

ALASKA LEGISLATURE COMMITTEE FILES 1995-1996 8672

8520 HOUSE • COMMUNITY & REGIONAL AFFAIRS •

NOV-10-94 THU 15:56

ALYESKA PUMP & EQUIPMENT

FAX NO. 3445072

P. 02

Force Account Labor

and Engineering (OEH&E). Jim Crum is director of OEH&E. He has a staff of 35 to 40 engineers who provide design and construction know-how to the villages served by IHS.

ADEC's Village Safe Water (VSW) program is the state counterpart to OEH&E. VSW currently has 58 active projects in 32 villages around the state. VSW is staffed by 12 people and is funded by annual appropriations from the Legislature. Greg Capito is director of VSW. Capital appropriations for VSW projects in FY95 were \$23,288,600, including \$2.5 million in pass-through money from the Environmental Protection Agency's (EPA) Indian set-aside program.

At first glance, this flow of capital would seem to be a great boon to the Alaska construction trade. Unfortunately for contractors, most rural projects are built using force account labor and are never put out to gen-

eral contractors for bid. Recent research shows that of \$48.1 million allocated to VSW projects in FY93-94, only \$8.3 million were used to fund projects that were subject to competitive bidding. Furthermore, many of the contracts let for such projects are for non-construction portions of the job, like equipment rental, component manufacturing or materials transportation.

Both federal and state laws require a local hire preference. Alaska Statute 46.07.040(b) stipulates that "workers from the village in which the facility is being constructed shall be utilized to the maximum extent feasible." Federal law requires a Native hire preference in villages where IHS money or EPA Indian set-aside money is being used to build a project. Also, U.S. Public Law 98-658, the Indian Self-Determination Act, anticipates that federal agencies will deal directly with tribal units and assist them in operat-

ing as self-determining, self-governing entities.

Money for building a sanitation system flows to the village as a grant. The lead agency involved, IHS or VSW, then acts as a "governmental parent" overseeing the progress of the project and providing technical assistance. In some instances, the local council may hire a private consultant to manage the project and may contract with one or more construction firms to perform some or all of the work. In the main, however, the majority of the construction labor comes from local people hired under the force account system.

Why do villages prefer force account labor over general contractors? Ginny Tierney, city administrator in Thorne Bay, says, "In many instances, you can complete your project using force account for less money. Because you don't have to pay Davis-Bacon wages, you get more bang for ▶

**BUILD IN ALASKA
WITH OUR
EXPERIENCE**

**SERVING ALASKA'S
CONTRACTORS
FOR 41 YEARS**



Spennard Builders



Barriades & Safety Equipment Inc.
Alaska Graphic Signs & Lighting

2440 HUI ROAD - PO BOX 20000 - FAYETTEVILLE, AK 99707

Phone: 907-479-6135 FAX: 907-474-3511

Highway Traffic
Control
& Signage Specialist's
Sales, Rentals &
Installation
Signs, Barriades,
Flashers
Plastic Fencing &
Flagging
Equipment

NOV-10-94 THU 15:57

ALYESKA PUMP & EQUIPMENT

FAX NO. 3445642

P. 03

Force Account Labor

your buck. Then there's the added benefit of local employment. Dollars earned by our local people continue to circulate within the community."

Bill Ryan of HDR Engineering, who has many years of experience working with rural village projects, says the reasons are complex and interrelated. "First of all, it reduces the cost of construction," Ryan says, "by eliminating the contractor's profit. And it utilizes the local people more, which they like. In the process, the community learns to run a payroll and other administrative chores which prepares them for the operations and maintenance responsibility that they have to assume upon completion."

Other local leaders echo these thoughts. Dorothy Barr, utility clerk for White Mountain, says, "We like our people to work, we hardly have any jobs here. We have carpenters and laborers, and we like to keep the

money in the village. We have a tribal base roll and a tribal employment rights office. We try to put our enrollees to work here to keep the money in the village."

"Contractors need to understand what the villages want in terms of services, and craft their presence in a way calculated to win the market."

Greg Capto, Director
Village Sale Water

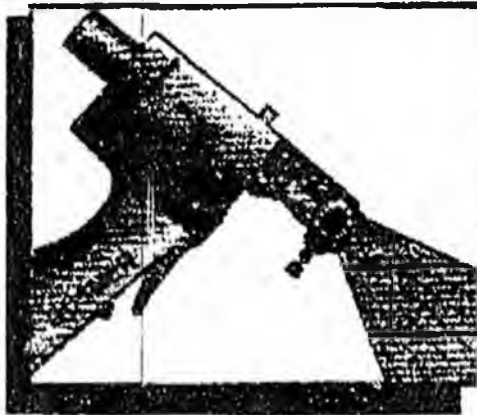
Unalakleet's city administrator, Nancy Cannington, agrees. She points out that "people out here in rural Alaska live a subsistence lifestyle the

rest of the year. Sewer and water projects during the summer subsidize their income for the rest of the year."

Barr and others admit that they can't always supply the kind of specialized labor that a sewer project often requires. Certified electricians and plumbers, for instance, may not be available. "We told the PHS people we wanted our eligible people to work," Barr says. "But with certified people, we hardly have any of those, so we hire in certified people."

Tierney says her community contracted out most of the electrical work, the fire suppression work and the specialty concrete work. "But the plumbing and mechanical work was done in-house," she adds. "We have the human resources here that enable us to do that quite successfully."

Other rural leaders bluntly present another argument. One city manager,



Secondary containment problems?

We have a revolutionary new product to give a seamless liner on geotextile fabric, concrete, steel and more!

Polyshield SS-100

- Eliminates need for multi-coat applications • Is 100% solids; no solvents, no V.O.C.'s
- Can be sprayed directly on water or ice • Can be handled and walked on within 30 seconds of application!

URETHANE CONTRACTORS SUPPLY & CONSULTING

UREC

GUSMER

We are the largest supplier of polyurethane foam products in Alaska!

FREE DELIVERY TO SHIPPERS

Anchorage: 1-800-770-2449 • Fairbanks: 1-800-478-7473 • Seattle: 1-800-827-0773

(907) 278-7092

(907) 478-0174

1-800-827-0773

NOV-10-94 THU 15:58

ALYESKA PUMP & EQUIPMENT

FAX NO. 3445072

P. 04

Force Account Labor

speaking on the condition he would not be identified, says, "We've had bad luck with most Alaska contractors on these smaller, less than \$10 million jobs. They arrogantly sweep into town, do a hurry-up job, skim the grant cream and vanish. When things go wrong, they can't be reached. They often use the smaller towns to scope out some new, untested methods, and we're left with something nobody can fix."

Speaking in the industry's defense, one contractor called the force account system a "program of failure." Many village projects have had to be rebuilt he says, "because they were constructed inexpertly by untrained workers with little knowledge of how to deal with the kinds of problems encountered in an Arctic environment."

Some contractors would like to see the laws changed to require that all

public works projects in Alaska be put out to competitive bid. Both federal and state officials say that is not likely to happen. In fact, DHS's Crum thinks the trend is in the other direction. "I see the federal government giving more and more discretion and authority over to the tribal villages," Crum says. "The way we do business here may be completely different five years from now."

"We like our people to work, we don't hardly have any jobs here. We have carpenters and laborers, and we like to keep the money in the village."

Dorothy Barr, Utility Clerk
White Mountain

It seems unlikely the problem facing contractors wanting to break into the rural sanitation market will be solved by name-calling and threats. One solution suggested by VSW's Capito involves bridge-building and marketing. "There is a market in the bush for certain kinds of services that the contractors can supply," he says. "Contractors need to understand what the villages want in terms of services, and craft their presence in a way calculated to win the market. What the villages need and are willing to pay for is construction management expertise. The contractors have this, they just need to learn how to sell it to the village leaders." There is already a small coterie of Anchorage businesses that have recognized and taken advantage of that market, but experts agree there is room yet for more.

A former administrator in rural Alaska suggests that building relationships and trust between



**If Your Business Moves Fast,
Don't You Want A Bank That Does, Too?**

At Key Bank, we realize 'time' is something you and your business don't have enough of. That's why we deliver customized financial solutions to our clients more quickly than they ever dreamed possible. How? By combining the vast resources of one of the nation's largest financial organizations with a team of local Relationship Managers.

We know how to look beyond the obvious and offer you a number of innovative solutions, fast. That's what makes the Key Bank approach to problem solving so unique, and what makes it work so well. For a quick response on how we can help your business, call Charlene Nelson, Senior Vice President at 564-0290.

KEY

NOV-10-94 THU 15:59

ALYESKA PUMP & EQUIPMENT

FAX NO. 3445012

P. 05

SNOW REMOVAL SPECIALIST

For quick, efficient and economical snow removal, the answer is the Case Uni-Loader equipped with a Hanson-General snow blower.



SALES • PARTS RENTALS • SERVICE

The Case 1840 and 1845C Uni-Loader skid steers are the most powerful and productive in their class. And when it comes to moving mountains of snow, productivity is the key. Add to that the maneuverability of Case Uni-Loaders and you've got the perfect equation for getting the job done.

Come see us now to simplify your snow removal work for the winter season. Experience the productivity of the 1840 and 1845C skid steers and the top-notch parts and service support available from your Alaska source for quality construction equipment—Yukon Equipment.

SERVING ALASKA SINCE 1945



YUKON EQUIPMENT

Toll-free 1-800-478-1541
(907) 277-1541
Fax (907) 278-6798
2020 East Third Avenue
Anchorage, Alaska 99501

contractors and villages is the key to unlocking the market. "Once a company's been around a couple years, and knows where the lines are buried, it's just about assured of a long-term relationship, and can even help the villages plan work into the future."

Nearly everyone agrees, though, that local hire will have to be a component of any relationship between contractors and villages. The laws provide no way around this, and the villages are not about to give up that advantage of the force account system. Tierney says that even when Thorne Bay does use contractors, "We have

made local hire a requirement. The ultimate decision (on who to hire) is left in the hands of the contractor," she says, "but he must make a good faith effort. And we monitor that good faith effort."

As Capito says, "Contractors cannot just show up and say, 'take us because we're here.' That just won't work." On the other hand, there is general agreement that cooperation can be a good deal all the way around — for both the contractor and the village — when the contractor cultivates an ongoing relationship. That takes care and concern Capito advises. ■

Denali Industrial Supply positions for new growth

Denali Industrial Supply, a statewide supplier of industrial tools, fasteners and welding equipment, has recently relocated its Anchorage store to larger quarters at 6000 Arctic Boulevard. Business partners James "Bo" Kilbourn and Gary Swoffer, started

the firm as a fastener outlet in Fairbanks in 1936. Since that time stores have been added in Anchorage and Kenai. The new 18,000 square foot Anchorage facility will enable the firm to vastly increase its stock and expand service to statewide outlets. ■

Rinnai "Energy Saver" Direct Vent Heaters



Natural Gas or Propane

Model 551 - 22,000 BTU

Model 1001 - 38,400 BTU

(Pictured)



- Through-the-wall venting
- 5 year warranty
- Thermostatic Control
- Dual quiet circulating fan
- 80 % AFUE
- Safe, sophisticated, and stylish

Distributed in Alaska by:

Rural Energy Enterprises (907) 278 7441

HP HOLIDAY-PARKS, INC.

Building Comfort Since 1889

1820 Marika, Fairbanks, AK 99709

(907) 452-7151
FAX 452-3800

- Custom metal fabrication
- Complete welding shop
- Commercial and residential HVAC design & installation

LARGE STOCK OF
METAL

ALUMINUM
STAINLESS
PAINTED STEEL

PROJECTS FUNDED
BY VSW

PRIVATE CONTRACTORS

1990 TO 1994

VILLAGE	CONTRACTOR	WORK	YR.	AMOUNT
Akiak	Bethel Contractors	landfill construction	91	\$ 300,000.00
	Bethel Contractors	lagoon construction	92/3	\$ 500,000.00
Anchor Point	J-Brant	water main,service&wtp construction	92/3	\$ 330,000.00
Kongigiganak	Ice Water Well	well drilling	92	\$ 250,000.00
Shungnak	Industrial Commerical Electric	electrical	91	\$ 4,000.00
Hooper Bay	M-W Drilling	well drilling	94	\$ 450,000.00
Emmonak	Industrial Commercial Electric	electrical	94	\$ 20,000.00
Mountain Point	Southcoast	wtp & tank construction	90	\$ 700,000.00
	Southcoast	water & sewer installation	91	\$ 690,000.00
	Southcoast	water & sewer installation	92	\$ 2,387,000.00
	Southcoast	water & sewer installation	93	\$ 1,170,000.00
	Southeast Engineering	water & sewer inst	94	\$ 1,143,000.00
Thorne Bay[wwtp]	Dawson Contraction	wwtp concrete work	91	\$ 425,000.00
	Wire Communication	wwtp electrical	93	\$ 83,000.00
	Control Draft	wwtp controls	93	\$ 50,000.00
	Herr's Painting	wwtp painting	93	\$ 54,000.00
Thorne Bay[sw]	Alaska Industrial&Commerical	sw electrical	94	\$ 78,000.00
	Alaska Fire Extinguisher	sw fire system	94	\$ 48,000.00
	C.R. Lewis	sw mechanical	94	\$ 12,000.00
Thorne Bay[he]	Russel Construction	heavy equipment rental	88	\$ 92,000.00
	Russel Construction	heavy equipment rental	89	\$ 122,000.00
	J.S. Construction	road building	90	\$ 53,000.00
	Russel Construction	heavy equipment rental	90	\$ 151,000.00
	Russel Construction	heavy equipment rental	91	\$ 29,000.00
	McAllen Construction	heavy equipment rental	92	\$ 36,000.00
	McAllen Construction	heavy equipment rental	93	\$ 54,000.00
	Seaford Construction	heavy equipment rental	93	\$ 24,000.00
Napaskiak	Roy Longbathum	well drilling	93	\$ 48,000.00
Glennallen	Athna Construction	sewer line to parks place	91	\$ 450,000.00
	Copper Valley Construction	sewer main &services(crossroads)	91	\$ 150,000.00
	Norse Construction	sewer glennallen heights phase1	92	\$ 500,000.00
	O&S Construction	sewer glennallen heights phase2	92	\$ 250,000.00
	Copper Valley Construction	sewer service lines	92/3	\$ 150,000.00
Bethel	Construction & Rigging	lagoon sheet pile structura	93	\$ 800,000.00
	Alaska Mechanical Inc.	w&s bethel heights/tundra north	93	\$ 800,000.00
McGrath	Takotna Construction	building for sw equipment	93/4	\$ 100,000.00
Nikiski	Alaska Building Systems	water plant building	93	\$ 75,000.00
	John Whites Plumb. & Heating	water plant piping	93	\$ 25,000.00
Chitina	M-W Drilling	well drilling	91	\$ 70,000.00
	Copper Valley Construction	water line & pumphouse construction	91	\$ 15,000.00
	Ice Water Well	well drilling	92	\$ 50,000.00
Tuntutuliak	John Lamb	soils drilling	94	\$ 75,000.00
Whittier	Rockford	water line construction	93	\$ 1,000,000.00
	Rockford	water line construction	94	\$ 750,000.00
Angoon	Construct. Machinery Inc.	heavy equipment rental	91/2	\$ 163,000.00
	Miller Construction	dumn truck rental	91/2	\$ 50,000.00
	Comdive	diving water line	91/2	\$ 100,000.00
	Alaska Diving Service	diving water line	91/2	\$ 100,000.00
	High Drive Drilling & Blasting	drilling and blasting water line trench	91	\$ 240,000.00
	Cove Electric	power line construction	92	\$ 340,000.00
Noatak	Ambler Exploration	well drilling	92	\$ 6,000.00
	Statewide Blasting	blasting	92	\$ 15,000.00
	Longstaff Electrical	electrical	92	\$ 8,000.00
	Chilcat Electric	electrical	93	\$ 16,000.00
Kotzebue	Wayne Drake Inc.	sewer line replacement	91	\$ 580,000.00
	Wayne Drake Inc.	sewer line replacement	92/3	\$ 400,000.00
Talkeetna	Bardarka	water & sewer construction	93	\$ 1,100,000.00
TOTAL				\$ 17,681,000.00

