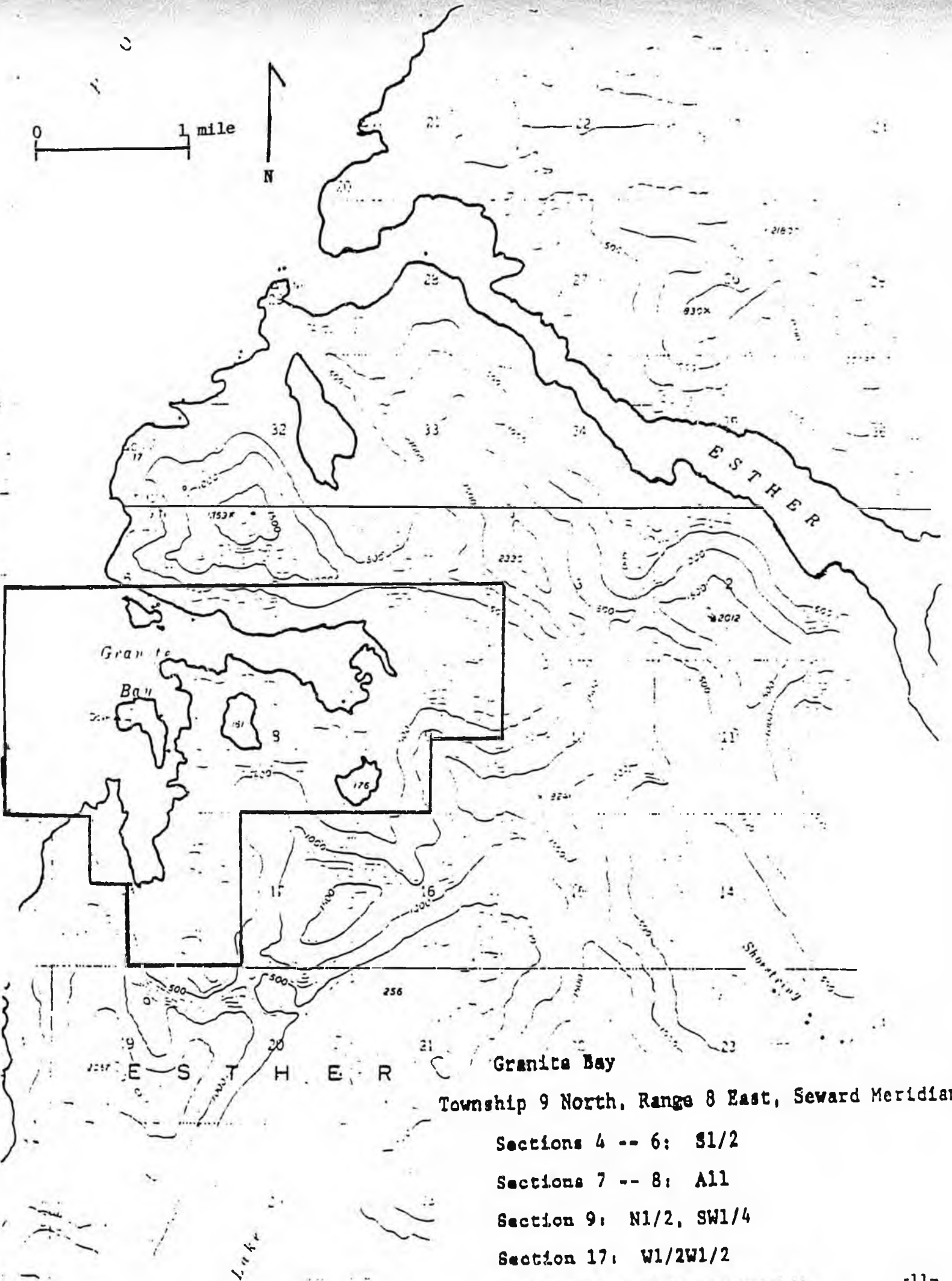
ENTRY COVE (Upland acreage = approximately 370 acres)

Township 8 North, Range 6 East, Seward Meridian
 Section 2: S1/2
 Section 3: SE1/4, S1/2SW1/4
 Section 10: N1/2
 Section 11: N1/2