Projects funded through VSW where contractors were used to accomplish the work

VILLAGE	CONTRACTOR	WORK	YR.	AMOUNT
akiak	bethel contractors	landfill construction	91	\$300,000
	bethel contractors	lagoon construction	92/3	\$500,000
anchor point	j-brant	water main, service & wtp construction	92/3	\$330,000
konglganak	ice water well	well drilling	92	\$250,000
shungnak	Industrial commercial electric	electrical	91	\$4,000
hooper bay	m-w drilling inc.	well drilling	94	\$450,000
emmonak	Industrial commercial electric	electrical	94	\$20,000
mountain point	southcoast	wtp & tank construction	90	\$700,000
	southcoast	water & sewer installation	91	\$690,000
	southcoast	water & sewer installation	92	\$2,387,000
	southcoast	water & sewer installation	93	\$1,170,000
	southeast engineering	water & sewer installation	94	\$1,143,000
thorne bay (wwtp)	davson construction	wwtp concrete work	91	\$425,000
	wire communication	wwtp electrical	93	\$83,000
	control craft	wwtp controls	93	\$50,000
	herr's painting	wwtp painting	93	\$54,000
thorne bay (sw)	alaska industrial & commercial	sw electrical	94	\$78,000
	alaska fire extinguisher	sw fire system	94	\$48,000
	c.r. lewis	sw mechanical	94	\$12,000
thorne bay (he)	russel construction	heavy equipment rental	88	\$92,000
	russel construction	heavy equipment rental	89	\$122,000
	j.s. construction	road building	90	\$53,000
	russel construction	heavy equipment rental	90	\$151,000
	russel construction	heavy equipment rental	91	\$29,000
	mcallen construction	heavy equipment rental	92	\$36,000
	mcallen construction	heavy equipment rental	93	\$54,000
	seaford construction	heavy equipment rental	93	\$24,000
napaskiak glennallen	roy longbathum	well drilling	93	\$48,000
	athna construction	sewer line to parks place	91	\$450,000
	copper valley construction	sewer main & services (crossroads)	91	\$150,000
	norse construction	sewer glennallen heights phase 1	92	\$500,000
	o&s construction	sewer glennallen heights phase 2	92	\$250,000
bethel	copper valley construction	sewer service lines	92/3	\$150,000
	construction & rigging	lagoon sheet pile structure	93	\$800,000
	alaska mechanical inc.	w&s bethel heights/tundra north	93	\$800,000
mcgrath	lakotna construction	building for sw equipment	93/4	\$100,000
nikiski	alaska building systems	water plant building	93	\$75,000
	john whites plumb. & htg.	water plant piping	93	\$25,000
chitina	m-w drilling	well drilling	91	\$70,000
	copper valley construction	water line & pumphouse construction	91	\$15,000
	ice water well	well drilling	92	\$50,000
tuntutuliak	john lamb	soils drilling	94	\$75,000
whittier	rockford	water line construction	93	\$1,000,000
	rockford	water line construction	94	\$750,000
angoon	construct. machinery inc.	heavy equipment rental	91/2	\$163,000
	milller construction	dump truck rental	91/2	\$50,000
	comdive	diving water line	91/2	\$100,000
	alaska diving service	diving water line	91/2	\$100,000
	high drive drilling & blasting	drilling and blasting water line trench	91	\$240,000
noatak	cove electric	power line construction	92	\$340,000
	ambler exploration	well drilling	92	\$6,000
	ststewide blasting	blasting	92	\$15,000
	longstaff electrical	electrical	92	\$8,000
	chilcat electric	electrical	93	\$16,000
VILLAGE	CONTRACTOR	WORK	YR.	AMOUNT
kotzebue	wayne drake inc.	sewer line replacement	91	\$580,000
	wayne drake inc.	sewer line replacement	92/3	\$400,000
lalkeetna	bardarka	water & sewer construction	93	\$1,100,000 (1991-4 total)
unalakleet	alaska mechanical inc.	landfill fencing	94	\$50,000
TOTAL CONTRACTS 1991-4				\$17,731,000

Projects funded through VSW where contractors were used to accomplish the work

bethel	southcoast	lagoon construction	95	\$725,000	
	alaska mechanical inc.	kilbuck & main lift stations	95	\$465,000	
napakiak	to bid and award in 95	lagoon and sanitation roads	95	\$700,000	
whittier	to bid and award in 95	water system improvements	95	\$850,000	
chefomak	to bid and award in 95	well drilling	95	\$200,000	
dearing	to bid and award in 95	heavy equipment rental	95	\$100,000	
nikolaevsk	to bid and award in 95	water system	95	\$3,000,000	
mountain point	to bid and award in 95	phase V water and sewer	95	\$1,600,000	
	to bid and award in 95	water treatment plant upgrade	95	\$200,000	
	to bid and award in 95	waste water treatment plant site dev.	95	\$250,000	
alakanuk	to bid and award in 95	pile driving and water building erection	95	\$500,000	\$8,590,000
	TOTAL CONTRACTS(est.) 95			\$8,590,000	

Alaska Water & Sewer Projects
and the Construction Industry

A Preliminary Investigation

July 8, 1994

Prepared for

Associated General Contractors of Alaska

by

Jack E. Phelps

ExecuSwift, Anchorage, Alaska

I. Introduction

I.1. Scope and Limitations

This report provides a survey of funding for Alaska sanitation projects in the current fiscal year and in the recent past. It also examines the degree to which the construction trade (i.e., general contractors) has opportunity to participate in the job market created by these funds. The predominant use of force account labor is of particular concern, and is considered from two perspectives: 1) as a factor of the total work force in the subject projects; and 2) as an expression of government intent both at the state and federal levels.

The agreement governing this report specified that data would be compiled for the last two federal and state appropriation cycles. Initial evaluation of the data suggested some problems with the requested scope of the work. First, federal and state funding practices differ in several important respects. By law, federal funds must be allocated in the same year they are appropriated. They are not, however, expended in the same year, and are frequently held in interest-bearing accounts for the projects for which they are allocated. Hence, federal funds for a project in a particular village may be matched up with state funds appropriated for that village in a different fiscal year.

The predominant use of force account labor is of particular concern

State funds, unlike federal money, are appropriated for specific projects as line items in the capital appropriations budget. The main state funding source for rural sanitation projects is the Department of Environmental Conservation, Division of Facility Construction and Operation, Village Safe Water (VSW). Appropriations to VSW projects in fiscal years 1993, 1994 and 1995 are set forth in Table 1-1.

Second, both state and federal funds for Alaska sanitation projects come from a variety of agencies. Work in most villages listed in the report is supported by some combination of funds from these various agencies and may have been allocated in as many as three or four different years. To accommodate this circumstance, we have included appropriations and allocations from as far back as 1990 on the federal side, and from 1992 on the state side. It should be noted that these inclusions are not exhaustive. An attempt was made to include those sources which were relevant to understanding the overall funding pattern for on-going projects. Judgments were made based on analysis of the available data. We are confident the resulting tables fairly represent the funding picture.

This report focuses on rural sanitation projects. The second specification of the governing agreement calls for identification of projects using an open competitive bidding process as opposed to force account labor and government project management. Since this is not considered a problem in the urban areas of the state, this report ignores recent funding for similar projects in those areas. For example, while we have included 1995 Municipal Capital Matching Grants money (AS 37.06.010) in Table 1-3 for all rural projects, \$4,902,600 appropriated for the Municipality of Anchorage and \$459,500 appropriated for the City of Fairbanks are not listed.

Analysis of actual expenditures for specific projects was limited by the lack of data available from government agencies. Auditing of individual VSW projects is performed by the Anchorage CPA firm, Coopers and Lybrand. While some cost analysis reports were found in VSW files during a physical search, they were not recent enough nor sufficiently plentiful to provide much useful information. Full accounting or representative audit reports can be purchased from Coopers and Lybrand should more detailed information be deemed necessary.

1.2. Methodology

Research for this report included three phases. Examination of funding documents, including state capital appropriation legislation for the past three years and other federal, state and private reports, comprised phase one. During phase two, interviews were conducted with state and federal officials in seven different agencies. The final phase involved detailed comparisons of data compiled from various sources and the construction of a database to produce the tables contained in this report.

2. Rural Alaska Sanitation

2.1. Indian Health Services

The principal federal agency concerned with rural Alaska sanitation issues is the Indian Health Service, operating under the authority of Public Law 86-121, the Indian Sanitation Facilities Construction Act of 1959. As of May, 1994, more than \$350 million has been provided for rural Alaska sanitation projects through IHS.

In Alaska, the Alaska Area Native Health Service, a division of IHS, handles rural sanitation issues through its Office of Environmental Health and Engineering (OEH&E). Mr. Jim Crum is director of OEH&E. He has a staff of 35-40 engineers who provide design and construction expertise to the villages served by IHS.

2.2. Village Safe Water

The Alaska Department of Environmental Conservation, Village Safe Water (VSW) program is the state counterpart to OEH&E. VSW currently has 58 active projects in 32 villages around the state. These are listed in Table 2-1. VSW is staffed by 12 people and is funded by annual appropriations from the legislature. Mr. Greg Capito is director of VSW. Capital appropriations for VSW projects in FY 95 were \$23,288,600, including \$2.5 million in pass-through money from the Environmental Protection Agency's Indian set-aside program. VSW appropriations for fiscal years 1993 through 1995 are shown in Table 1-1.

IHS has provided more than \$350 mil. for rural Alaska sanitation

2.3. Cooperative Efforts

A high level of cooperation exists between the federal and state efforts in rural sanitation. In 1993, VSW and IHS worked jointly on 17 projects. In addition to pooled funding, the two agencies will often cooperate on planning, design and project management. Since restrictions on federal funds often prevent IHS from spending federal dollars on certain aspects of a particular village need, joint funding is welcomed by the villages and has led to more satisfactory projects than might otherwise be possible.

Other funds for rural sanitation projects come from the U.S. Department of Housing and Urban Development (HUD), the Environmental Protection Agency (EPA), Farmers Home Administration (FmHA), Alaska Department of Community and Regional Affairs (DCRA), Alaska Department of Administration (DOA), and the Department of Transportation and Public Facilities (DOTPF). Recent grants from these agencies are shown in Table 1-2 (federal agencies) and Table 1-3 (state agencies).

Additionally, three projects received moneys from other sources which are reflected in the village-by-village summary (Table 1-4), but are not shown in Tables 1-2 and 1-3. In 1994, Thome Bay received \$45,500 from the U.S. Forest Service for use in a sewer and solid waste project. Also in 1994, the northwest Arctic village of Point Lay received \$133,100 from the state through the Department of Education for Cully School drinking water. Finally, the community of Diomedes received \$750,000 in payment for a private insurance claim on a failed water supply. While this is technically not a public money source, it is included in the village table, since it was used in the reconstruction of the water system at Diomedes.

3. Findings

3.1 Construction Approach

To a large extent, the decision to build by force account in these village projects seems predetermined. Both the federal and state laws stipulate that preference for local hire will be given. Alaska Statute 46.07.040(b) stipulates that "workers from the village in which the facility is being constructed shall be utilized to the maximum extent feasible." Federal agencies are even more constrained. Public Law 93-638, the Indian Self-Determination Act, anticipates that federal agencies will deal directly with tribal units and assist them in operating as self-determining, self-governing entities.

Federal money for sanitation projects goes to the village as a grant. The federal agency then provides technical assistance and project management under a memorandum of agreement with the local council. In some instances, the council may hire a private consultant to manage the project and may contract with one or more construction firms to perform some of the work. In the main, however, the majority of the construction labor comes from local people hired under "time and materials" type arrangements.

VSW Projects FY93-94

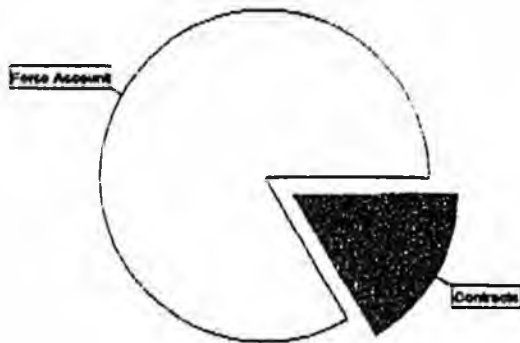


Figure 1

As a comparison of Tables 1-1; 2-1; and 2-1-1 will readily indicate, the predominant approach to building village water and sewer projects is force account. Of \$48.1 million allocated to VSW projects in FY93-94, only \$8.3 million was used to fund projects that were subject to competitive bidding.

Another \$1.2 million went to contracts for portions of projects, such as well-drilling, soil sampling, electrical equipment

installation, and pipe manufacturing. Table 2-1-2 shows contractor constructed projects for the period. It will be noted that a significant portion of the contract money comes from projects located on the highway system or closely connected with it, such as Whittier. If these contracts are eliminated, the total drops to \$4.8 million. If the number is further reduced by the two Mountain Point projects which are located near Ketchikan and accessed by the Alaska Marine Highway system, the total is only \$2.49 million, a mere 5 percent! Truly the general contractor is not getting a significant slice of the rural sanitation business.

4. Strategies

4.1. A Regulatory Approach

What strategies are most likely to lead the general contractor community to a significant increase in this market share? One approach that suggests itself is to lobby for a change in the relationship between federal and state government on the one hand and local governments on the other. Since significant numbers of public dollars are flowing into these rural sanitation projects annually (currently between \$60 and \$80 million) an argument could be made that more public accountability would result from a more public process (i.e. more open bidding, fewer negotiated contracts and force account arrangements).

One problem with this strategy is that it runs counter to the strong federal trend to give more self-determination power to rural tribes and villages. It also is contrary to a principle which is the basis of VSW's relationship with rural villages. By both jurisprudential and economic law, the argument runs, with ownership comes responsibility. The premise is that the state or federal money is given to the village, the village builds the project and is the recipient of a transfer of ownership and then becomes accountable for operation and maintenance of the facility. For this to work properly, of course, it must be *de facto* as well as *de jure*, and there must be increasing pressure for financial accountability on the part of the villages for O&M, even for construction which currently is prohibited by state law.

4.2. A Marketing Strategy

Another approach which is suggested by the data would be to commission a marketing study to determine how to sell the expertise and services of the general contracting community to the villages. Unless federal law is changed, and along with it thirty plus years of momentum, village sovereignty can be expected to become stronger over the next decade. The village councils will likely be in the driver's seat with respect to the expenditure of transfer payments. Now seems a prudent time for the general contractors to position themselves for a larger share of what may be a growing market in public works projects in rural Alaska. One study is calling for \$125 million annually to go into rural sanitation projects.

Among potential tactics in such a marketing strategy, two seem worthy of mention at the close of this report. First, the AGC should capitalize on its greatest strength which is accumulated knowledge of proper construction techniques and practices. This can be sold to the village councils as in their best interest to tap for the long-term benefit of well-built facilities. Second AGC firms should consider preparing a package of contract options which include villages in the planned labor pool. In this way, the villages get the best of both worlds, and the construction trade can capture more of the work which is currently closed to it.

Table 1-1
VSW Appropriations FY93 - FY95

Village name	FY	Project Description	Phase	Amount (in thousands)
Akiak	93	sewage lagoon, backwash disposal		\$500.00
Alakanuk	93	w&s master plan and design	I	\$500.00
Alakanuk	94	w&s system design and construction	II	\$500.00
Alakanuk	95	sanitation facilities design and construction	III	\$1,000.00
Allakaket	95	w&ww system design and construction		\$333.00
Anaktuvuk Pass	95	w&s system construction	II	\$750.00
Anchor Point	93	community water system		\$289.00
Angoon	95	Chatham SD sewer study and design		\$121.10
Anvik	94	w&s system design and construction		\$200.00
Anvik	95	w&s system construction		\$575.00
Beaver	94	water and solid waste study		\$35.00
Beaver	95	water supply and solid waste disposal improvements		\$295.00
Bethel	93	Bethel Heights sewer		\$800.00
Bethel	93	City subdivision piped water		\$200.00
Bethel	93	City subdivision wastewater		\$125.00
Bethel	93	Kilbuck wastewater pumping		\$125.00
Bethel	93	main wastewater pumpstation		\$140.00
Bethel	94	sewage lagoon construction		\$1,000.00
Bethel	95	Bethel Heights & Tundra N. w&s extension		\$25.00
Bethel	95	City subdiv. w treatment plant design and construc		\$800.00
Bethel	95	Kilbuck and Main washeteria lift station design		\$50.00
Bethel	95	original townsite design		\$150.00
Bethel	95	sewage lagoon completion		\$500.00
Buckland	94	w&s system planning, design and construction		\$870.00
Chevak	93	watering point, landfill, honeybucket construction	I	\$551.00
Chevak	94	watering point, landfill, honeybucket construction	II	\$602.00
Chevak	95	w&s system design and construction	III	\$1,700.00
Chignik	93	sewer upgrade, solid waste		\$180.00
Chignik Lake	94	landfill relocation design and construction		\$245.90
Cold Bay	95	w&s replacement		\$992.00
Crooked Creek	94	w&s system design and construction		\$450.00
Deering	94	w&s system construction	II	\$1,290.00
Deering	95	w&s system design and construction	III	\$850.00
Elim	93	sewage outfall line extension		\$431.00
Emmonak	93	w&s project		\$1,500.00
Gambell	94	w&s system expansion		\$970.00
Glennallen	93	sewer system expansion		\$800.00
Golovin	94	water source transmission line construction		\$972.50
Healy Lake	95	sanitation facilities construction		\$250.00
Holy Cross	94	sanitation and lagoon design and construction		\$500.00
Hooper Bay	94	w&s system construction	III	\$1,100.00
Huslia	94	w&s design and construction		\$350.00
Kaitag	93	w&s extension	I	\$342.00
Kaitag	94	w&s system design and construction	II	\$846.00
Kasaan	94	dam site and treatment plant construction		\$500.00
Kiana	93	w&s installation		\$230.00
Kipnuk	93	washeteria construction		\$800.00
Kipnuk	94	water source construction		\$800.00
Kivalina	94	w&s system construction		\$420.00
Kobuk	94	w&s&sw master planning and design		\$180.00
Kongiganak	93	w&s improvements		\$500.00
Kotzebue	93	sewage collection system		\$1,293.00
Kotzebue	93	solid waste study		\$150.00
Kotzebue	94	solid waste project final design and construction		\$1,850.00
Kotzebue	95	collection and distribution facilities upgrade		\$795.10
Koyuk	93	solid waste disposal facility		\$400.00

VSW Appropriations FY93 - FY95

Village name	FY	Project Description	Phase	Amount (in thousands)
Koyuk	94	sanitation facilities construction	III	\$600.00
Koyukuk	94	landfill construction		\$130.00
Manley	94	washeteria, water study		\$35.00
Marshall	94	solid waste site relocation		\$430.00
McGrath	93	waste disposal improvements		\$600.00
Mekoryuk	93	sewage haul project		\$170.00
Mekoryuk	95	w&s system construction		\$659.50
Mountain Point	93	w&s system construction	III	\$1,800.00
Mountain Point	94	w&s system construction	IV	\$926.00
Mountain Point	95	w&s system completion		\$1,460.00
Mountain Village	93	solid waste project		\$81.70
Mountain Village	94	w&s system improvements		\$551.00
Napakiak	95	flush tank and haul ww design and construction		\$270.00
Nikolaevsk	84	village community water system		\$342.00
Nikolaevsk	85	community water system design and construction		\$1,200.00
Nikolai	93	w&s improvements		\$80.00
Nikolai	94	HUD Homes sewer system construction		\$340.00
Noorvik	93	w&s system upgrade		\$1,150.00
Noorvik	94	utilidor, landfill, utility bldg construction		\$879.00
Noorvik	95	w&s system extension		\$94.00
Northway	95	washeteria project completion		\$326.00
Northwest Arctic B	93	local utility matching program		\$480.00
Nulato	93	w&s system construction	III	\$2,685.00
Nulato	94	w&s system construction	IV	\$810.00
Nulato	95	w&s system construction	V	\$1,250.00
Nunapitchuk	94	w&s system design and construction		\$750.00
Point Lay	95	w&s system construction		\$750.00
Port Lions	93	w&s project		\$250.00
Port Lions	94	solid waste disposal		\$100.00
Saint Mary's	94	w&s system design and construction		\$500.00
Saint Michael	94	w&s system design and construction		\$500.00
Saint Michael	95	utility upgrade		\$539.00
Saint Paul	94	water system replacement, reconstruction	III	\$1,000.00
Saint Paul	95	landfill and incinerator construction		\$428.50
Savoonga	94	sanitation facilities construction		\$382.00
Savoonga	95	piped water and sewer design and construction		\$400.00
Selawik	94	w&s system construction	II	\$480.00
Selawik	95	w&s system design and construction	II	\$310.00
Seldovia	94	w&ww system design and construction		\$985.00
Shaktolik	93	maintenance equipment		\$210.00
Shishmaref	95	w&s system design and construction		\$175.00
South Naknek	95	w&s system design and construction		\$600.00
Stevens Village	94	dump site study		\$35.00
Talkeetna	93	eastside w&s construction		\$1,200.00
Tanana	95	sanitation facilities design and construction		\$338.80
Thorne Bay	93	sewerage system and solid waste		\$1,250.00
Thorne Bay	94	sewer replacement		\$655.00
Thorne Bay	95	sewer and solid waste project completion	V	\$75.00
Togiak	94	sewer system design and construction	II	\$348.00
Toksook Bay	93	water system improvement		\$150.00
Tununak	95	sanitation improvements	III	\$595.70
Unalakleet	93	airport utilities project		\$1,366.00
Unalakleet	95	water treatment improvements		\$239.40
Wainwright	95	w&s system construction	III	\$750.00
Whittier	83	community water system	I	\$1,500.00
Whittier	94	water system reconstruction	II	\$849.00
Whittier	95	water system improvements	III	\$492.50
Yakutat	94	w&ww system design and construction		\$449.90

Table 1-2

Federal Funding Sources

Village name	Year	IHS	HUD	EPA	Farmers Home	Total
Akiak	94	\$263.00				\$263.00
Akutan	93		\$250.00			\$250.00
Aleknagik Island	93	\$262.00				\$262.00
Allakaket	93	\$750.00				\$750.00
Ambler	84	\$100.00				\$100.00
Anaktuvik Pass	93	\$412.00				\$412.00
Anvik	93	\$100.00				\$100.00
Anvik	94	\$625.00			\$775.00	\$1,400.00
Atmautluak	94			\$1,125.00		\$1,125.00
Bethel	93	\$125.00			\$1,000.00	\$1,125.00
Buckland	93	\$578.00	\$225.00			\$803.00
Chalkyitsik	94	\$167.00				\$167.00
Chignik Lagoon	94	\$100.00				\$100.00
Chignik Lake	93	\$50.00				\$50.00
Clarks Point	84	\$136.00				\$136.00
Cook Inlet Tribal	84	\$404.00				\$404.00
Copper River sctrd	93	\$275.00				\$275.00
Copper River sctrd	94	\$222.00				\$222.00
Craig	91	\$790.00				\$790.00
Crooked Creek	92	\$2,381.00		\$600.00		\$2,981.00
Diomedea	92	\$562.50	\$200.00			\$762.50
Dot Lake	93		\$422.50			\$422.50
Eek	92		\$400.00			\$400.00
Eek	93	\$1,447.00				\$1,447.00
Eek	94			\$600.00		\$600.00
Elim	93	\$431.00				\$431.00
Fairbanks sctrd	93	\$200.00				\$200.00
Galena	93	\$1,070.00				\$1,070.00
Gambell	93	\$1,150.00				\$1,150.00
Golovin	92	\$461.30				\$461.30
Goodnews Bay	92	\$575.00				\$575.00
Healy Lake	93	\$250.00				\$250.00
Healy Lake	94				\$250.00	\$250.00
Holy Cross	94	\$340.00				\$340.00
Igiugig	92	\$845.00				\$845.00
Kake	94	\$350.00				\$350.00
Kaltag	92	\$810.40				\$810.40
Kaltag	93	\$443.00				\$443.00
Kaltag	93	\$980.00				\$980.00
Kasaan	93	\$75.00				\$75.00
Kenaitze	93	\$172.00				\$172.00
Kiana	93			\$883.00		\$883.00
Kipnuk	90	\$1,285.00				\$1,285.00
Kipnuk	92	\$1,362.80		\$502.80		\$1,865.60
Kipnuk	93	\$140.00				\$140.00
Kivalina	92	\$1,030.00				\$1,030.00
Kivalina	93	\$675.00				\$675.00
Klawock	93	\$615.00				\$615.00
Klukwan	94	\$102.00				\$102.00
Kobuk	94		\$170.00			\$170.00
Kokhanok	92	\$953.00		\$242.00		\$1,195.00
Kokhanok	93	\$1,011.00	\$181.50			\$1,192.50
Kokhanok	94			\$1,040.00		\$1,040.00

Federal Funding Sources

Village name	Year	IHS	HUD	EPA	Farmers Home	Total
Koliganak	92	\$615.00				\$615.00
Koliganak	93	\$180.00				\$180.00
Kotzebue	93	\$288.00	\$300.00			\$588.00
Kotzebue	94		\$400.00		\$795.00	\$1,195.00
Koyuk	91	\$3,050.00				\$3,050.00
Koyuk	92	\$1,210.00				\$1,210.00
Koyuk	93	\$810.00				\$810.00
Kuskokwim HIP sctr	93	\$170.00				\$170.00
Kuskokwim HIP sctr	94	\$68.00				\$68.00
Kwethluk	92	\$130.00				\$130.00
Kwethluk	94			\$93.00		\$93.00
Kwigillingok	91	\$288.00				\$288.00
Kwigillingok	94			\$600.00		\$600.00
Larsen Bay	91	\$353.00				\$353.00
Lower Kalskag	90	\$850.00				\$850.00
McGrath	91	\$100.00				\$100.00
Mekoryuk	92	\$100.00				\$100.00
Metlakatla	92		\$700.00			\$700.00
Metlakatla	93	\$499.00				\$499.00
Napakiaak	93	\$920.00				\$920.00
Napakiaak	94				\$270.00	\$270.00
Nelson Lagoon	92	\$200.00				\$200.00
New Stuyahok	91	\$475.00				\$475.00
Nikolai	92		\$200.00			\$200.00
Nikolai	94	\$100.00				\$100.00
Ninilchik	93	\$128.00				\$128.00
Noatak	93		\$717.00			\$717.00
Noatak (FEMA)	92	\$3,897.48				\$3,897.48
Nome	91	\$229.00				\$229.00
Nome	92	\$1,044.00				\$1,044.00
Nome	93	\$1,200.00				\$1,200.00
Nondalton	93	\$100.00				\$100.00
Nondalton	94	\$70.00				\$70.00
Noorvik	92	\$3,079.00				\$3,079.00
Noorvik	93	\$350.00		\$700.00		\$1,050.00
Nulato	92	\$72.00		\$1,610.00		\$1,682.00
Nulato	93	\$330.00				\$330.00
Ouzinkie	91	\$875.00				\$875.00
Pedro Bay	92	\$240.00				\$240.00
Ferryville	91	\$200.00				\$200.00
Quinhagak	93		\$100.00			\$100.00
Quinhagak	94	\$520.00				\$520.00
Russian Mission	91	\$522.00				\$522.00
Saint Mary's	92	\$1,400.00	\$950.00			\$2,350.00
Saint Mary's	94	\$75.00				\$75.00
Saint Michael	92		\$370.00			\$370.00
Saint Michael	94		\$370.00			\$370.00
Sand Point	91	\$355.00				\$355.00
Savoonga	91	\$915.00				\$915.00
Savoonga	92	\$800.00				\$800.00
Savoonga	93	\$700.00				\$700.00
Savoonga	94	\$50.00				\$50.00
Saxman	93	\$50.00	\$81.00			\$131.00
Scammon Bay	92	\$937.00				\$937.00
Selawik	90	\$469.00				\$469.00

Federal Funding Sources

Village name	Year	IHS	HUD	EPA	Farmers Home	Total
Selawik	91	\$956.00				\$956.00
Selawik	93		\$460.00		\$96.00	\$556.00
Selawik	94	\$463.00				\$463.00
Seldovia	94	\$204.00				\$204.00
Shageluk	94	\$305.00				\$305.00
Shaktolik	90	\$150.00				\$150.00
Sheldon Point	92		\$225.00			\$225.00
Shishmaref	92	\$350.00				\$350.00
South Naknek	93	\$555.00				\$555.00
South Naknek	94				\$600.00	\$600.00
Stebbins	92		\$500.00			\$500.00
Stebbins	94		\$500.00			\$500.00
Stevens Village	91	\$292.00				\$292.00
Takotna	91	\$250.00				\$250.00
Tanana	90	\$350.00				\$350.00
Tanana	93	\$90.00				\$90.00
Teller	92	\$40.00				\$40.00
Togiak	91	\$1,200.00				\$1,200.00
Togiak	93	\$200.00				\$200.00
Toksook Bay	92	\$880.00				\$880.00
Toksook Bay	93		\$444.87			\$444.87
Tununak	92			\$600.00		\$600.00
Twin Hills	93	\$200.00				\$200.00
Unalaska	93	\$98.00				\$98.00
Upper Kalskag	91			\$800.00		\$800.00
Venetie	91	\$850.00				\$850.00
Venetie	94	\$100.00				\$100.00
Wainwright	93	\$350.00				\$350.00
Wales	92	\$15.00				\$15.00
White Mountain	91	\$1,291.00				\$1,291.00
White Mountain	92	\$341.00				\$341.00
Yakutat	92	\$290.00				\$290.00

Table 1-3
Other State Funding Sources

Village name	FY	DOA	DCRA	DOTPF	DEC	Total
Akutan	93	\$80.00				\$80.00
Akutan	94	\$25.00				\$25.00
Alakanuk	93	\$80.00				\$80.00
Anaktuvuk Pass	93	\$150.00				\$150.00
Angoon	84	\$30.00				\$30.00
Aniak	93		\$100.00			\$100.00
Anvik	95	\$25.00				\$25.00
Atka	94	\$25.00				\$25.00
Atka	95	\$25.00				\$25.00
Bethel	93		\$200.00			\$200.00
Birch Creek	95		\$25.00			\$25.00
Brevig Mission	94	\$10.90				\$10.90
Buckland	92			\$650.00		\$650.00
Chalkyitsik	95		\$25.00			\$25.00
Chignik Lake	94		\$100.00			\$100.00
Chitina	95		\$25.00			\$25.00
Cold Bay	94	\$75.00				\$75.00
Cordova	94				\$600.00	\$600.00
Cordova	95	\$105.60			\$100.00	\$205.60
Craig	94	\$120.00				\$120.00
Craig	95	\$54.90				\$54.90
Diomedes	85	\$25.00				\$25.00
Dot Lake	94		\$25.00			\$25.00
Eagle Village	94		\$23.75			\$23.75
Eagle Village	85		\$26.30			\$26.30
Ekwok	95	\$43.70			\$30.00	\$73.70
Evansville	95				\$300.00	\$300.00
Fort Yukon	95	\$29.60				\$29.60
Galena	92	\$522.00				\$522.00
Galena	94	\$175.00				\$175.00
Gambell	94	\$25.00				\$25.00
Gambell	95	\$25.00				\$25.00
Glennallen	93		\$20.00			\$20.00
Golovin	92			\$469.00		\$469.00
Godnews Bay	92	\$50.00				\$50.00
Healy Lake	93		\$60.00			\$60.00
Homer	95	\$24.30				\$24.30
Kake	93				\$501.00	\$501.00
Kake	94	\$500.00				\$500.00
Kake	85	\$28.90				\$28.90
Kaktovik	93				\$500.00	\$500.00
Kaktovik	94		\$235.00			\$235.00
Kaltag	92	\$15.00				\$15.00
Kaltag	95	\$25.00				\$25.00
Karluk	84				\$75.00	\$75.00
King Cove	95				\$2,750.00	\$2,750.00
King Salmon	83				\$1,702.30	\$1,702.30
Klawock	83	\$50.00	\$175.00		\$1,600.00	\$1,825.00
Klawock	94	\$10.00				\$10.00
Kokhanok	92			\$538.00		\$538.00
Kotzebue	94			\$40.40		\$40.40
Kwethluk	83	\$235.00				\$235.00
Kwethluk	95	\$15.00				\$15.00
Larsen Bay	94	\$25.00				\$25.00
Larsen Bay	95	\$25.00				\$25.00