0 1 mile

N

0 1 mile



Granite

Bay

ESTHER

ESTHER

Granite Bay

Township 9 North, Range 8 East, Seward Meridian

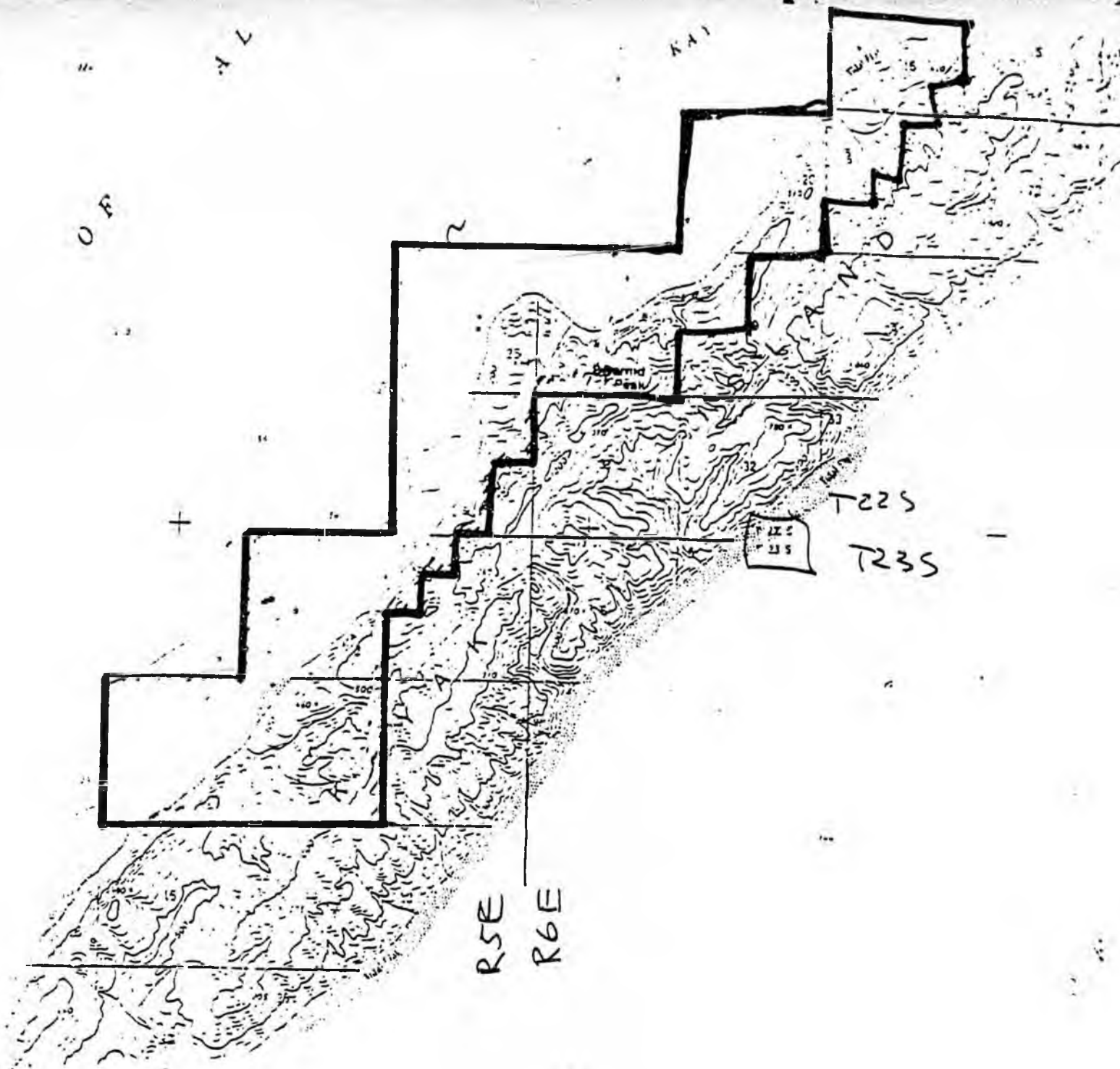
Sections 4 -- 6: S1/2

Sections 7 -- 8: All

Section 9: N1/2, SW1/4

Section 17: W1/2W1/2

Section 18: E1/2 E1/2NW1/4



Kayak Island

Township 22 South, Range 5 East, Copper River Meridian

Section 25: All

Section 36: N1/2, SW1/4, W1/2SE1/4

Township 22 South, Range 6 East, Copper River Meridian

Section 16: N1/2, SW1/4, N1/2SE1/4, SW1/4SE1/4

Section 20: All

Section 21: NW1/4, NW1/4SW1/4

Section 29: NW1/4

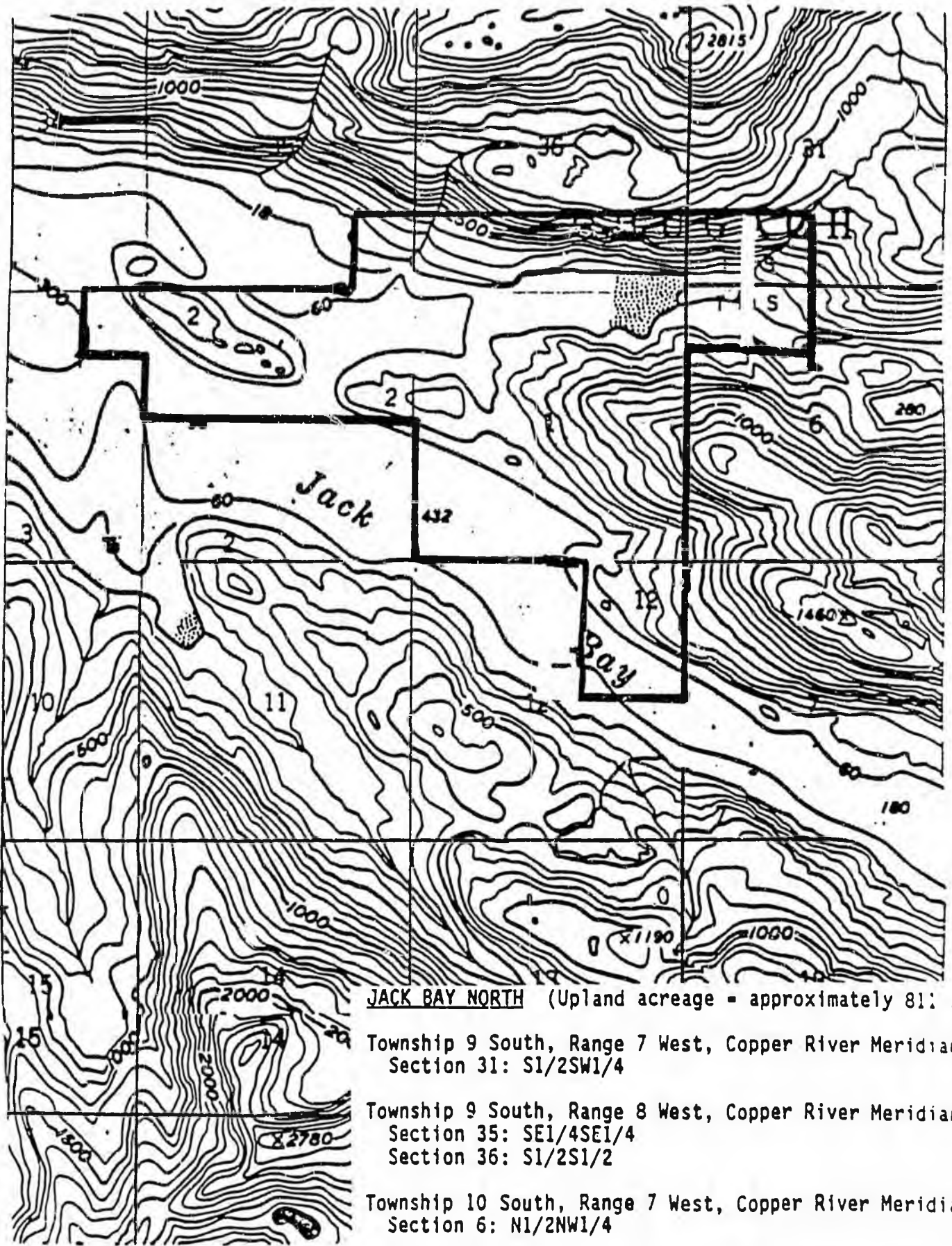
Section 30: All

Township 23 South, Range 5 East, Copper River Meridian

Section 1: N1/2NW1/4, SW1/4NW1/4

Section 2: All

Sections 10 -- 11: All



JACK BAY NORTH (Upland acreage = approximately 81 acres)

Township 9 South, Range 7 West, Copper River Meridian
Section 31: S1/2SW1/4

Township 9 South, Range 8 West, Copper River Meridian
Section 35: SE1/4SE1/4
Section 36: S1/2S1/2