Other State Funding Sources

Village name	FY	DOA	DCRA	DOTF	DEC	Total
Lower Kalskag	95	\$25.00				\$25.00
Manley	94		\$25.00			\$25.00
Manley	95		\$25.00			\$25.00
Marshall	93		\$200.00			\$200.00
Marshall	94	\$15.00				\$15.00
Marshall	95	\$25.00				\$25.00
McGrath	94	\$75.00				\$75.00
Mekoryuk	93		\$20.00			\$20.00
Metlakatla	93	\$500.00				\$500.00
Metlakatla	94	\$85.00	\$23.77			\$108.77
Napaskiak	94	\$10.00	\$47.00			\$57.00
Nenana	94	\$69.00				\$69.00
New Stuyahok	92			\$314.00	\$527.00	\$841.00
Newhalen	93	\$80.00				\$80.00
Newhalen	94	\$20.80				\$20.80
Newtok	94	\$50.00				\$50.00
Nightmute	82		\$75.00			\$75.00
Nome	93	\$700.00				\$700.00
Nome	94	\$400.00				\$400.00
Nome	95	\$158.00				\$158.00
Noorvik	94			\$33.20		\$33.20
Northway	92		\$260.00			\$260.00
Northway	95		\$25.00			\$25.00
Nuiqsut	93	\$81.90				\$81.90
Nunapitchuk	93		\$62.80			\$62.80
Pelican	92	\$402.00				\$402.00
Pilot Station	94	\$25.00				\$25.00
Pilot Station	95	\$25.00				\$25.00
Pitka's Point	94		\$40.00			\$40.00
Point Baker	94		\$25.00			\$25.00
Point Baker	95		\$25.00			\$25.00
Port Alexander	94	\$80.00			\$30.00	\$110.00
Port Alexander	85	\$25.00				\$25.00
Port Lions	95	\$23.70				\$23.70
Quinhagak	85	\$25.00				\$25.00
Rampart	95		\$25.00			\$25.00
Ruby	93		\$51.17			\$51.17
Russian Mission	92	\$60.00				\$60.00
Saint George	93		\$85.00			\$85.00
Saint Michael	94	\$40.00				\$40.00
Saint Paul	84	\$1,800.00				\$1,800.00
Saint Paul	95	\$31.00				\$31.00
Savoonga	92			\$400.00		\$400.00
Saxman	95	\$25.00				\$25.00
Scammon Bay	83	\$100.00				\$100.00
Seldovia	93	\$250.00				\$250.00
Seldovia	94	\$100.00				\$100.00
Seldovia	85	\$25.00				\$25.00
Sheldon Point	93	\$50.00				\$50.00
Sheldon Point	94	\$40.00				\$40.00
Shishmaref	95	\$25.00				\$25.00
Shungnak	93				\$75.00	\$75.00
Stebbins	94	\$12.50				\$12.50
Stony River	93				\$500.00	\$500.00
Tanacross	95		\$25.00			\$25.00
Tanana	92	\$100.00				\$100.00
Tanana	93	\$150.00				\$150.00
Teller	94			\$352.80		\$352.80

Other State Funding Sources

Village name	FY	DOA	DCRA	DOTPF	DEC	Total
Teller	95			\$350.00		\$350.00
Tetlin	95		\$25.00			\$25.00
Thorne Bay	94	\$23.75				\$23.75
Tok	94		\$25.00			\$25.00
Tununak	94		\$50.00			\$50.00
Venetie	93		\$100.00			\$100.00
Wiseman	94		\$25.00			\$25.00
Wrangell	95	\$99.80				\$99.80
Yakutat	94	\$30.41				\$30.41
Yakutat	95	\$27.30				\$27.30

MEMORANDUM

State of Alaska

TO: Honorable Richard A. Nevé
Commissioner
Department of Environmental
Conservation


DATE: May 9, 1983

FILE NO: 366-573-83

TELEPHONE NO: 465-3603

FROM: Norman C. Gorsuch
Attorney General

SUBJECT: Title 36

By: 
Gary I. Amendola
Assistant Attorney General
Human Services-Juneau

You have requested an opinion regarding the scope of Title 36 and its requirement that prevailing wages be paid on public works projects. Specifically you ask whether non-profit entities which receive grants under AS 37.05.316 or AS 37.05.317 can use "force account labor" to complete the public works project and thus avoid the payment of prevailing wages, as that term is used in AS 36.05.010 et seq.

On March 11, 1983, Deputy Attorney General Ron Lorenson issued an opinion regarding the application of the Little Davis-Bacon Act (AS 36.05) to designated grantees under AS 37.05.316 and 317. Under AS 37.05.317(2), nonprofit entities are permitted to receive and administer grants for public construction. This opinion addresses the related question which arose because of the issuance of that opinion.

A short answer to your question is yes.

The federal government has long recognized that where the government uses its own employees to perform public construction, the Davis-Bacon Act, upon which our "Little Davis Bacon Act" is modelled, does not require the payment of prevailing wages. See Veader v. Bay State Dredging and Contracting Company, 79 F. Supp. 837 (D.C. Mass. 1948); see also, Davis Bacon Act Field Operations Handbook, dated May 5, 1978 at page 15c14.

The 1978 informal Attorney General's opinion written by then Assistant Attorney General Ron Lorenson extended that rationale to municipal governments and by implication ratified that state governments could also use the "force account" system.

Without the existence of a contractual relationship between the non-profit entity and some third party doing the

Honorable Richard A. Nevé
Commissioner
366-573-83

May 9, 1983
Page 2

work. Title 36 simply does not apply. The legislation in Title 36 is written in terms of contractors, subcontractors, and contracts. AS 36.05.010 states in relevant part:

A contractor or subcontractor who performs work on public construction in the state, as defined by AS 36.95.010(3), shall pay not less than the current prevailing rate of wages for work of a similar nature in the region in which the work is done

...

Public construction, in turn, is defined at AS 36.95.010(3) as "the onsite field surveying, erection, rehabilitation, alteration, extension or repair, including painting or redecorating of buildings, highways or other improvements to real property under contract for the state, a political subdivision of the state, or a regional school board with respect to an educational facility under AS 14.08.161." (emphasis supplied).

We can perceive of no reason to distinguish between a nonprofit entity's use of "force account labor" and a state's or municipality's use of "force account labor" to complete similar construction projects.

GIA:bap

MEMORANDUM

State of Alaska

TO: Robert Bacolas, Director
Division of Labor Standards & Safety
Department of Labor

DATE: December 30, 1985

FILE NO: 166-229-86

TELEPHONE NO: 276-3550

FROM: Harold M. Brown
Attorney General

SUBJECT: Application of AS 36.05
to contracts for
weatherizing
low income homes

By: *JHD*
Jan Hart DeYoung
Assistant Attorney General

You have asked whether the requirement to pay prevailing wages in the "Little Davis-Bacon Act," AS 36.05.010--36.05.125, applies to contracts to weatherize privately owned, low income family homes. The answer is that the Act should apply if the state or a political subdivision of the state, such as the North Slope Borough, awards the contract. If the contract were funded by a grant made under AS 37.05.316, it probably would not be covered by the Act.

The facts prompting this question follow. One of the duties of the Department of Community and Regional Affairs (C&RA) is to plan programs for energy development, including weatherization, to meet community needs. AS 44.47.050(18). C&RA has adopted regulations establishing a low-income residential energy conservation program. 19 AAC 69.010--19 AAC 69.190. The program is funded through federal grants and state general funds.^{1/} The program is implemented through the award of contracts to political subdivisions, nonprofit corporations, and occasionally, private businesses. See 19 AAC 69.050. The contract awarded is the state's standard agreement for professional services contracts. The contract does not state whether prevailing wages under AS 36.05.010 must be paid by the contractor.

C&RA apparently has assumed that the requirement does not apply to professional services contracts. Ordinarily this is

1/ The federal funds come from two sources: a grant from the Department of Energy under 10 C.F.R. Part 1005 (1985) and a grant to the Department of Health and Social Services that is transferred to C&RA by reimbursable services agreement. The sources of state funds for the program in 1985 were the operating budget and the capital projects budget. Sec. 26, ch. 98, SLA 1985, p. 99, l. 17; Sec. 3, ch. 96, SLA 1985, p. 23, l. 6.

This memorandum does not address the effect of Federal regulations, if any, that would conflict with the application of "Little Davis-Bacon" scale wages.

Robert Bacolas
Division of Labor Standards & Safety
166-229-86

December 30, 1985
Page 2

true. Under AS 36.05.010, the prevailing wage requirement applies only to public construction,^{2/} and professional services contracts do not usually cover construction work. AS 36.98.080(2) defines "professional services" as predominantly intellectual in character:

Professional, technical, or consultant's services that are predominantly intellectual in character and that

- (A) include analysis, evaluation, prediction, planning, or recommendation; and
- (B) result in the production of a report or the completion of a task.

In contrast, "public construction" is predominantly physical in character. It is defined in AS 36.95.010(3) as follows:

"Public construction" or "public works" means the on-site field surveying, erection, rehabilitation, alteration, extension or repair, including painting or redecorating of buildings, highways or other improvements to real property under contract for the state, a political subdivision of the state, or a regional school board.

However, the weatherization "professional services" contracts do include some construction work. The description of the work in the weatherization contracts includes assessing energy needs of low-income applicants, distributing educational literature, inspection, recordkeeping, and most important, "ensuring" installation of eligible energy conservation materials. Approved conservation materials include caulk and weatherstripping, furnace modifications, thermostats, insulation, skirting, ventilation, vapor barriers, vestibules, heat exchangers, etc.

2/ AS 36.05.010 provides, in part, as follows:

A contractor or subcontractor who performs work on public construction in the state, as defined by AS 36.95.010(3), shall pay not less than the current prevailing rate of wages for work of a similar nature in the region in which the work is done. . . .

ALASKA ATTORNEY GENERAL
DIVISION OF LABOR STANDARDS & SAFETY
C O P Y
P R A N T
S P
3/12
fe
na
or
t:
Op
gn
st
by
ov
th
th
is
st

Robert Bacolas
Division of Labor Standards & Safety
166-229-86

December 30, 1985
Page 3

Actual installation work certainly qualifies as "rehabilitation, alteration, extension, or repair . . . of buildings" in AS 36.95.010(3). The construction work in the contract, moreover, is not insignificant. The installation of energy-saving materials appears to be the primary purpose of the contracts. The fact that the contract is called a professional services contract should not determine whether the prevailing wage requirement applies. The issue is whether the contract is to perform work covered under the definition of public construction. We conclude that these weatherization contracts do cover such work.

This determination does not end the inquiry. The construction work must be public construction for the prevailing wage requirement to apply. In AS 36.95.010(3), to be "public" construction, the work must be "under contract for the state, a political subdivision of the state or a regional school board." The professional services contracts awarded by C&RA are "under contract for the state."

We understand that these contracts can be awarded to political subdivisions, such as the Municipality of Anchorage and the North Slope Borough, nonprofit corporations, such as Rural Alaska Community Action Program (Rural CAP), and private businesses. A political subdivision is not required to pay workers prevailing wages if the work is performed by force account, i.e., by employees of the political subdivision. If the political subdivision, however, contracts the work, prevailing wages must be paid for all labor performed under the contract.^{3/}

^{3/} If the weatherization program had been a designated grant to a named recipient under AS 37.05.316, the result would be different. We previously have opined that designated grants to named recipients under AS 37.05.316 are covered by AS 36.05.010 only if the project involves the undertaking or provision of traditional government facilities, services, or activities. 1983 p. Att'y Gen. at 2 (Mar. 11; 366-267-83). The reason why these grants are handled differently under AS 36.05.010 is that a nonprofit corporation, rather than a state agency or political subdivision, has primary responsibility for construction funded by the grant. The state, through C&RA, only retains minor oversight and accounting responsibility, and upon completion of the project, the state is not obligated to maintain or operate the facility. Under these grants any contract for construction awarded by the nonprofit corporation. The state or political subdivision, therefore, is not a party to the actual construction (Footnote Continued)

Robert Bacolas
Division of Labor Standards & Safety
166-229-36

December 30, 1985
Page 4

In summary, the low-income residential energy conservation program as it currently operates, through contracts awarded by C&RA, is subject to the prevailing wage requirement in AS 36.05.010, unless the work is performed by employees of a state agency or a political subdivision. Nonprofit corporations and private businesses, when awarded a contract for weatherization by C&RA or a political subdivision, must pay workers the prevailing rates. Major changes in the program would be needed to avoid the prevailing wage requirement in AS 36.05.010.

JHD:jg

cc: Janice Brewer
Donald R. Wilson

(Footnote Continued)

contract. AS 36.05.010 however, is not limited to projects under contract with the state or its political subdivisions. 1983 Op. Att'y Gen. at 4. The Alaska Supreme Court rejected this argument, extending the prevailing wage requirement to a timber sales contract, issued in conjunction with the construction of a dam to be built with public funds, in Sitka v. Construction and General Laborers Local 942, 644 P.2d 227 (Alaska 1982). Therefore, we have concluded that the prevailing wage requirement should apply if the project serves a traditional government function to avoid circumvention of the prevailing wage requirement through use of these grants and in recognition of the broad application given AS 36.05.010 in Sitka v. Construction and General Laborers Local 942.

Thus, a grant to a named recipient from the legislature to perform weatherization work would be covered only if weatherization of a privately owned home could be said to constitute a traditional government service. While the weatherization program serves a general public interest, for example in conserving fuel, the primary benefit is personal to the residents of the home who will reduce expenses and will own the weatherization materials. Moreover, historically, government has not provided this service. The state program began in 1983, and federal funds for weatherization have been available only since 1977. For these reasons we believe that weatherization is not a traditional government service. Thus, if the weatherization program were funded by a grant under AS 37.05.316 to a named recipient who was not the state or a political subdivision of the state, the prevailing wage requirement in AS 36.05.010 should not apply.

Bill Sheffield, Governor

DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

POUCH K - STATE CAPITOL
JUNEAU, ALASKA 99811
PHONE: (907) 465-3600

April 19, 1983

Hon. John C. Sackett
Senate
Alaska State Legislature
Pouch V
Juneau, AK 99811

Re: Applicability of AS 36.-
05.010 -- 36.05.110 to
forced-accounting
Our file no.: 366-554-83

Dear Senator Sackett:

This letter responds to your inquiry regarding whether the prevailing wage stipulations required under the Little Davis-Bacon Act, AS 36.05.010 -- 36.05.110, apply where a municipality or a Rural Education Attendance Area (REAA) use their own employees to perform work on a public works project. It is our view that municipalities or REAAs which use their own employees on a public works project, a practice commonly referred to as "forced-accounting," are not required to pay prevailing wages. Where state funds are involved, however, other statutory provisions may limit the instances when forced-accounting is appropriate.

The prevailing wage requirement is set forth in AS 36.-05.010, which provides in pertinent part:

WAGE RATES ON PUBLIC CONSTRUCTION. A contractor or subcontractor who performs work on public construction in the state, as defined by AS 36.95.010(3), shall pay not less than the current prevailing rate of wages for work of a similar nature in the region in which the work is done.

The statute plainly applies only to contractor or subcontractors under contract for public works. Where the state or a political subdivision uses its own employees to perform public construction, the Little Davis-Bacon Act does not apply. 1978 Inf. Op. Att'y Gen. (Oct. 11; J66-195-79). See Annot. 18 A.L.R.-3d 944 (1968).