Township 10 South, Range 7 West, Copper River Meridian
Section 6: N1/2NW1/4

Township 10 South, Range 8 West, Copper River Meridian
Section 1: ALL
Section 2: N1/2, N1/2N1/2S1/2
Section 3: NE1/4NE1/4
Section 12: E1/2NE1/4, S1/2W1/2NE1/4

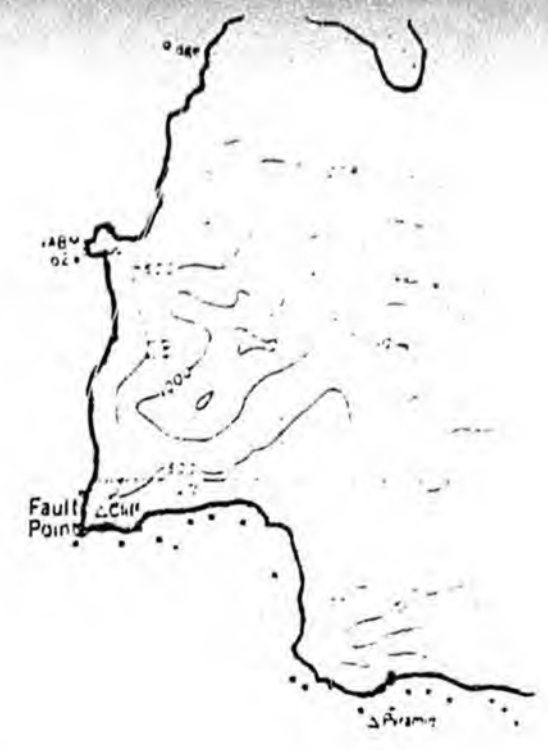




Bay

HARBOR

DAY

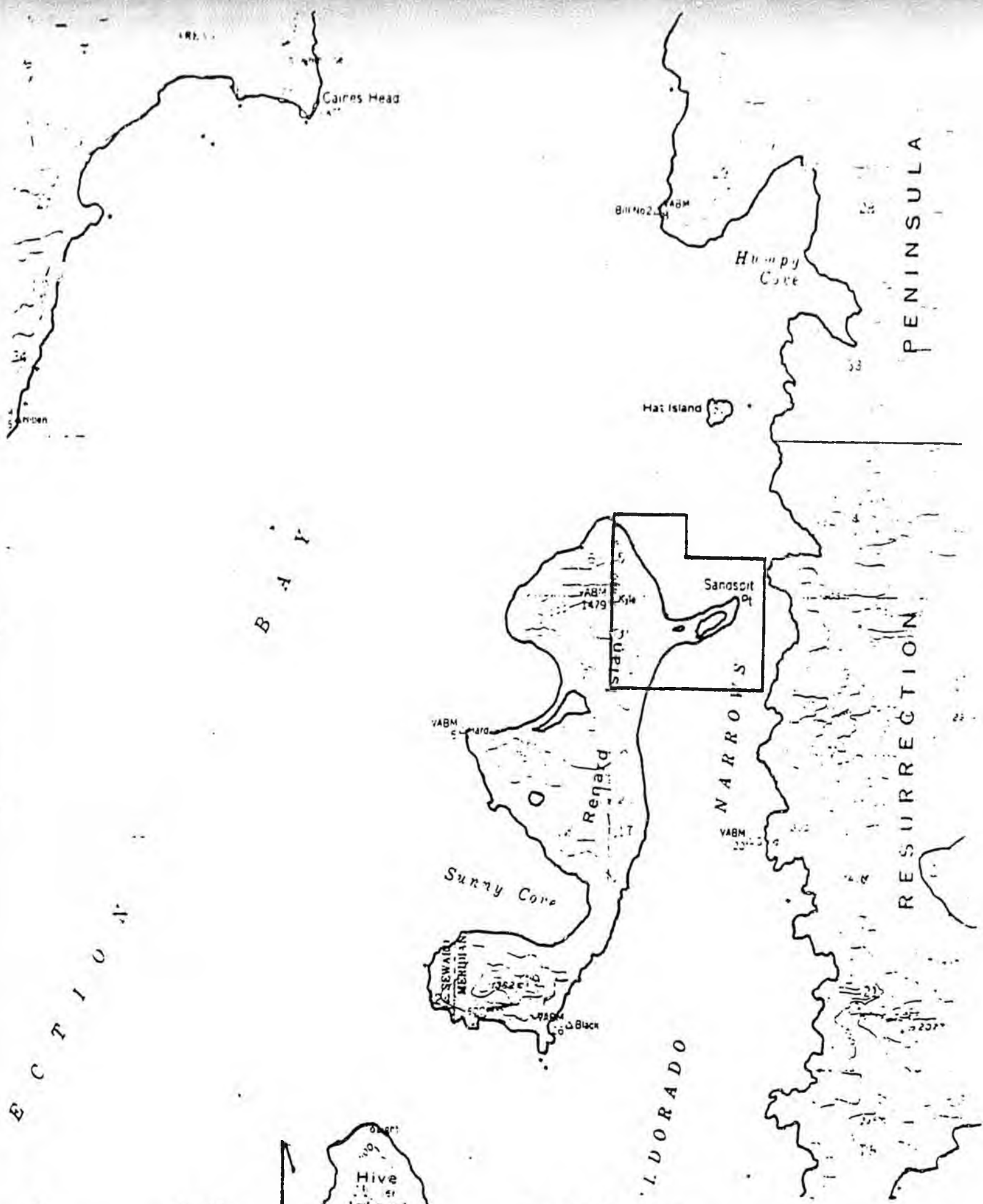


B L Y I N G

BOUND D-71



SAFETY COVE (Upland acreage = approximately 660 acres)
 Township 2 South, Range 1 East, Seward Meridian
 Section 23: S1/2
 Section 24: SW1/4
 Section 25: NW1/4
 Section 26: N1/2