Hon. John C. Sackett
366-554-83

April 19, 1983
Page 2

We have not discovered any case authority which imposes any limit on the authority of a public employer to force-account. We note, however, that courts which address the distinction drawn in a prevailing wage provision between public employees and those of a contractor justify the distinction due to the perceived benefits of public employment. The presumption, here, is that public employment is more permanent and offers an employee other economic advantages such as fringe benefits. See City of Monmouth v. Lorenz, 195 N.E.2d 661 (Ill. 1963) (inclusion of public employees in prevailing wage provision violated constitutional guarantee to equal protection). If, when a municipality or an REAA employs persons on a sporadic, project-by-project basis, the public employees do not obtain the advantages typically available through public employment, a court may conclude that forced-accounting cannot serve to circumvent prevailing wage requirements. See 1983 Inf. Op. Att'y Gen. (Mar. 11; 366-267-83) (Little Davis-Bacon Act applicable to certain designated grants). See also City and Borough of Sitka v. Construction and General Laborers Local 942, 644 P.2d 227 (Alaska 1982).

While a municipality or an REAA may construct a project through forced accounting without being subject to prevailing wage requirements, the more difficult inquiry is when forced-accounting is an available option. Where state funds are used, the general preference for the award of contracts through public bid is set forth in AS 35.15.010(a):

Except as provided in AS 36.98 and AS 44.33.-300, it shall be the general policy of the department to require the construction of all public works under bid contract. However, when the estimated cost of a construction project is less than \$100,000, or when it appears to be in the best interests of the state, the department may perform the work, notwithstanding any other provisions of law. A complete record shall be kept by the commissioner or the commissioner's designee of all transactions entered into under this section including names of employees involved in the transactions.

(Emphasis added.)

A municipality may request the assumption of "all or part of the [Department of Transportation and Public Facilities'] responsibilities relating to the planning, design and

Hon. John C. Sackett
366-554-83

April 19, 1983
Page 3

construction of a public works project of the state that is to be located within the boundaries of the municipality and that would otherwise be construction in the manner provided by AS 35.15.-010." AS 35.15.080. Arguably among the assumed responsibilities is the responsibility to determine under AS 35.15.010 whether "it appears to be in the best interests of the state" for the department to perform the work, notwithstanding that the public work costs in excess of \$100,000. 1/

An REAA, in turn, may assume "the responsibilities relating to the planning, design and construction of a school or an education-related facility, located within the boundaries or operating areas of the...[REAA]." AS 14.11.020. 2/ Title 14, however, does not define the Department of Education's "responsibilities" which may be assumed by an REAA. 3/ Were the Department of Education to retain responsibility for the construction of a school project, the public bid requirements set forth in AS 35.15 would be applicable. Consequently, an REAA which assumes responsibility for a school project is subject to the preference for public bidding under AS 35.15.010.

1/ A countervailing argument is that only a state agency has the requisite breadth of perspective to make a determination of what is in the best interest of the state. For purposes of this opinion, we assume that the best interest determination is delegable. Moreover, it is a separate inquiry whether DOT/PF may by regulation limit the authority to force-account. See AS 35.15.080(f).

2/ Indeed, prior the adoption of ch. 92, SLA 1982, AS 35.15.080 also provided for the assumption of responsibility in a local public works project by both a municipality and an REAA. We note that other provisions in AS 35.15 which relate to an assumption by an REAA were not amended. In particular, we do not interpret AS 35.05.080(f) to impose an independent obligation for an REAA to pay prevailing wages to its own employees engaged in work on a public project.

3/ Presumably, an REAA also assumes the concomitant responsibility to determine whether forced-accounting would be in the public interest. See supra, note 2. We are advised that, as required by AS 14.11.020(d), the Department of Education is presently drafting regulations which relate to the assumption of departmental responsibilities.

Hon. John C. Sackett
366-554-83

April 19, 1983
Page 4

We finally offer an observation regarding the flexibility of a municipality or an REAA to use its own employees on a public works project which costs in excess of \$100,000.

While a degree of deference would be due an administrative determination of when it is in the "public interest" to force-account rather than contract for services, we caution that an anticipated reduction in project costs may not, by itself, be a sufficient basis for that determination. The Alaska Supreme Court addressed an analogous claim in City and Borough of Sitka v. Construction and General Laborers Local 942, 644 P.2d 227 (Alaska 1982). Sitka had attempted to execute a timber sale contract separate from a dam construction contract subject to the Little Davis-Bacon wage stipulations. The separate timber sale contract allowed Sitka to maximize the value of the merchantable timber on the dam site. The court, however, rejected Sitka's attempt to enhance economic returns through the avoidance of contractual prevailing wage stipulations.

Sitka's position, in essence, invites the government to sever from a public construction bid offering any aspect of the endeavor which may have an unrelated profit incentive, such as the removal of a natural resource. Such a rule impermissibly enables a public agency to profit at the expense of workers engaged in activities instrumental to a public construction project.

644 P.2d at 233. The Sitka analysis suggests that a municipality or an REAA must articulate other considerations in support of a finding that force-accounting a particular project is in the best interests of the public.

We hope this responds to your concerns. Please feel free to contact us if you have any further questions on this matter.

NORMAN C. GORSUCH
ATTORNEY GENERAL

By:

Jonathan B. Rubini
Jonathan B. Rubini
Assistant Attorney General

JER:jb

STATE
of ALASKA

MEMORANDUM

Dale Cheek, Director
Wage & Hour Division
Department of Labor

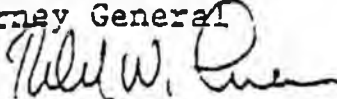
DATE: October 11, 1978

FILE NO:

TELEPHONE NO:

AVRUM M. Gross
Attorney General

SUBJECT: Performance of Public
Construction Projects by
Municipalities; A.G. File
No. J-66-195-79

By: 
Ronald W. Lorensen
Assistant Attorney General

This is in response to your recent request for our advice as to whether municipal governments may properly carry out their public construction projects by using their own employees under a "force-account" system which utilizes private contractors, if at all, solely to provide overall "hands-in-pocket" management and supervision of the project. Also, if municipalities may perform their own public construction in this manner, you wonder whether they are subject to the provisions of AS 36.05, relating to the payment of prevailing wages on public construction contracts.

As we understand the situation about which you are inquiring, at least one organized borough in the state does not carry out its public construction projects by hiring private construction contractors to perform all phases of the work and complete the project. Instead, it hires private contractors to perform only the management and supervisory functions necessary to accomplish the project for the borough, but requires that the contractor utilize borough employees to actually do the construction work. We see no legal impediment to a borough doing all or any portion of its public construction projects on its own in this manner.

As to whether AS 36.05 applies to a borough which accomplishes its public construction projects by use of its own employees under a "force account" system, we think the answer is clearly that it does not. AS 36.05.010, which establishes the scope of the requirement of payment of prevailing wages under AS 36.05, speaks only in terms of the duty of "contractors" and "sub-contractors" who perform work on public construction in the state. It does not state that political subdivisions performing such work must pay prevailing wages. Nor does it state that all employees working on public construction projects are entitled to be paid in accordance with prevailing wages. Thus, while it appears that AS 36.05 would apply to a municipality's contractor for management services on a public construction project, it does not apply to the municipality in carrying out such

1/2

Projects funded through VSW where contractors were used to accomplish the work

CAPITO

Will this
cut it?

VILLAGE	CONTRACTOR	WORK	YR.
aklak	bethel contractors	landfill construction	91
	bethel contractors	lagoon construction	92/3
anchor point	j-brant	water main, service & wtp construction	92/3
konggiganak	ice water well	well drilling	92
shungnak	industrial commercial electric	electrical	91
hooper bay	m-w drilling inc.	well drilling	94
emmonak	industrial commercial electric	electrical	94
mountain point	southcoast	wtp & tank construction	90
	southcoast	water & sewer installation	91
	southcoast	water & sewer installation	92
	southcoast	water & sewer installation	93
	southeast engineering	water & sewer installation	94
thorne bay(wwtp)	dawson construction	wwtp concrete work	91
	wire communication	wwtp electrical	93
	control craft	wwtp controls	93
thorne bay(sw)	herr's painting	wwtp painting	93
	alaska industrial & commercial	sw electrical	94
	alaska fire extinguisher	sw fire system	94
thorne bay(ha)	c.r. lewis	sw mechanical	94
	russel construction	heavy equipment rental	88
	russel construction	heavy equipment rental	89
	j.a. construction	road building	90
	russel construction	heavy equipment rental	90
	russel construction	heavy equipment rental	91
	mcallen construction	heavy equipment rental	92
	mcallen construction	heavy equipment rental	93
	seaford construction	heavy equipment rental	93
	roy longbathum	well drilling	93
napasklak glennallen	athna construction	sewer line to parks place	91
	copper valley construction	sewer main & services (crossroads)	91
	nora construction	sewer glennallen heights phase 1	92
	o&a construction	sewer glennallen heights phase 2	92
	copper valley construction	sewer service lines	92/3
bethel	construction & rigging	lagoon sheet pile structure	93
	alaska mechanical inc.	w&s bethel heights/tundra north	93
mcgrath	takotna construction	building for sw equipment	93/4
niklaki	alaska building systems	water plant building	93
	john whites plumb. & hgt.	water plant piping	93
chizina	m-w drilling	well drilling	91
	copper valley construction	water line & pumphouse construction	91
	ice water well	well drilling	92
tuntutuliak	john lamb	soils drilling	94
whittler	rockford	water line construction	93
	rockford	water line construction	94
angoon	construct. machinery inc.	heavy equipment rental	91/2
	millier construction	dump truck rental	91/2
	comdive	diving water line	91/2
	alaska diving service	diving water line	91/2
	high drive drilling & blasting	drilling and blasting water line trench	91
	cove electric	power line construction	92
noatak	ambler exploration	well drilling	92
	statewide blasting	blasting	92

Projects funded through VSW where contractors were used to accomplish the work

VILLAGE	CONTRACTOR	WORK	YR.
kotzebue	wayne drake inc.	sewer line replacement	91
	wayne drake inc.	sewer line replacement	92/3
talkeetna	bardarka	water & sewer construction	93
unalakleet	alaska mechanical inc.	landfill fencing	94
	TOTAL CONTRACTS 1991-4		\$17,731,000
bethel	southcoast	lagoon construction	95
	alaska mechanical inc.	killbuck & main lift stations	95
napakiak	to bid and award in 95	lagoon and sanitation roads	95
whittier	to bid and award in 95	water system improvements	95
chefornak	to bid and award in 95	well drilling	95
deering	to bid and award in 95	heavy equipment rental	95
nikolaevak	to bid and award in 95	water system	95
mountain point	to bid and award in 95	phase V water and sewer	95
	to bid and award in 95	water treatment plant upgrade	95
	to bid and award in 95	waste water treatment plant site dev.	95
alakanuk	to bid and award in 95	pile driving and water building erection	95
	TOTAL CONTRACTS(est.) 95		\$8,590,000

longstaff electrical
chilcoat electric

electrical
electrical
electrical

92
92
93

HB

330

Sec. 29.60.140. State aid to unincorporated communities.
 (a) The department shall pay to each unincorporated community an entitlement each fiscal year to be used for a public purpose. The department with advice from the Department of Law shall determine whether there is in each unincorporated community an incorporated nonprofit entity or a Native village council that will agree to receive and spend the entitlement. If there is more than one qualified entity in an unincorporated community, the department shall pay the money under the entitlement to the entity that the department finds most qualified to receive and spend the money. The department may not pay money under an entitlement to a Native village council unless the council waives immunity from suit for claims arising out of activities of the council related to the entitlement. A waiver of immunity from suit under this subsection must be on a form provided by the Department of Law. If there is no qualified incorporated nonprofit entity or Native village council in an unincorporated community that is willing to receive money under an entitlement, the entitlement for that unincorporated community may not be paid. Neither this subsection nor any action taken under it enlarges or diminishes the governmental authority or jurisdiction of a Native village council. If at least \$41,472,000 is appropriated for all entitlements under AS 29.60.010 — 29.60.310 for a fiscal year, the entitlement for each unincorporated community under this subsection for that year equals \$40,000. Otherwise, the entitlement equals \$25,000.

definition

(b) In this section "unincorporated community" means a place in the unorganized borough that is not incorporated as a city and in which 25 or more persons reside as a social unit. (§ 16 ch 74 SLA 1985; am § 2 ch 122 SLA 1990)

3

§ 29.60.150

ALASKA STATUTES

§ 29.60.180

Effect of amendments. — The 1990 amendment, in subsection (a), deleted "of \$25,000" after "entitlement;" in the first sentence and added the eighth and ninth sentences.

Sec. 29.60.150. Population determination. For purposes of AS 29.60.100 — 29.60.180, population shall be determined by the latest figures of the United States Bureau of the Census or other population data that in the judgment of the department is reliable. (§ 16 ch 74 SLA 1985)

Chapter 06. Capital Project Matching Grant Programs.

Section	Section
10. Municipal capital project matching grant program	30. Local share requirements
20. Unincorporated community capital project matching grant program	80. Adoption of regulations
	90. Definition of "capital project."

Cross references. — For legislative purpose in enacting this chapter, see § 1, ch. 80, SLA 1993 in the Temporary and Special Acts; for implementation and applicability during fiscal year 1994, see § 4, ch. 80, SLA 1993 in the Temporary and Special Acts.

Sec. 37.06.010. Municipal capital project matching grant program. (a) The municipal capital project matching grant program is established in the department. Grants to municipalities under this program shall be administered as provided in this section.

(b) The municipal capital project matching grant fund is established in the department and consists of appropriations to the fund. Appropriations to the fund do not lapse except as provided in (f) of this section. The money in the fund is held by the department in custody under this subsection for each municipality. The department shall establish, for each municipality, an individual grant account within the fund. As provided in this subsection, each fiscal year the department shall allocate, to the individual grant accounts, appropriations to the fund. The department shall credit interest earned on money in an individual grant account to that account. Except as provided in (c) of this section, the amount allocated under this subsection to an individual grant account in a fiscal year is determined by multiplying the total amount appropriated to the fund during that fiscal year by a fraction,

(1) the numerator of which equals for a municipality with a population

(A) under 1,000, the amount equal to that population multiplied by 1.5;

(B) of at least 1,000 but less than 5,000, the amount equal to that population multiplied by 1.4;

(C) of at least 5,000 but not greater than 10,000, the amount equal to that population multiplied by 1.2;

(D) of over 10,000, the amount equal to that population; and

(2) the denominator of which equals the sum of the numerators calculated for all municipalities under (1)(A) — (D) of this subsection.

(c) A minimum of \$25,000 shall be allocated to each municipality's individual grant account each fiscal year under (b) of this section. The

department shall reduce allocations under (b) of this section on a pro rata basis, based upon the population of the municipalities, if necessary to fund the minimum amount for each municipality. If appropriations are not sufficient to fully fund the minimum amount for each municipality, the amount appropriated shall be allocated equally among the municipality individual grant accounts.

(d) By October 1 of each fiscal year, each municipality shall submit to the governor a prioritized list of capital projects and estimated costs to be financed with money from the municipality's individual grant account established under (b) of this section. The list must include the amount and source of the local share required by AS 37.06.030. The governor shall include in the capital improvements program presented to the legislature under AS 37.07.060 the projects submitted by each municipality that the governor recommends for funding. If, in the capital improvements program, the governor includes projects in other than the priority order submitted by a municipality, the governor shall provide the legislature with a written statement of the reasons for that action.

(e) The legislature may make appropriations from a municipality's individual grant account established under (b) of this section to the municipality for capital projects under this section. Subject to appropriations under this subsection and to the local share requirements of AS 37.06.030, each municipality may draw amounts from its individual grant account for a capital project, in accordance with an appropriation for that project. In accepting a draw, the municipality covenants with the state that it will provide for the operation and maintenance of the capital project for which the draw is used for the practical life of the project, and acknowledges that the state is not responsible for operating or maintaining the capital project or for paying for its operation or maintenance. This requirement does not apply to use of money from a draw for repair or improvement of an existing facility that is operated or maintained by the state at the time that the draw is made if the repair or improvement for which the draw is used will not substantially increase the operating or maintenance costs to the state. No more than 10 percent of the total amount of money from a draw for land acquisition, or planning, design, construction, or repair of a facility may be used for administrative expenses. No more than five percent of the total amount of money from a draw for equipment or equipment repairs may be used for administrative expenses. If a municipality provides grant money from a draw to another recipient, the municipality may not use any of the money from the draw for administrative expenses. The municipality and its agents, contractors, and subcontractors shall comply with the hiring preferences under AS 36.10 in hiring employees to be paid wholly or in part with money from a draw.