Sandspit Point
 Township 3 South, Range 1 East, Seward Meridian

Section 5: SW1/4, S1/2SE1/4
 Section 8: N1/2

T 1 0 1



Sunny Cove

Township 3 South, Range 1 East, Seward Meridian

Section 19: All

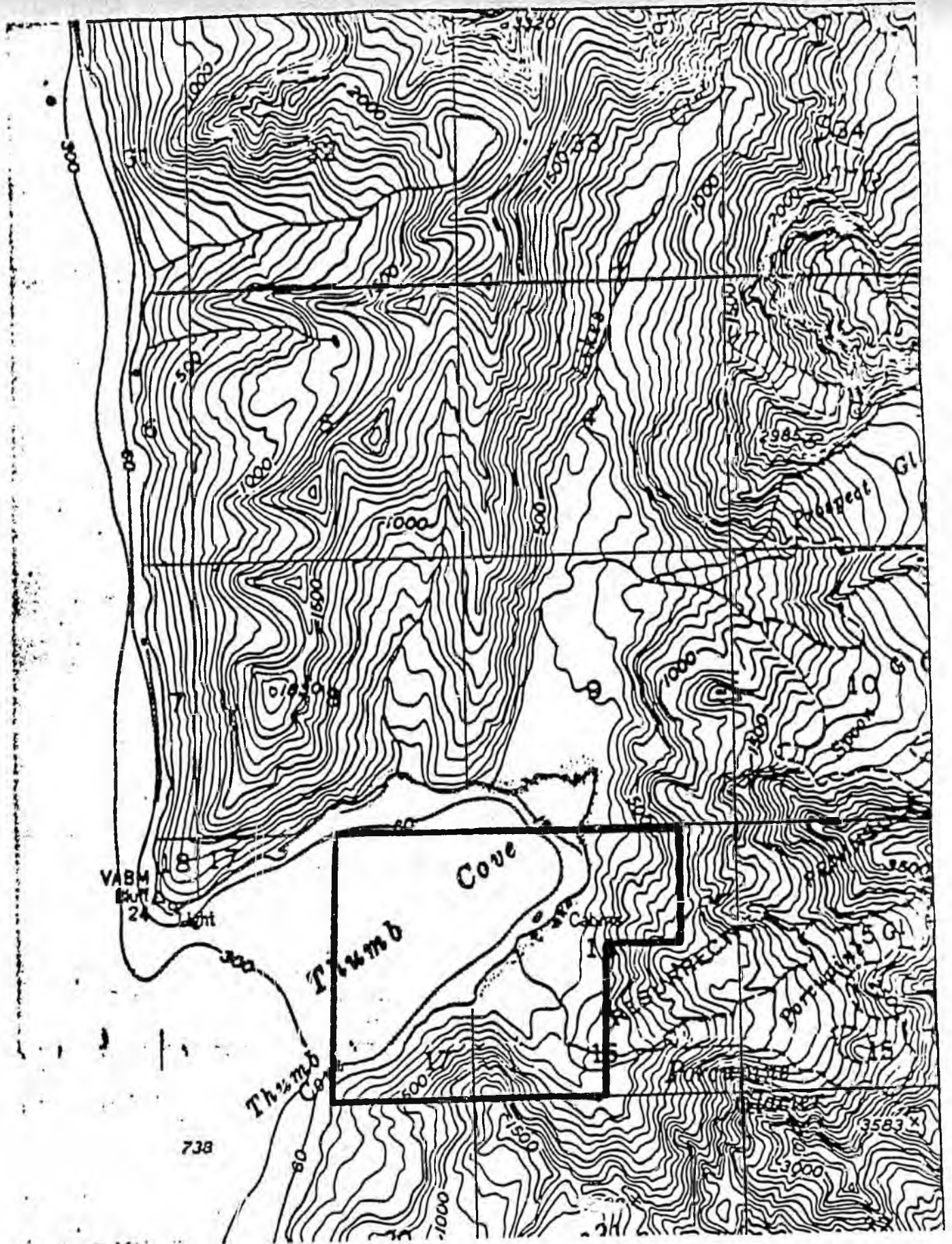
Section 20: W1/2W1/2

Township 3 South, Range 1 West, Seward Meridian

Section 24: E1/2E1/2



BOROI



0 1 mile



Thumb Cove
 Township 2 South, Range 1 East, Seward Meridian
 Section 16: W1/2, W1/2NE1/4
 Section 17: E1/2

S B

55

STATE OF ALASKA

OFFICE OF THE GOVERNOR

DIVISION OF GOVERNMENTAL COORDINATION

STEVE COWPER, GOVERNOR

P.O. BOX AW
JUNEAU, ALASKA 99811-0165
PHONE: (907) 465-3562

TO: Senator Al Adams, Chairman
Senate Community and Regional Affairs Committee

FROM: Robert L. Grogan, Director
Division of Governmental Coordination

RE: Senate Bill 55

DATE: April 5, 1989

I have attached for your review the following documents:

1. The Alaska Coastal Consistency Review Process - Overview

This attachment briefly describes how the state's permitting process works. It highlights key provisions of the state's current procedures and discusses the primary benefits to applicants.

2. Coastal Consistency Review Process - Results

This document provides information on the results of consistency reviews conducted under the existing regulations. Reviews of mining, timber and oil and gas projects are highlighted.

3. Fiscal Notes

Copies of fiscal notes for the Division of Governmental Coordination and the state resource agencies are attached.

4. How to Apply for Permits in Alaska's Coastal Zone

This outreach document has been used to communicate information about the state's permitting process.

Please contact me at 465-3562 for additional information.

cc: Senate Community and Regional Affairs
Committee Members

DIVISION OF GOVERNMENTAL COORDINATION
ALASKA COASTAL CONSISTENCY REVIEW PROCESS

OVERVIEW

Since adoption of the coastal consistency review regulations in early 1984, major progress has been made to achieve the following permit reform goals:

- ° Establish regulatory deadlines for state permit decisions.
- ° Eliminate repetitive state reviews and decisions on the same project.
- ° Streamline and expedite state permit reviews and decisions.
- ° Ensure uniformity in state agency comments on federal permit decisions.
- ° Assist applicants in the processing of state and federal permits.
- ° Provide adequate opportunity for public and local government participation in state permit decisions.
- ° Achieve balanced, factually documented decisions for coastal development projects.

The state's system for reviewing and processing coastal project related permits, leases, and other approvals is governed by regulations adopted in March 1984, entitled Project Consistency with the Alaska Coastal Management Program (6 AAC 50). The regulations require that coastal projects only be reviewed one time for approvals required by the Departments of Environmental Conservation, Fish and Game, and Natural Resources and for consistency with the Alaska Coastal Management Program (ACMP). These regulations, provide for (1) easy access to and participation in the decision making process by permit applicants, (2) expedient project reviews and decisions, and (3) quick issuance of permits by the state resource agencies. Features of the existing regulations and additional efforts being taken by the state to improve the permitting process include the following:

- ° All appropriate permits and certificates for a project are evaluated in a single review. This eliminates duplicative and time consuming review of individual permits necessary for the same project.
- ° When a project requires permits of two or more state agencies or a federal permit, the Division of

Governmental Coordination (DGC) coordinates the project review and renders a conclusive consistency determination on behalf of all the state resource agencies. This provides applicants with a single state agency contact to coordinate the project review and, if necessary, resolve any outstanding conflicts. It also provides a single state voice for communicating the state's position on a project to federal permitting agencies.

- ° The consistency review regulations have streamlined the permitting process. Consistency determinations are completed in 30 to 50 days. State resource agency permits are required to be issued within 5 days of the consistency determination. Previously, the state could take six months or longer to complete the review of a project for federal consistency with the ACMP.
- ° If an applicant considers a proposed state decision to be unacceptable, opportunities exist to elevate a decision to policy makers of the state resource agencies for reconsideration. Applicants are encouraged to participate in discussions of their project at each level of review.
- ° On request, DGC will assist applicants by scheduling pre-application meetings with all the concerned agencies (state, federal and local) to discuss their project prior to filing permit applications. At these preapplication meetings, agencies provide recommendations to an applicant for designing a project that will meet review criteria and ensure compliance with state, federal, and local requirements. Also, the applicant learns how the permit process works, who to contact for information, and what to expect during the review process.
- ° A brochure which describes the state's consistency review to potential applicants has been mailed to approximately 5,000 potential applicants listed in business directories prepared by the Department of Commerce and Economic Development (attached). Part of the brochure includes a survey form which the applicant can return by mail to request additional assistance from DGC in dealing with the consistency review process.

Table 1 summarizes the number of projects reviewed since January 1984 and the results of those reviews. Of the projects reviewed, more than 99% were found to be consistent with state policies and were issued a decision at the regional level within 39 days.

TABLE 1

Consistency Reviews Summary

January 1, 1984 - June 30, 1988

<u>Total Number of Projects Reviewed:</u>	2262
Projects found Consistent:	2241
Projects Found Inconsistent:	21
<u>Average Number of Days in Review</u>	
Reviews concluded at Regional Level (2238):	39
Reviews Elevated to Directors or Commissioners for Decision (24):	53

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DIVISION OF GOVERNMENTAL COORDINATION
COASTAL CONSISTENCY REVIEW PROCESS

RESULTS

Project Review and Permit Coordination

Development projects in Alaska are regulated by a number of different federal, state, and local permits, leases, and other authorizations. Whether it is a complex project involving multiple construction activities, such as a major oil and gas project, or a relatively simple activity like a residential fill project, all require some degree of review by federal, state, and local agencies before the project can move forward. As provided under AS 44.19.145 and 6 AAC 50, the Division of Governmental Coordination (DGC) coordinates the review of coastal development projects by the state resource agencies and local communities. All state permits for a project are included in the review, the project applicant and federal permitting agencies have a single state contact during the review, and state permits are issued quickly after the review.

DGC coordinates the balancing of different state, local, and applicant interests to render a conclusive consistency determination for a proposed project. The conclusive consistency determination reflects a consensus reached by the project applicant, state resource agencies, and affected coastal communities. If an applicant, resource agency, or coastal community considers a proposed decision to be unacceptable, opportunities exist to elevate that decision to higher administrative levels in the state resource agencies for reconsideration. When a proposed coastal development project has been found consistent with applicable standards of the Alaska Coastal Management Program (ACMP), all state permits for the project are promptly issued.

Regional offices are maintained in Anchorage, Fairbanks, and Juneau for the convenience of project applicants, and to facilitate timely review and permit issuance by state resource agency personnel having the greatest familiarity with activities and resources in the region. The project review process results in a decision agreed to by the applicant, state resource agencies, and affected community, and the time needed to obtain state permits is significantly reduced.

Table 1 summarizes the number of projects reviewed over the last three fiscal years and the results of those reviews. In addition, specific information on the types of projects reviewed during fiscal year 1988 is included in Table 2. A listing of all mining, timber, and oil and gas projects reviewed during fiscal year 1988 with the number of days for their review is included in Table 3.

During 1988, two studies were undertaken to evaluate the general success of the project review process and its implementation by the state. The first study examined all Division of Governmental Coordination project files that were entered into review during Fiscal Year 1987, to determine if specific procedural steps were followed and if state and federal permits were issued in a timely manner. The second study examined the success of the process as viewed by participants involved in the process. The study surveyed the views of permit applicants, coastal communities, and state resource agency reviewers.

Results of the first study verify that projects receive a timely state decision. Chart 1 is a comparison of timeframes for issuance of state and federal permits after the project consistency review is completed. A majority of state permits (71%) were issued within five days after issuing the project consistency determination. Less than 7% of the projects reviewed took longer than thirty days, following the project consistency determinations to receive state permits. The majority of federal agency permits, however, are issued at least two to three months following the close of consistency review.

Results of the participant survey show that the process is understandable and helpful (Table 4). Participants indicate that the process achieves its basic goals, for coordinating permits, increasing communication, and resolving conflicts. Some believe the review process saves applicants, and agencies, time and money. All participants feel the current process is beneficial.

TABLE 1
PROJECT REVIEW SUMMARY

	<u>1986</u>	Fiscal Year <u>1987</u>	<u>1988</u>
Number of Project Consistency Reviews	517	482	493
Number Consistent	515	479	489
Number Inconsistent	2	3	4
Number Elevated	6	6	4
Average Number of Days in Review (w/Elevations and Inconsistents)	49	40	49
Average Number of Days in Review (wo/Elevations and Inconsistents)	44	32	34

TABLE 2

Coastal Project Consistency Review Summary
July 1, 1987 - June 30, 1988

Total Number of Project Consistency Determinations: 487

Number Found to be Consistent: 483
Number Found to be Inconsistent: 4 (1 Elevated)
Number Elevated to Directors or Commissioners: 4

Number Reviewed in Each Activity Type:

Fisheries - General.....	1
Fisheries - Remote Release.....	1
Floating Structures.....	1
Armed Forces Activities.....	2
Land Management Plans.....	1
Fisheries - Hatcheries.....	3
Fisheries Enhancement.....	5
Mining (Hard Rock).....	17
Fisheries Processing.....	10
Commercial.....	19
Shellfish.....	20
Other.....	32
Timber.....	43
Oil and Gas.....	51
Mining (Placer).....	62
Private Residential.....	109
Public Utilities/Facilities.....	110
Total	487

Average Number of Days in Review

Without Elevations and Inconsistent Projects	34
With Elevations and Inconsistent Projects	49

TABLE 3
PLACER MINING PROJECT REVIEW TIMEFRAMES
July 1, 1987 - June 30, 1988

Total Number of Projects.....62
 •Consistent.....62
 •Inconsistent.....0
 Average Number of Days in Review -- 36