(f) A municipality shall repay to the department money drawn from its individual grant account if substantial, ongoing work on the capital project is not started within five years after the effective date of the appropriation from which the draw is funded. Money repaid shall be deposited into the general fund. Money from an allocation to a municipality's individual grant account that has not been drawn out by the municipality within five years after the effective date of the appropriation from which the allocation is funded lapses into the general fund.

→ (g) For purposes of this section, in calculating the population of a borough the population of each city in the borough is excluded. The determination of population shall be based upon data used by the Department of Community and Regional Affairs under AS 29.60.020.

(h) The provisions of AS 37.05.321 apply to a grant and draws made under this section, and to earnings from the grant and draws.

(i) In this section, unless specified otherwise, "department" means the Department of Administration. (§ 3 ch 80 SLA 1993)

Sec. 37.06.020. Unincorporated community capital project matching grant program. (a) The unincorporated community capital project matching grant program is established in the department. Grants to unincorporated communities under the program shall be administered as provided in this section.

→ (b) The unincorporated community capital project matching grant fund is established in the department and consists of appropriations to the fund. Appropriations to the fund do not lapse except as provided in (h) of this section. The money in the fund is held by the department in custody under this subsection for each unincorporated community eligible for an allocation under this subsection. The department shall establish an individual grant account within the fund for each unincorporated community that was entitled to receive state aid under AS 29.60.140 during the preceding fiscal year. As provided in this subsection, each fiscal year the department shall allocate, to the individual grant accounts, appropriations to the fund. An unincorporated community is eligible for an allocation in a fiscal year if the community was eligible to receive state aid under AS 29.60.140 during the preceding fiscal year. The department shall credit interest earned on money in an individual grant account to that account. Except as provided in (c) of this section, the amount allocated under this subsection to an individual grant account in a fiscal year is determined by dividing the total amount appropriated to the fund during that fiscal year by the number of unincorporated communities eligible for an allocation during that fiscal year.

(c) A minimum of \$25,000 shall be allocated to each eligible unincorporated community's grant account each fiscal year under (b) of this section. If appropriations are not sufficient to fully fund the mini-

imum amount for each eligible unincorporated community, the amount appropriated shall be allocated equally among the eligible unincorporated communities.

(d) The department shall designate, in each eligible unincorporated community, an incorporated nonprofit entity or a Native village council that agrees to receive and spend grant money allocated to the unincorporated community's individual grant account under (b) of this section. If there is more than one qualified entity in a community, the department shall designate the entity that the department finds most qualified to make draws from that unincorporated community's individual grant account and spend the money. If there is no qualified incorporated nonprofit entity or Native village council in an unincorporated community that will agree to receive and spend money allocated to the community under (b) of this section, draws may not be made from the unincorporated community's individual grant account and the amount allocated to the account lapses into the general fund.

→ (e) By October 1 of each fiscal year, the incorporated nonprofit entity or Native village council designated by the department under (d) of this section shall submit to the governor a prioritized list of capital projects and estimated costs to be financed with money from the community's individual grant account established under (b) of this section. The list must include the amount and source of the local share required by AS 37.06.030. The governor shall include in the capital improvements program presented to the legislature under AS 37.07.060 the projects submitted by designated entities under this subsection that the governor recommends for funding. If, in the capital improvements program, the governor includes projects in other than the priority order submitted by a designated entity, the governor shall provide the legislature with a written statement of the reasons for that action.

(f) The legislature may make appropriations, from an unincorporated community's individual grant account established under (b) of this section, for the unincorporated community for capital projects under this section. Subject to appropriations under this subsection and to the local share requirements of AS 37.06.030, an entity designated by the department under (d) of this section may draw, on behalf of the unincorporated community, amounts from that community's individual grant account for a capital project in accordance with an appropriation for that project. In accepting a draw, an entity designated by the department under (d) of this section acknowledges that the state is not responsible for operating or maintaining a capital project for which the draw is used, or for paying for its operation or maintenance. The acknowledgment does not apply to use of money from a draw for repair or improvement of an existing facility that is operated or maintained by the state at the time that the draw is made if the repair or improvement for which the draw is used will not substantially increase the

operating or maintenance costs to the state. No more than 10 percent of the total amount of money from a draw for land acquisition, or planning, design, construction, or repair of a facility may be used for administrative expenses. No more than five percent of the total amount of money from a draw for equipment or equipment repairs may be used for administrative expenses. The designated entity and its agents, contractors, and subcontractors shall comply with the hiring preferences under AS 36.10 in hiring employees to be paid wholly or in part with money from a draw.

(g) An entity designated by the department under (d) of this section that is a Native village council may not draw money from an unincorporated community's individual grant account unless the council waives immunity from suit for claims arising out of activities of the council related to the draw. A waiver of immunity from suit under this subsection must be on a form provided by the Department of Law. Neither this subsection nor any action taken under it enlarges or diminishes the governmental authority or jurisdiction of a Native village council.

(h) An entity designated by the department under (d) of this section shall repay to the department money it has drawn from an unincorporated community's individual grant account if substantial, ongoing work on the project is not started within five years after the effective date of the appropriation from which the draw is funded. Money repaid shall be deposited into the general fund. Money from an allocation to an unincorporated community's individual grant account that has not been drawn out by a designated entity within five years after the effective date of the appropriation from which the allocation is funded lapses into the general fund.

(i) The limitations of AS 44.47.140 do not apply to a grant made under this section.

(j) The provisions of AS 37.05.321 apply to a grant and draws made under this section, and to earnings from the grant and draws.

(k) In this section, unless specified otherwise, "department" means the Department of Community and Regional Affairs. (§ 3 ch 80 SLA 1993)

Sec. 37.06.030. Local share requirements. (a) For each draw made by a municipality under AS 37.06.010, the municipality shall contribute a local share to the cost of the capital project for which the draw is made. The amount of the local share equals the local share percentage as calculated under (1) of this subsection, divided by the state share percentage as calculated under (2) of this subsection, multiplied by the amount of the draw. For purposes of this subsection,

(1) the local share percentage is

(A) 30 percent for a municipality with a population of 5,000 or more;

(B) for a municipality with a population of 1,000 — 4,999, the greater of

(i) 15 percent; or

(ii) the percentage obtained by dividing the amount that would be received by the municipality from a property tax levy of 1/1000th of a mill per \$1,000 of grant funds received by the sum of that first amount plus the amount of the grant or draw, but not more than 30 percent;

(C) for a municipality with a population of under 1,000, the greater of

(i) five percent; or

(ii) the percentage obtained by dividing the amount that would be received by the municipality from a property tax levy of 1/1000th of a mill per \$1,000 of grant funds received by the sum of that first amount plus the amount of the grant or draw, but not more than 30 percent;

(2) the state share percentage equals one minus the local share percentage;

(3) the local share to be contributed by a municipality may be satisfied with (A) federal, municipal, or local money; (B) labor, materials, or equipment used directly in the construction of the project, or land, including land transferred by the state to the municipality; the department shall determine the value of a contribution under this subparagraph; (C) money from another nonstate source; (D) money received by the municipality under AS 29.60.010 — 29.60.375; (E) state taxes refunded or reimbursed to the municipality whose use for the purposes of this subsection is not prohibited; (F) allocations of state aid for the costs of school construction debt under AS 14.11.100; and (G) money obtained from the sale or lease of land or other assets transferred by the state to the municipality; except as provided in this paragraph, the local share may not be satisfied with money from, or with the portion of an asset that was obtained with money from, an appropriation, allocation, entitlement, grant, or other payment from the state.

(b) For each draw made by an entity or council under AS 37.06.020, the incorporated entity or Native village council that makes the draw shall contribute a local share of the cost of the capital project for which the draw is made. The amount of the local share equals the local share percentage as calculated under (1) of this subsection, divided by the state share percentage as calculated under (2) of this subsection, multiplied by the amount of the draw. For purposes of this subsection,

(1) the local share percentage is five percent;

(2) the state share percentage equals one minus the local share percentage;

(3) the local share may be satisfied from (A) federal or local money; (B) labor, materials, or equipment used directly in the construction of the project, or land, including land transferred by the state; the department shall determine the value of a contribution under this sub-

paragraph; (C) money from another nonstate source; (D) money received by the unincorporated community under AS 29.60.010 — 29.60.375; or (E) money obtained from the sale or lease of land or other assets transferred by the state; except as provided in this paragraph, the local share may not be satisfied with money from, or with the portion of an asset that was obtained with money from, an appropriation, allocation, entitlement, grant, or other payment from the state.



(c) For purposes of (a) of this section, in calculating the population of a borough the population of each city in the borough is excluded. The determination of population shall be based upon data used by the Department of Community and Regional Affairs under AS 29.20.060. (§ 3 ch 80 SLA 1993)

~~Sec. 37.06.080. Adoption of regulations. The Department of Administration for grants under AS 37.06.010 and the Department of Community and Regional Affairs for grants under AS 37.06.020~~

~~(1) may adopt regulations that impose additional requirements or procedures to implement, interpret, make specific, or otherwise carry out the applicable provisions of this chapter for grants administered by the department;~~

~~(2) shall adopt regulations providing for periodic audits of the use of money for grants administered by the department under this chapter, including audit of the department's determination of the value of, and adequacy of the verification of the actual use of, locally funded or contributed labor on projects funded by a grant under this chapter. (§ 3 ch 80 SLA 1993)~~

Sec. 37.06.090. Definition of "capital project." In this chapter, "capital project" means a project with a cost exceeding \$10,000 to acquire or improve an asset with an anticipated life exceeding one year and includes land acquisition, construction, repair or structural improvement of a facility, engineering and design for a facility, and acquisition or repair of equipment. (§ 3 ch 80 SLA 1993)

Chapter 07. Executive Budget Act.

Section

- 10. Statement of policy
- 20. Responsibilities of the governor
- 30. Responsibilities of the legislature
- 40. Office of management and budget
- 50. Agency program and financial plans
- 60. Governor's recommendation
- 62. Capital budget
- 70. Legislative review

Section

- 80. Program execution
- 90. Performance reporting
- 100. Proposed supplemental or special appropriations
- 110. Interpretation of chapter
- 120. Definitions
- 130. Short title

FISCAL NOTE

STATE OF ALASKA
1996 LEGISLATIVE SESSION

BILL NO. HB 330

Revision Date: _____
 Title: "An Act relating to the unincorporated community capital project matching grant program; and providing for an effective date."
 Sponsor: Moses
 Requestor: (H) CRA

Department Affected: Administration
 BRU: Administrative Services
 Component: Administrative Services

COMPONENT SERIAL NO. 46

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING EXPENDITURES	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES	0	0	0	0	0	0
----------------------	---	---	---	---	---	---

CHANGE IN REVENUES ()	0	0	0	0	0	0
------------------------	---	---	---	---	---	---

FUND SOURCE: (Thousands of Dollars)

1002 Federal Receipts	0	0	0	0	0	0
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
OTHER						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY 96) cost: \$ 0

POSITIONS:

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

ANALYSIS: (Attach a separate page if necessary.)

The only impact this bill's passage would make on the Department of Administration is the possible reduction in allocations to municipalities under the Municipal Capital Matching Grants Program if additional funds are not allocated to cover the new grantees.

Prepared by Sharon Barton
 Division: Administrative Services

Phone: 465-5647
 Date: _____

Approved by Commissioner: Mark Boyer
 Agency: Department of Administration

Date: 2-6-96

PREPARER TO PROVIDE ALL DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE
 For further distribution information, call the Governor's Legislative Office

Revision Date: May 3, 1995 Dept. Affected: Community & Regional Affairs
 Title: An Act relating to unincorporated community capital project matching grant program BRU: Administration and Support
 Sponsor: Representative Moses Component: Administrative Services
 Requestor: _____ COMPONENT SERIAL NO. 684

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
PERSONAL SERVICES	42.7	43.9	45.3	46.6	48.1	49.6
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	42.7	43.9	45.3	46.6	48.1	49.6

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

REVENUE FUND SOURCE:	0.0	0.0	0.0	0.0	0.0	0.0
----------------------	-----	-----	-----	-----	-----	-----

FUNDING: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	42.7	43.9	45.3	46.6	48.1	49.6
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	42.7	43.9	45.3	46.6	48.1	49.6

POSITIONS:

FULL-TIME	1	1	1	1	1	1
PART-TIME						
TEMPORARY						

Estimate of current (FY95) Impact \$ none

ANALYSIS: (Attach a separate page if necessary)

Based on the definition of communities eligible for program participation under this legislation, the Department has determined an additional 60 unincorporated communities could participate. The program provides for a \$25,000 match for each unincorporated participant. (continued on separate page)

Prepared by: Remond Henderson, Director *Remond Henderson* Phone: 465-4708

Division: Administrative Services Date: _____

Approved by Commissioner: *[Signature]* Date: 5/27/95

Agency: Community & Regional Affairs

PREPARER TO PROVIDE ALL DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE
For further distribution information call the Governor's Legislative Office

Therefore, an additional \$1,500,000 would be needed to fully fund the unincorporated element of the amended Capital Match Program administered by the Department. However, it is our understanding that either the additional required funds would be re-allocated to the Department from the municipal element of the program administered by the Department of Administration or the unincorporated program funding level would be held at the level required before the addition of the 60 new communities (\$1.7 million). The later case would result in a pro-rating of each unincorporated community's share from \$25,000 down to \$13,281. In either case, there would be zero net fiscal impact to the general fund with regard to funding the Capital Match Program under the proposed amendment.

The addition of 60 new participants to the unincorporated community Capital Match Program administered by the Department will translate into increased burdens of grant tracking and community assistance for the agency. Existing staff would not be able to absorb the increased work load. The Department feels these additional duties could only be absorbed by a new grant administration position. Therefore, a Grants Administrator I (range 13) with full-time funding is included in this fiscal note. It is important that full funding be attached due to the imminent general fund reductions to the component's personal services budget for FY96.

FISCAL NOTE

STATE OF ALASKA
1995 LEGISLATIVE SESSION

BILL NO. HB 330

Revision Date: _____
Title: "An Act relating to the unincorporated community capital project matching grant program...."
Sponsor: Rep. Moses
Requestor: (H) C&RA

Department Affected: Administration
BRU: Administrative Services
Component: Administrative Services
COMPONENT SERIAL NO. 46

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING EXPENDITURES	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES	0	0	0	0	0	0
----------------------	---	---	---	---	---	---

CHANGE IN REVENUES ()	0	0	0	0	0	0
------------------------	---	---	---	---	---	---

FUND SOURCE: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
OTHER						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY 95) cost: \$ -0-

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary.)

There is no fiscal impact to the Division of Administrative Services.

Prepared by: Sharon Barlow, Director
Division: Administrative Services

Phone: 465-2277
Date: _____

Approved by Commissioner: Mark Boyer
Agency: Department of Administration

Date: 5/5/95

PREPARER TO PROVIDE ALL DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE
For further distribution information, call the Governor's Legislative Office

Alaska State Legislature
Representative Carl E. Moses

CHAIRMAN
HOUSE RULES COMMITTEE

VICE-CHAIRMAN
HOUSE SPECIAL COMMITTEE ON FISHERIES

SESSION:
STATE CAPITAL BUILDING
JUNEAU, ALASKA 99801-1182
PHONE: (907) 465-4451
FAX: (907) 465-3445

INTERIM:
716 W. 4TH AVE #630
PHONE: (907) 258-8167
FAX: (907) 258-3468

SPONSOR STATEMENT

House Bill 330

House Bill 330 is intended to allow full and equitable participation in the state's Capital Project Matching Grant Program, for those unincorporated Alaskan communities which lie within organized boroughs. It would provide for a basic grant opportunity of \$25,000, as is currently afforded unincorporated communities outside of organized boroughs.

Funds received by boroughs and passed through to unincorporated communities are based on a formula which treats these populations in the aggregate. From these calculations, disbursements are made. Rarely do these communities receive anywhere near \$25,000.