<u>APPLICANT</u>	<u>PROJECT TITLE</u>	<u>NO. OF DAYS</u>
Alaska Gold Company	Norton Sound 52	41
Alaska Gold Company	Placer Mining No. F-884266	32
Alaska Gold Company	Placer Mining No. F-885774	32
Alaska Gold Company/Anvil Mining Company	Placer Mining No. F-885221	42
Alaska Placer Company	Placer Mining No. F-871130 (Cape Creek)	23
Arctic Lighterage Company	Kotzebue Sound 46	35
Ashton Mining Alaska, Inc.	Placer Mining No. A-88423	43
Asrc	Camden Bay 3	44
Au Mining Company (Vial, Michael L.)	Canale Creek 1 (Placer Mining No. F-884357)	32
Austin, Jeffery M.	Placer Mining No. A-872597	36
Berg, Rhinehart	Placer Mining No. F-884252	40
Berg, Rhinehart	Placer Mining No. F-885756	36
Berg-Wetlesen	Mud Creek 1 (Placer Mining No. F-884251)	42
Blake	Placer Mining No. F-884520	39
Blondeau, R. Wayne	Placer Mining No. A-885002	27
Bloom, Gary L.	Placer Mining No. A-871982	43
Brister, Donald	Tugidak Passage 2 (Placer Mining No. A-871996)	43
Candle Mining Company	Jump Creek 1	31
Candle Mining Company	Kugruk River 1	31
Capital Enterprises, Inc.	Placer Mining No. A-885518	43
Charter Resources (Kierstead, Ron)	Placer Mining NO. A-885519	42
Childers, Westley	Placer Mining No. J-872615	44
Cominco	Chukchi Sea 9 Modification	29
Cominco	Chukchi Sea 9 Modification Runway/Shop/Camp	27
Cominco	Chukchi Sea 9 Modification Seaport Facilities	27
Dempsey, Daniel K.	Placer Mining No. A-884116	25
Engstrom, Ronald	Placer Mining No. F-884596	50
Foster, Neal	Placer Mining No. F-885804 (Dome Creek)	39
GHD Resources	Kiwalik River 1 (Placer Mining No. F-881704)	45
Game Creek Mining Corp. (Sourant, James)	Placer Mining No. A-884112	22
Gardner, Layne	Placer Mining No. F-881914 (Bear Creek)	22
Glanville, Carl	Placer Mining No. A-884146	26
Glanville, Carl and Dessie	Placer Mining No. A-872613	23
Global Resources	Placer Mining No. F-885797 (American Creek)	37
Hatch, Edwin L.	Placer Mining No. F-883592	36
Hope Mining Company	Placer Mining No. A-884181	62
Hughes, Kenneth	Placer Mining No. F-884269	37
Hyak Company	Placer Mining No. J-872601	27
Inspiration Gold, Inc.	Snake River Water Withdrawal	19
Johnson, Thomas	Placer Mining No. F-885248	33
LAC Minerals, Inc.	Moira Sound 6	32
L & B Mining Company	Bear Creek 2 (Placer Mining No. F-884474)	27
Lee, Richard E.	Placer Mining No. F-871732	60
Loud, Richard	Placer Mining No. F-884543 (Quartz Creek)	29
Massie, Perry	Placer Mining No. F-874117 (Global Resources)	33
Mathison, Diane E.	Placer Mining No. F-884337	27

PLACER MINING PROJECT REVIEW TIMEFRAMES

<u>APPLICANT</u>	<u>PROJECT TITLE</u>	<u>NO. OF DAYS</u>
McIsaac, Gary N.	Placer Mining No. A-877610	27
McIsaac, Gary N.	Placer Mining No. A-884233	48
Mullikin, Donald	Placer Mining No. F-885801	34
N.B. Tweet & Sons	Placer Mining No. F-885771	50
Palkovitch, Yoram	Sitkinak Strait 2 (Placer Mining No. A-885006)	60
Penz, David	Placer Mining No. A-884031	20
Phillips, Gerald Charles	Placer Mining No. F-885790 (Sheridan)	37
Plockweitz, Carl	Placer Mining No. F-873065	27
Schnable, John	Placer Mining No. J-884133	27
Slatt, John	Placer Mining No. F-884299 (Weise Creek)	42
Tachick, Wayne	Placer Mining No. F-884379	50
Thundu Mining Company	Placer Mining No. 27424	56
Toohey, Cynthia	Placer Mining No. A-884045	14
Tundra Exploration (Vial, Comstock)	Placer Mining No. F-884573	29
Velikanje, Betty	Placer Mining No. J-872609	47
Wren, Clarence	Placer Mining No. A-871657	40

HARD ROCK MINING PROJECT REVIEW TIMEFRAMES

July 1, 1987 - June 30, 1988

Total Number of Projects.....17

•Consistent.....17

•Inconsistent.....0

Average Number of Days in Review -- 30

<u>APPLICANT</u>	<u>PROJECT TITLE</u>	<u>NO. OF DAYS</u>
Amselco Minerals, Incorporated	Amselco Temporary Water Rights - Woewodski	21
Curator America, Incorporated	Jualin Mine Exploration Road	52
Echo Bay Exploration, Inc.	Echo Bay Exploration Road Bed Develop. Phase I	20
Echo Bay Exploration	Lynn Canal 29	60
Echo Bay Exploration, Inc.	Sheep Creek Mine Access Road Upgrade	26
Enserch	Water Use - Red Dog (Expedited Review)	1
Enserch	Red Dog Camp Facilities	27
FMC Gold Company	Spaulding Meadows Exploration	26
Greens Creek Mining Company	Chatham Strait 102 Modification	19
Greens Creek Mining Company	Chatham Strait 104 First Modification	41
Greens Creek Mining Company	Chatham Strait 104 Second Modification	42
Greens Creek Mining Company	Hawk Inlet 1	56
Regent Alaska	Grizzly Bar/Oozy Flats Exploration (PMA J884832)	18
Salisbury & Associates	Ilene Claim Drilling	9
Snowlion Mining Company (Fabrizio)	Porcupine Creek JDS Claim Exploration (PMA J-880715)	23
Snowlion Mining Company (Fabrizio)	Porcupine Creek Snowlion Claim Exploration (PMA J-880725)	23
Trump, Jeanne	Leroy Mine Exploration	41

OIL AND GAS PROJECT REVIEW TIMEFRAMES
 July 1, 1987 - June 30, 1988

Total Number of Projects.....51
 • Consistent.....51
 • Inconsistent.....0
 Average Number of Days in Review -- 24

<u>APPLICANT</u>	<u>PROJECT TITLE</u>	<u>NO. OF DAYS</u>
Alaska Crude Corporation	Beluga River 2	42
Amerada Hess Corporation	Beaufort Sea 416 Relocation of CIDS	16
Amerada Hess Corporation	North Star #3 Exploratory Project	20
Amoco	Amoco 1988 Geophysical Survey	18
Amoco	Belcher Prospect Expioration Plan Modification	53
Aqpapit, Incorporated	Flowton Tundra Travel	37
Arco	Arco 1988 Cook Inlet Seismic	47
Arco	Beaufort Sea 415 Modification	15
Arco	Colville River Delta Seismic	19
Arco	Draft Class I UIC Permits (3) Prudhoe Bay Field	73
Arco	Kuparuk River 21 Modification	14
Arco	Kuparuk River 84 Modification	27
Arco	Kuparuk Unit Seismic	8
Arco	Kuparuk Waterfloor Seawater Treatment NPDES	19
Arco	Moose River 1 - Arco Exploratory Well	48
Arco	Prudhoe Bay Seismic	16
Arco	Prudhoe Bay Unit 3-D Seismic	14
Arco	Sag River Culvert Installation	18
Arco	Sag River Temporary Crossing	25
Arco	Sag Site "C" Water Use	16
Arco	Tundra Travel - Kuparuk Unit	17
Borealis Resources, Incorporated	Beluga River 3	49
Chevron	Chevron 1988 West Cook Inlet Seismic	41
Cold Weather Contractors	Sag Site C/Lake Colleen Water Withdrawal	16
Conoco	Beaufort Sea 182 Modification	20
Conoco	Kuparuk River 96 Modification	1
Environmental Protection Agency	Chukchi Sea NPDES General Permit AKG288000	44
Marathon Oil Company	Marathon Steelhead Relief Well	1
Marathon Oil Company	Marathon Steelhead Relief Well - Alteration	16
Marathon Oil Company	McArthur River Pipeline Repair	9
NOAA, Ocean Assessment Division	NOAA Jakolof Bay Experimental Discharge	46
Northwest Alaska Pipeline Company	Sagavanirktok River 120 Renewal	15
Standard	Beaufort Sea 93 Modification Pad X Expansion	14
Standard	Beaufort Sea 96 Modification	14
Standard	Beaufort Sea 165 Modification	14
Standard	Beaufort Sea 200 Expansion of Well Pad "Y"	14
Standard	Beaufort Sea 268 Modification	18
Standard	Beaufort Sea 295 Modification	14
Standard	Beaufort Sea 340 Modification	18
Standard	Draft Class I UIC Permit AK-1H001-I (Well #P18)	43
Standard	Draft Class I UIC Permit AK-1H002-I (Well #R16)	43
Standard	Endicott Erosion Protection Grain Modification	7
Standard	Prudhoe Bay 18 Well Pad Modification	21
Standard	Sag Site C Water Rights	27
Tenneco Oil Company	Beaufort Sea Lease Sale 87 Aurora Prospect	50
Tenneco Production Company	Tenneco Aurora Prospect Exploratory Plan 1988	13

OIL AN GAS PROJECT REVIEW TIMEFRAMES

<u>APPLICANT</u>	<u>PROJECT TITLE</u>	<u>NO. OF DAYS</u>
UIC Construction	Chukchi Sea 30	50
- Union Pacific Resources Company	Cook Inlet 343 Modification	16
Western Geophysical Company	Colville/Fish Creek Seismic	29
Western Geophysical Company	Seismic Exploration	18
Yukon Pacific Corporation	Tags State Right-of-Way Lease	37

TIMBER PROJECT REVIEW TIMEFRAMES

June 30, 1987 - July 1, 1988

Total Number of Projects.....43

•Consistent.....43

•Inconsistent.....0

Average Number of Days in Review -- 36

<u>APPLICANT</u>	<u>PROJECT TITLE</u>	<u>NO. OF DAYS</u>
Afognak Native Corporation	Marmot Bay 6 (Revised)	43
Alaska Pulp Corporation	Frederick Sound 44	34
Bureau of Indian Affairs	Chilkat River Valley Native Allotments	55
Cape Fox Corporation	Carroll Inlet 17 Modification	20
Cookoot Lumber Company	Lutak Inlet 14	43
Eyes Corporation	Orca Inlet 122	58
Goldbelt, Incorporated	Hobart Bay 2	37
Ketchikan Pulp Company	Clarence Strait 53	47
Ketchikan Pulp Company	Polk Inlet 1	44
Ketchikan Pulp Company	Ward Cove 28	46
Klawock Island Dock Company	Klawock Inlet 56 Modification	16
Klukwan, Incorporated	Carroll Inlet 19	34
Matanuska Susitna Borough	Seldovia Bay 68	45
Metlakatla Indian Community	Port Chester 16 Modification	24
Mud Bight Associates	Tongass Narrows 394 Modification	34
Sealaska Corporation	Hetta Inlet 8	60
Sealaska Corporation	Kasaan Bay 43	46
Sealaska Corporation	Kasaan Bay 44	23
Sealaska Corporation	Kasaan Bay 45	43
Sealaska Corporation	Sukkwon Strait 12 Modification	15
Sealaska Corporation	Tlevak Strait 9 Modification	25
Sealaska Corporation	Tlevak Strait 14 Modification	25
Sealaska Corporation	Tlevak Strait 18	49
Sealaska Corporation	Tlevak Strait 19	49
Sealaska Corporation	Tolstoi Bay 1	61
South-Central Timber Development, Inc.	Icy Strait 6 Modification	28
U.S. Forest Service	Carroll Inlet 18	44
U.S. Forest Service	Cholmondeley Sound 16	48
U.S. Forest Service	Couverden Camp Relocation	18
U.S. Forest Service	Davidson Inlet 8 Modification	13
U.S. Forest Service	Ernest Sound 22	45
U.S. Forest Service	Frederick Sound 28	25
U.S. Forest Service	Icy Strait 6 Modification	14
U.S. Forest Service	Keku Strait 26 Modification	14
U.S. Forest Service	Marble Passage 1	51
U.S. Forest Service	Polk Inlet Burning/Smoke Management Plan	39
U.S. Forest Service	Prince of Wales Burning/Smoke Management Plan	42
U.S. Forest Service	Staney/Shaheen Creek Bridge Replacements	41
U.S. Forest Service	Shoal Cove Burning/Smoke Management Plan	35
U.S. Forest Service	Suemez Island Burning/Smoke Management Plan	36
U.S. Forest Service	Suemez Island Dolores/Adrian Timber Sale Modif.	1
U.S. Forest Service	Ulloa Channel 4	48
U.S. Forest Service	Yatak Creek Bridge Replacement	43