HB 330 would amend 37.06.010 (g) to exclude unincorporated communities within boroughs from participation in the MUNICIPAL capital project matching grant program (Section 1).

The bill places eligible unincorporated communities within boroughs into the UNINCORPORATED community capital project matching grant program by its amendment of 37.06.020 (b). Section 2 also inserts the criteria for eligibility currently applied only to unincorporated communities outside boroughs. Criteria set out for unincorporated communities outside of boroughs provides the better standard. These criteria, including minimum population and social cohesion, are interpreted by the Department of Community and Regional Affairs

In Section 3 of HB 330, borough oversight is installed by adding the requirement to 37.06.020 (e) that such unincorporated communities within boroughs receive the written approval of

borough assemblies, and submit that approval with their rosters of capital projects to the administration by October 1st of each year.

Finally, in Section 4 of this bill, we amend 37.06.030 (c) in order to withdraw population figures of unincorporated communities within boroughs from base figures that boroughs may use to pursue other grant opportunities. This section also identifies the U.S. Census Bureau or other reliable as the source

House Bill 330 carries a \$42.7 fiscal note, which will be challenged, since CS HB 393 (CRA) from 1994, the identical bill, carried a zero fiscal note.

Direct grants passed through boroughs has not kept pace with grants to like communities outside organized boroughs. This measure will address an admitted oversight in the creation and development of the Unincorporated Communities Capital Project Matching Grant Program.

Alaska State Legislature
Representative Carl E. Moses

CHAIRMAN
HOUSE RULES COMMITTEE

VICE-CHAIRMAN
HOUSE SPECIAL COMMITTEE ON FISHERIES



SESSION:
STATE CAPITAL BUILDING
JUNEAU, ALASKA 99801-1182
PHONE: (907) 465-4451
FAX: (907) 465-3445

INTERIM:
716 W. 4TH AVE. #630
PHONE: (907) 258-8167
FAX: (907) 256-3468

MEMORANDUM

DATE: January 24, 1996

TO: Rep. Ivan M. Ivan, Co-Chairman
House CR&A Committee

FROM: Rep. Carl E. Moses, Chairman *CEM*
House Rules Committee

SUBJ: Request for Scheduling - HB 330

I respectfully request your committee schedule a hearing on HB 330, the bill to allow unincorporated Alaskan communities within organized boroughs to participate equitably in the state's Capital Matching Grants program. Support material is attached.

I would appreciate the inclusion of Mr. Walt Wrede, manager of the Lake and Peninsula Borough, by teleconference when the bill is heard in committee.

Please contact Tim Benintendi of my staff at 3764 as needed.

CEM/tb/m16

Unincorporated Community Contacts

Organization Name	Contact Name	Contact Title	Mailing Address	Mailing City	AK	Zip Code	Phone	Fax
Aklachak Native Community	Willie Kasayulle	Chairman & CEO	P.O. Box 70	Aklachak	, AK	99551	825-4626	825-4029
Native Village of Napamute	Agnes Charles	Director	P.O. Box 96	Aniak	, AK	99558	543-2726	
Arctic Village Traditional Council	Steven Trill	First Chief	P.O. Box 59	Arctic Village	, AK	99722	587-5428	587-5438
Village of Atmautluak	Oscar Nick	Director	P.O. Box AH	Atmautluak	, AK	99559	553-5610	553-5610
Beaver Village	Arlene Pitka	Director	P.O. Box 24029	Beaver	, AK	99724	628-6126	628-6815
Native Village of Belkofski	Simeon Kuzakin	Director	P.O. Box 57	King Cove	, AK	99612	497-2304	497-2444
Birch Creek Village	Randall Baasam	First Chief	P.O. Box KBC	Fort Yukon	, AK	99740	221-9133	221-2312
Native Village of Cantwell	Veronica Nicholas	President	P.O. Box 94	Cantwell	, AK	99729	768-2151	768-1111
Chalkyitsik Village	Isabelle Carroll	First Chief	P.O. Box 57	Chalkyitsik	, AK	99799	848-8893	848-8227
Native Village of Chenega	Phillip Totemoff	Director	P.O. Box 8079	Chenega Bay	, AK	99574	573-5156	563-2445
Native Village of Chickaloon	Alan Larson	Director	P.O. Box 1105	Chickaloon	, AK	99674	746-0505	746-5433
Native Village of Chignik Lagoon	Tony Gregoria	Director	General Delivery	Chignik Lagoon	, AK	99565	840-2206	840-2281
Chignik Lake Village	Harry Kalmakoff, Jr.	President	P.O. Box 33	Chignik Lake	, AK	99548	845-2122	845-2217
Chistochina Pub Saf & Comm. Dev.	Barbara Charley	President	P.O. Box 307	Gakona	, AK	99586		
Native Village of Chistochina	Karen Eskilda	President	P.O. Box 241	Gakona	, AK	99586	822-3503	822-5179
Chitina Traditional Council	Martin Finnesand	Director	P.O. Box 31	Chitina	, AK	99566	823-2215	823-2202
Circle Civic Community Assoc.	Earla Hutchinson	President	Box 1	Circle City	, AK	99733		
Circle District Historical Society	Patricia Oakes	President	P.O. Box 1893	Central	, AK	99730		
Circle Native Community	Louis John	Chief	General Delivery	Circle	, AK	99733	733-5498	
Copper Center Loop Association	Bob Holmes	President	P.O. Box 78	Copper Center	, AK	99573		
Native Village of Kluk-Kaah	Lucille Brenwick	Director	P.O. Box 68	Copper Center	, AK	99573	822-5541	822-5130
Native Village of Council	Steven Longley	Director	P.O. Box 2050	Nome	, AK	99762	443-3443	443-2618
Native Village of Crooked Creek	Johnny John, Jr.	Director	P.O. Box 69	Crooked Creek	, AK	99575	432-2227	
Dot Lake Services, Inc.	Mark Vernon, Sr.	President	Box 2273	Dot Lake	, AK	99737		
Village of Dot Lake	William Miller	Director	P.O. Box 2272	Dot Lake	, AK	99737	882-2669	882-2112
Village of Eagle	David Howard	Director	P.O. Box 19	Eagle	, AK	99738	547-2271	
Edna Bay Community Association	Michael Brooks	President	Box EDB	Edna Bay	, AK	99950		
Native Village of Ekuk	Robert Heyano	Director	General Delivery	Ekuk	, AK	99576	842-5937	842-5937
Elfin Cove Community Council	Angeline Jenkins	Chairperson	P.O. Box 1	Elfin Cove	, AK	99825		
Native Village of Chuloonawick	Russ Akers	Chairman	General Delivery	Chuloonawick	, AK	99581	949-1147	
Evansville Village	Rhonda Musser	Director	P.O. Box 26025	Evansville	, AK	99726	692-5467	
Native Village of Gakona	Darin Gene	President	P.O. Box 124	Gakona	, AK	99586	882-3497	
Native Village of Georgetown	Glenn Fredericks	Director	General Delivery	Georgetown	, AK	99557		
Copper Valley Comm. Library Ass.	Frances Pease	President	Box 173	Glennallen	, AK	99588		
Glennallen Improvement Assoc.		President	P.O. Box 343	Glennallen	, AK	99588		

Unincorporated Community Contacts

Organization Name	Contact Name	Contact Title	Mailing Address	Mailing City	AK	Zip Code	Phone	Fax
Silver Springs Residents Assoc.	Gail Niebrugge	Treasurer	P.O. Box 381	Glennallen	, AK	99588		
Gulkana Village	Glenda Ewan	President	P.O. Box 254	Gulkana	, AK	99586	822-5213	822-3976
Gustavus Community Council	Becky Kurtz	Exec. Secretary	P.O. Box 62	Gustavus	, AK	99826		
Healy Lake Village	Fred Kirslealter	Director	P.O. Box 60300	Fairbanks	, AK	99706	876-5014	
Hollis Community Council	Johnnie Laird	President	Box 21	Hollis	, AK	99950		
Native Village of Paimiut	Franklin Napoleon	Chairman	General Delivery	Hoopar Bay	, AK	99604	758-4420	
Hyder Community Association, Inc.	Paul Larkin		P.O. Box 149	Hyder	, AK	99923	636-9148	638-2714
Iglugig Village	Trefim Andrew	Director	P.O. Box 4000	Iglugig	, AK	99613	533-3211	533-3217
Village of Illamna	John Johnson	Director	P.O. Box 286	Illamna	, AK	99606	571-1246	571-1258
Ivanof Bay Village	Archle Kalmakoff	Director	P.O. Box KIB	Ivanof Bay	, AK	99564	669-2204	669-2204
Native Village of Karluk	Alicia Reft	Director	P.O. Box 22	Karluk	, AK	99608	241-2224	241-2203
Native Village of Kasigluk	Gabriel Charles	President	P.O. Box 19	Kasigluk	, AK	99609	477-6927	
Kenny Lake Community League	Allred Roig	Chairman	HC 60 Box 231- Kenny Lake	Copper Center	, AK	99573		
King Salmon Village Council		Manager	General Delivery	King Salmon	, AK	99613		
Kipnuk Traditional Council	Paul Kiunyu, Sr.	President	P.O. Box 57	Kipnuk	, AK	99614	896-5515	896-5240
Chilkat Indian Village of Klukwan	Joe Hotch	Director	P.O. Box 525	Haines	, AK	99827	767-5505	767-5515
Knik Village	Paul Theodore	President	P.O. Box 871565	Wasilla	, AK	99687	373-2161	373-2161
Kokhanok Village	John Nelson	Director	P.O. Box 1007	Kokhanok	, AK	99606	282-2202	282-2202
New Kolliganek Village Council	Herman Nelson	Director	P.O. Box 1007	Kolliganek	, AK	99506	596-3441	596-3462
Kongiganak Native Village	Martina Azean	Director	P.O. Box 5069	Kongiganak	, AK	99559	557-5226	557-5611
Native Village of Hamilton	Willie Kamkoff	Director	P.O. Box 20130	Kotlik	, AK	99620	899-4313	899-4826
Village of Bill Moore's Slough	Jeff Bender	Chairman	P.O. Box 20037	Kotlik	, AK	99620	899-4712	
Native Village of Kwigillingok	Willie All	Director	P.O. Box 49	Kwigillingok	, AK	99622	588-8114	588-3428
Lake Minchumina Trad. Council		Chief	General Delivery	Lake Minchumina	, AK	99757		
Levelock Village	Christopher Apokedak	Director	P.O. Box 70	Levelock	, AK	99625	287-3030	287-3032
Liine Village Traditional Council	Evan Bobby, Jr.	President	P.O. Box LVD	McGrath	, AK	99627	526-5128	
Manley Hot Springs Comm. Assoc.	Robert Lee	President	P.O. Box 107	Manley Hot Springs	, AK	99756		
Manley Village Council	Elizabeth Woods	President	P.O. Box 23	Manley Hot Springs	, AK	99756	672-3331	
Village of Ohogamiut	Nick Isaac	Chairman	General Delivery	Marshall	, AK	99585	679-6740	
Native Village of Mary's Igloo	Sam Komok	President	P.O. Box 572	Teller	, AK	99778	642-3731	
Medtra Traditional Council		Chief	P.O. Box 92	McGrath	, AK	99627		
Nelchina/Mendelina Corporation	Kahren Rudbeck	President	HC O3 Box 8758	Palmer	, AK	99645		
Mentasta Lake Village Council	Nora David	Chairperson	Box 6019	Mentasta Lake	, AK	99780	291-2319	291-2305
Minto IRA Council	Luke Titus	Director	P.O. Box 26	Minto	, AK	99758	798-7112	798-7627
Naknek Native Village	Dolly Herman	Director	P.O. Box 106	Naknek	, AK	99633	246-4210	246-3563

Unincorporated Community Contacts

Organization Name	Contact Name	Contact Title	Mailing Address	Mailing City	AK	Zip Code	Phone	Fax
Native Village of Nanwalek	Vincent Kvasnikoff	Director	P.O. Box 8028	Nanwalek Via Homer	, AK	99603	281-9219	281-2252
Naukati West, Inc.	Bill Musser	President	P.O. Box NIKI-1	Ketchikan	, AK	99950		
Native Village of Nelson Lagoon	Paul Gundersen	Director	P.O. Box 13-NLG	Nelson Lagoon	, AK	99571	989-2234	989-2233
Four Mile Rd. Community Council	Ronald Carter	President	P.O. Box 472	Nenana	, AK	99760		
Newtok Village	Michael Andy	Director	P.O. Box WWT	Newtok	, AK	99559	237-2314	
Nikolaevsk Community Council		President	P.O. Box 5044	Nikolaevsk	, AK	99556		
Native Village of Nikolski	Leonte Ermeloff	Director	General Delivery	Nikolski	, AK	99638	576-2225	576-2205
Ninilchik Traditional Council	Grassim Oskolkoff	President/Chief	P.O. Box 39070	Ninilchik	, AK	99639	567-3313	567-3308
Noatak Village Council	Ricky Ashby	Director	P.O. Box 89	Noatak	, AK	99761	485-2173	485-2173
Northway Village	Lee Titus	Director	P.O. Box 516	Northway	, AK	99764	778-2271	
Oscarville Traditional Council	Ignati Jacob	President	P.O. Box 1554	Oscarville	, AK	99559	737-7321	
Pauloff Harbor Village		President	General Delivery	King Cove	, AK	99646		
Paxson Community Affairs	Gary Alcott	President	Pouch 7	Paxson	, AK	99737		
Pedro Bay Village	Debi Jacko	Administrator	P.O. Box 47020	Pedro Bay	, AK	99647	850-2225	850-2227
Native Village of Perryville	Marvin Yagle	President	P.O. Box 101	Perryville	, AK	99648	853-2203	853-2230
Native Village of Pitka's Point	Ephrim Thompson	President	P.O. Box 127	Saint Mary's	, AK	99658	438-2833	438-2569
Point Baker Community	Herbert Hoyt	President	Box 31	Point Baker	, AK	99927		
Native Village of Point Lay	Annie Martin	Director	P.O. Box 101	Point Lay	, AK	99759	833-2428	
Port Alsworth Improvement Corp.	Laddy Elliott	President	P.O. Box 9998	Port Alsworth	, AK	99653		
Native Village of Port Graham	Eleanor McMullen	Director	P.O. Box PGM	Port Graham	, AK	99603	284-2227	284-2222
Village of Alognak	c/o Port Lions Village	President	P.O. Box 69	Port Lions	, AK	99550		
Port Protection Community Assoc.	Roman Keleske	President	P.O. Box PPV, Port Protection	Ketchikan	, AK	99950		
Portage Creek Association	c/o Chogglung Ltd.		P.O. Box 330	Dillingham	, AK	99576	842-5218	842-5418
Portage Creek Village	Maryanne Johnson	Director	c/o Chogglung	Portage Creek	, AK	99576	842-5218	
Rampart Village	William Evans	First Chief	P.O. Box 67029	Rampart	, AK	99767	358-3312	
Red Devil Traditional Council	Gall Vanderpool	President	General Delivery	Red Devil	, AK	99656	447-3225	
Village of Salamatof	James Segura	Director	P.O. Box 2682	Kenai	, AK	99611	283-7864	283-5801
Skwentna Community Council		President	General Delivery	Skwentna	, AK	99667		
Slana Community Corporation	William Norris	President	P.O. Box 861	Slana	, AK	99586		
Slana League	Jim Frey, Sr.	President	S. R. Box 867	Gakona	, AK	99586		
Village of Sleetmute	Moxie Alexie	President	P.O. Box 30	Sleetmute	, AK	99688	449-4213	
Native Village of Solomon	Roseann Timbers	Director	P.O. Box 243	Nome	, AK	99762	443-2844	443-5098
South Naknek Village	Donald Nielsen	Director	P.O. Box 70106	South Naknek	, AK	99670	246-6566	246-6565
Stevens Village IRA Council	Randy Mayo	First Chief	General Delivery	Stevens Village	, AK	99774	478-7228	478-7229
Village of Stony River	Andrew Gusty	Chairman	P.O. Box SRV	Stony River	, AK	99557	537-3214	