Chart 1

Comparison of Timeframes for Permit Issuance

Total Permits State: 332
(Information Available): Federal: 288

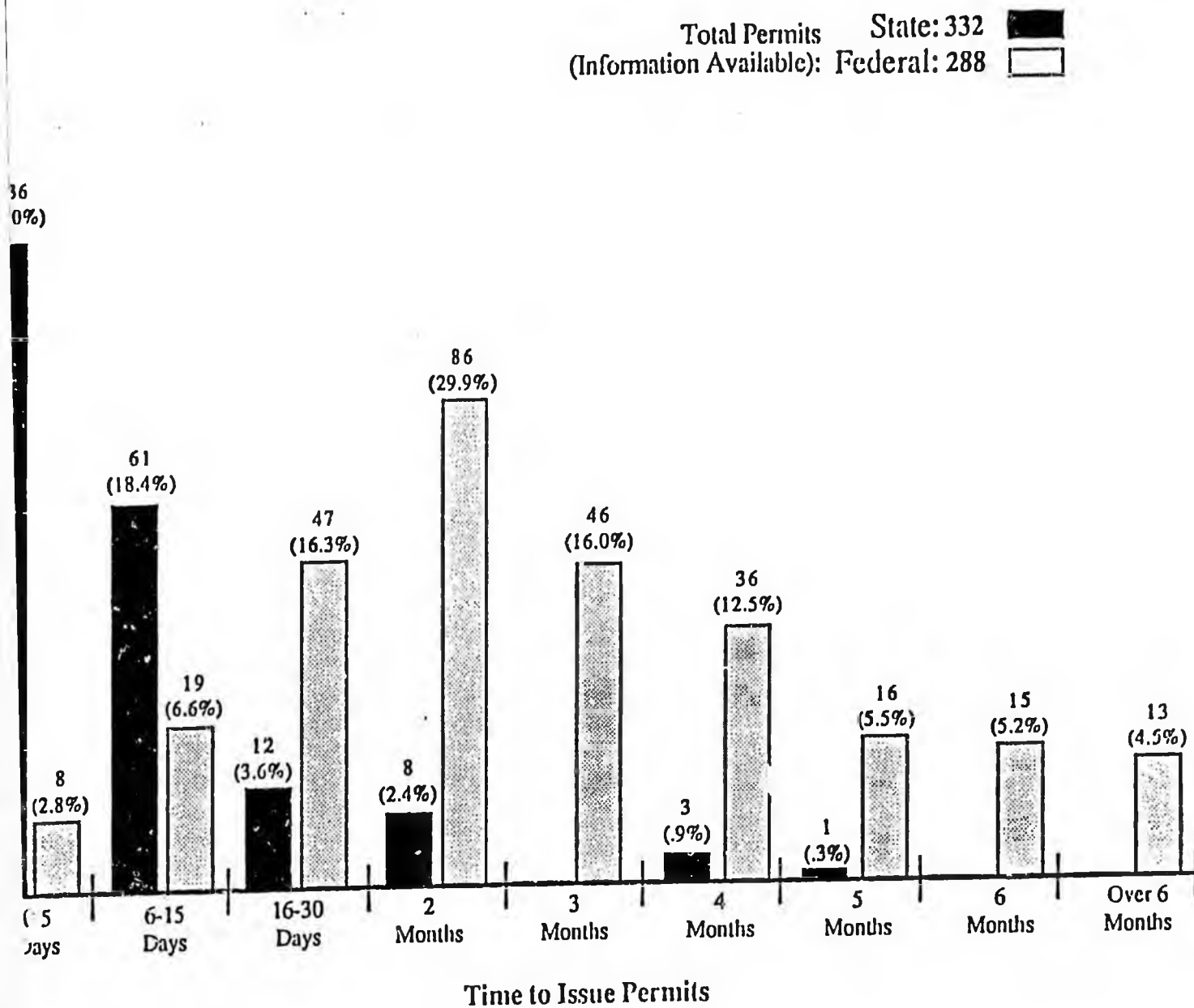


TABLE 4

MEAN SCORES FOR MAJOR GROUPS

STATEMENTS	DISTRICT CONTACTS (n = 17)	STATE AGENCY REVIEWERS (n = 17)	APPLICANTS (n = 40)
(scale: 5 = strongly agree, 4 = agree, 3 = neutral, 2 = disagree, 1 = strongly disagree)			
CONCERNING REVIEW PROCEDURES			
1. Clarity of steps/terms	4.05	3.82	3.92
2. Clarity of opportunities	3.50	4.06	3.65
3. Acceptability of time-frame	3.52	3.23	3.05
4. Necessity of stopping clock	4.45	3.86	3.40
5. Usefulness of pre-application review	4.00	4.50	4.04
6. Helpfulness of proposed determination	3.07	3.70	3.95
7. Helpfulness/knowledge of DGC staff	4.41	3.94	4.47
CONCERNING REVIEW GOALS			
8. Coordinates permits	3.88	3.94	4.00
9. Increases communication	3.75	3.59	3.78
10. Gets communities involved	3.69	3.94	3.61
11. Helps clarify interests/goals	3.86	4.00	3.68
12. Helps fill information needs	3.81	3.76	3.84
13. Develops better alternative solutions	3.53	3.70	3.05
CONCERNING REVIEW RESULTS			
14. Helps resolve/prevent conflict	3.56	3.70	3.72
15. Saves the applicant time/money	n.a.	n.a.	3.76
16. Save (entity) time/money	3.54	2.94	n.a.
17. State agency permits issued promptly	4.00	3.88	3.67
18. Federal agency permits issued promptly	3.25	2.62	2.74
19. DGC office helps federal permits	3.58	3.94	3.59

n.a. = not applicable

FISCAL NOTE

REQUEST:

Revision Date: _____
Title: An Act relating to the
issuance of Permits and Consistency
Sponsor: Senator Pearce
Requestor: Senator Pearce

Agency Affected: Governors Office
BRU: Office of Management & Budget
Determinations
Components: Division of Governmental
Coordination

EXPENDITURES/REVENUES: (Thousands of Dollars)

FEB 17 1989

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES		(-) 159.7	0	0	0	0
TRAVEL		(-) 5.0	0	0	0	0
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	(-) 164.7	0	0	0	0

CAPITAL						
---------	--	--	--	--	--	--

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

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME		(-) 3.0	0	0	0	0
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

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Division: Governmental Coordination Date: February 6, 1989

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