Unincorporated Community Contacts

Organization Name	Contact Name	Contact Title	Mailing Address	Mailing City	AK	Zip Code	Phone	Fax
Takotna Community Assoc., Inc.	Janice Newton	Chairperson	P.O. Box 86	Takotna	, AK	99675		
Takotna Village	David Miller	Director	P.O. Box TYC	Takotna	, AK	99675	298-2212	
Y Community Council		President	HC 89 - Box 8400	Talkeetna	, AK	99676		
Native Village of Tanacross	Eileen Kozevnikoff	Director	P.O. Box 77130	Tanacross	, AK	99776		
Native Village of Tatitlek	Gary Kompkoff	Director	P.O. Box 171	Tatitlek	, AK	99677	325-2311	325-2298
Association of Tazlina Residents	Chuck Fillman	President	P.O. Box 532	Glennallen	, AK	99588		
Native Village of Tazlina	Robert Marshall	Director	P.O. Box 188	Glennallen	, AK	99588	822-5965	822-3490
Tellda Village	Steven Eluska	First Chief	General Delivery	Tellda	, AK	99629	843-8115	
Native Village of Tetlin	Donald Joe	Director	P.O. Box 520	Tetlin	, AK	99779	883-2321	
Tok Community Umbrella Corp.	William Simmons	President	P.O. Box 547	Tok	, AK	99780		
Tuluksak Native Community	John Napoka, Sr.	Chairman	P.O. Box 156	Tuluksak	, AK	99679	695-6828	
Native Village of Tuntutuliak	Peter Pavilla	Director	P.O. Box 77	Tuntutuliak	, AK	99680	256-2128	
Native Village of Tununak	John Oscar	Chairman	P.O. Box 77	Tununak	, AK	99681	652-6527	652-6011
Tununak Traditional Tribal Elders Council	George Usugan	President	General Delivery	Tununak	, AK	99681	652-6312	
Twin Hills Village	Arthur Sharp	Director	General Delivery	Twin Hills	, AK	99576	525-4820	525-4820
Native Village of Tyonek	Donald Standifer	Director	P.O. Box 82009	Tyonek	, AK	99682	583-2201	583-2442
Uganik Village Council		President	General Delivery	Uganik	, AK	99697		
Ugashik Village	Chester Schneider	Director	909 Chugach Way	Anchorage	, AK	99503		
Umkumiute Native Village	Simon Angus	Director	General Delivery	Nightmute	, AK	99690	647-6213	
Native Village of Unga	Bjorne Lee	President	P.O. Box 508	Sand Point	, AK	99661	383-5215	383-5553
Native Village of Venette Tribal Govt.	Gideon James	Director	P.O. Box 99	Venette	, AK	99781	849-8165	849-8513
Venette Traditional Council	George Tritt, Jr.	First Chief	P.O. Box 22004	Arctic Village	, AK	99781	587-5428	
Whale Pass Homeowner's Assoc.	Craig Templin	President	Box WWP - Whale Pass	Ketchikan	, AK	99950		
Wiseman Community Association	Annette Burroughs		General Delivery	Wiseman	, AK	99790		
Wiseman Traditional Council		President	1455 Skyline	Fairbanks	, AK	99726		

Unincorporated Communities

Community	Population	Borough Name	Census Area
Akiachak	542	Unorganized	Bethel
Alcan	25	Unorganized	Southeast Fairbanks
Alexander Creek	30	Matanuska-Susitna Borough	Mat-Su
Anchor Point	1,137	Kenai Peninsula Borough	Kenai Peninsula
Arctic Village	132	Unorganized	Yukon Koyukuk
Atmautluak	279	Unorganized	Bethel
Beaver	103	Unorganized	Yukon Koyukuk
Belkofski	0	Aleutians East Borough	Aleutians East
Big Delta	503	Unorganized	Southeast Fairbanks
Big Lake	2,057	Matanuska-Susitna Borough	Mat-Su
Birch Creek	39	Unorganized	Yukon Koyukuk
Butte	2,528	Matanuska-Susitna Borough	Mat-Su
Cantwell	145	Denali Borough	Yukon Koyukuk
Central	58	Unorganized	Yukon Koyukuk
Chalkyitsik	83	Unorganized	Yukon Koyukuk
Chase	50	Matanuska-Susitna Borough	Mat-Su
Chenega Bay	96	Unorganized	Valdez/Cordova
Chickaloon	200	Matanuska-Susitna Borough	Mat-Su
Chignik Lagoon	65	Lake & Peninsula Borough	Lake & Peninsula
Chignik Lake	154	Lake & Peninsula Borough	Lake & Peninsula
Chiniak	63	Kodiak Island Borough	Kodiak Island
Chistochina	58	Unorganized	Valdez/Cordova
Chitina	64	Unorganized	Valdez/Cordova
Circle	94	Unorganized	Yukon Koyukuk
Circle Hot Springs	32	Unorganized	Yukon Koyukuk
Clam Gulch	94	Kenai Peninsula Borough	Kenai Peninsula
Cohoe	583	Kenai Peninsula Borough	Kenai Peninsula
College	12,548	Fairbanks North Star Borough	Fairbanks NS Boro
Cooper Landing	283	Kenai Peninsula Borough	Kenai Peninsula
Copper Center	494	Unorganized	Valdez/Cordova
Copperville	185	Unorganized	Valdez/Cordova
Council	8	Unorganized	Nome
Covenant Life	63	Haines Borough	Haines
Crooked Creek	138	Unorganized	Bethel
Crown Point	91	Kenai Peninsula Borough	Kenai Peninsula
Cube Cove	166	Unorganized	Skagway/Yakutat
Deadhorse	25	North Slope Borough	North Slope
Dora Bay	0	Unorganized	Prince of Wales
Dot Lake	78	Unorganized	Southeast Fairbanks
Dry Creek	104	Unorganized	Southeast Fairbanks
Eagle Village	29	Unorganized	Southeast Fairbanks

Unincorporated Communities

Community	Population	Borough Name	Census Area
Edna Bay	79	Unorganized	Prince of Wales
Ekuk	3	Unorganized	Dillingham
Elfin Cove	48	Unorganized	Skagway/Yakutat
Ester	211	Fairbanks North Star Borough	Fairbanks NS Boro
Evansville	30	Unorganized	Yukon Koyukuk
Ferry	69	Denali Borough	Yukon Koyukuk
Fox	310	Fairbanks North Star Borough	Fairbanks NS Boro
Fox River	423	Kenai Peninsula Borough	Kenai Peninsula
Freshwater Bay	0	Unorganized	Skagway/Yakutat
Fritz Creek	1,740	Kenai Peninsula Borough	Kenai Peninsula
Gakona	23	Unorganized	Valdez/Cordova
Game Creek	76	Unorganized	Skagway/Yakutat
Georgetown	0	Unorganized	Bethel
Glennallen	493	Unorganized	Valdez/Cordova
Gulkana	100	Unorganized	Valdez/Cordova
Gustavus	328	Unorganized	Skagway/Yakutat
Halibut Cove	78	Kenai Peninsula Borough	Kenai Peninsula
Happy Valley	388	Kenai Peninsula Borough	Kenai Peninsula
Harding Lake	29	Fairbanks North Star Borough	Fairbanks NS Boro
Healy	605	Denali Borough	Yukon Koyukuk
Healy Lake	60	Unorganized	Southeast Fairbanks
Hobart Bay	58	Unorganized	Skagway/Yakutat
Hollis	106	Unorganized	Prince of Wales
Hope	170	Kenai Peninsula Borough	Kenai Peninsula
Hyder	138	Unorganized	Prince of Wales
Igiugig	50	Lake & Peninsula Borough	Lake & Peninsula
Iliamna	99	Lake & Peninsula Borough	Lake & Peninsula
Ivanof Bay	28	Lake & Peninsula Borough	Lake & Peninsula
Jakolof Bay	32	Kenai Peninsula Borough	Kenai Peninsula
Kallifonsky	327	Kenai Peninsula Borough	Kenai Peninsula
Karluk	58	Kodiak Island Borough	Kodiak Island
Kasigluk	506	Unorganized	Bethel
Kasilof	497	Kenai Peninsula Borough	Kenai Peninsula
Kenny Lake	460	Unorganized	Valdez/Cordova
King Salmon	539	Bristol Bay Borough	Bristol Bay
Kipnuk	544	Unorganized	Bethel
Klukwan	165	Unorganized	Skagway/Yakutat
Knik	462	Matanuska-Susitna Borough	Mat-Su
Kokhanok	161	Lake & Peninsula Borough	Lake & Peninsula
Koliganek	208	Unorganized	Dillingham
Kongiganak	336	Unorganized	Bethel

Unincorporated Communities

Community	Population	Borough Name	Census Area
Kwigillingok	326	Unorganized	Bethel
Labouchere Bay	9	Unorganized	Prince of Wales
Lake Minchumina	36	Unorganized	Yukon Koyukuk
Lazy Mountain	1,038	Matanuska-Susitna Borough	Mat-Su
Levelock	116	Lake & Peninsula Borough	Lake & Peninsula
Lignite	123	Denali Borough	Yukon Koyukuk
Lime Village	61	Unorganized	Bethel
Lutak	50	Haines Borough	Haines
Manley Hot Springs	99	Unorganized	Yukon Koyukuk
Mary's Igloo	0	Unorganized	Nome
McCarthy	31	Unorganized	Valdez/Cordova
McKinley Park	200	Denali Borough	Yukon Koyukuk
Meadow Lakes	4,576	Matanuska-Susitna Borough	Mat-Su
Mendeltna	57	Unorganized	Valdez/Cordova
Mentasta Lake	115	Unorganized	Valdez/Cordova
Meyers Chuck	35	Unorganized	Prince of Wales
Minto	245	Unorganized	Yukon Koyukuk
Moose Creek	691	Fairbanks North Star Borough	Fairbanks NS Boro
Moose Pass	119	Kenai Peninsula Borough	Kenai Peninsula
Mosquito Lake	88	Haines Borough	Haines
Naknek	617	Bristol Bay Borough	Bristol Bay
Nanwalek	162	Kenai Peninsula Borough	Kenai Peninsula
Napaimute	3	Unorganized	Bethel
Naukati Bay	147	Unorganized	Prince of Wales
Nelson Lagoon	88	Aleutians East Borough	Aleutians East
Newtok	275	Unorganized	Bethel
Nikiski	3,087	Kenai Peninsula Borough	Kenai Peninsula
Nikolaevsk	501	Kenai Peninsula Borough	Kenai Peninsula
Nikolski	27	Unorganized	Aleutians West
Ninilchik	597	Kenai Peninsula Borough	Kenai Peninsula
Noatak	418	Northwest Arctic Borough	Northwest Arctic
Northway	133	Unorganized	Southeast Fairbanks
Northway Junction	113	Unorganized	Southeast Fairbanks
Northway Village	123	Unorganized	Southeast Fairbanks
Oscarville	42	Unorganized	Bethel
Pauloff Harbor	0	Aleutians East Borough	Aleutians East
Paxson	33	Unorganized	Valdez/Cordova
Pedro Bay	45	Lake & Peninsula Borough	Lake & Peninsula
Perryville	104	Lake & Peninsula Borough	Lake & Peninsula
Pitka's Point	147	Unorganized	Wade Hampton
Pleasant Valley	579	Fairbanks North Star Borough	Fairbanks NS Boro

Unincorporated Communities

Community	Population	Borough Name	Census Area
Point Baker	62	Unorganized	Prince of Wales
Point Lay	178	North Slope Borough	North Slope
Polk Inlet	69	Unorganized	Prince of Wales
Port Alice	22	Unorganized	Prince of Wales
Port Alsworth	77	Lake & Peninsula Borough	Lake & Peninsula
Port Graham	170	Kenai Peninsula Borough	Kenai Peninsula
Port Protection	64	Unorganized	Prince of Wales
Portage Creek	6	Unorganized	Dillingham
Primrose	62	Kenai Peninsula Borough	Kenai Peninsula
Rampart	77	Unorganized	Yukon Koyukuk
Red Devil	61	Unorganized	Bethel
Ridgeway	2,312	Kenai Peninsula Borough	Kenai Peninsula
Rowan Bay	55	Unorganized	Wrangell/Petersburg
Saint John's Harbor	0	Unorganized	Wrangell/Petersburg
Salamatof	1,090	Kenai Peninsula Borough	Kenai Peninsula
Salcha	384	Fairbanks North Star Borough	Fairbanks NS Boro
Skwentna	90	Matanuska-Susitna Borough	Mat-Su
Slana	61	Unorganized	Valdez/Cordova
Sleetmute	116	Unorganized	Bethel
Solomon	6	Unorganized	Nome
South Naknek	146	Bristol Bay Borough	Bristol Bay
Sterling	4,949	Kenai Peninsula Borough	Kenai Peninsula
Stevens Village	95	Unorganized	Yukon Koyukuk
Stony River	44	Unorganized	Bethel
Sutton	328	Matanuska-Susitna Borough	Mat-Su
Takotna	51	Unorganized	Yukon Koyukuk
Talkeetna	330	Matanuska-Susitna Borough	Mat-Su
Tanacross	88	Unorganized	Southeast Fairbanks
Tatitlek	124	Unorganized	Valdez/Cordova
Tazlina	274	Unorganized	Valdez/Cordova
Telida	9	Unorganized	Yukon Koyukuk
Tetlin	77	Unorganized	Southeast Fairbanks
Tok	1,204	Unorganized	Southeast Fairbanks
Tonsina	42	Unorganized	Valdez/Cordova
Trapper Creek	304	Matanuska-Susitna Borough	Mat-Su
Tuluksak	380	Unorganized	Bethel
Tuntutuliak	340	Unorganized	Bethel
Tununak	354	Unorganized	Bethel
Twin Hills	75	Unorganized	Dillingham
Two Rivers	654	Fairbanks North Star Borough	Fairbanks NS Boro
Tyonek	154	Kenai Peninsula Borough	Kenai Peninsula

Unincorporated Communities

Community	Population	Borough Name	Census Area
Uganik	0	Kodiak Island Borough	Kodiak Island
Ugashik	5	Lake & Peninsula Borough	Lake & Peninsula
Umkumiute	0	Unorganized	Bethel
Unga	0	Aleutians East Borough	Aleutians East
Venette	224	Unorganized	Yukon Koyukuk
Whale Pass	92	Unorganized	Prince of Wales
Willow	368	Matanuska-Susitna Borough	Mat-Su
Wiseman	28	Unorganized	Yukon Koyukuk
Womens Bay	749	Kodiak Island Borough	Kodiak Island
173			

Unincorporated Communities (greater than 25) within Organized Boroughs

Borough	Community	Population
Aleutians East Borough	Nelson Lagoon	87
Bristol Bay Borough	King Salmon	746
	Naknek	589
	South Naknek	144
Denali Borough	Cantwell	157
	Ferry	60
	Healy	519
	Lignite	105
	McKinley Park	169
	Fairbanks North Star Borough	College
Eielson AFB		3,787
Ester		181
• Fox		287
• Harding Lake		27
• Moose Creek		649
• Pleasant Valley		468
• Salcha		350
• Two Rivers		527
Haines Borough		Covenant Life
	• Lutak	50
	Mosquito Lake	89
Kenai Peninsula Borough	Anchor Point	993
	• Clam Gulch	80
	• Cohoe	550
	Cooper Landing	254
	• Crown Point	72
	• Fox River	401
	Fritz Creek	1,525
	Halibut Cove	68
	• Happy Valley	354
	Hope	161
	Jakolof Bay	29
	• Kalifonsky	309
	• Kasilof	419
	Moose Pass	95
	Nanwalek	171
	Nikiski	2,867
Nikolaevsk	425	
Ninilchik	485	
Port Graham	163	
Primrose	66	

CROSSED OUT COMMUNITIES
DO NOT PASS SOCIAL UNIT
TEST.

Unincorporated Communities ~~more~~ than 25 within Organized Boroughs

Borough	Community	Population
Kenai Peninsula Borough	Ridgeway	2,181
	Salamatof	1,044
	Sterling	4,436
	Tyonek	159
Kodiak Island Borough	Chiniak	75
	Karluk	74
	Kodiak Station	2,016
	Womens Bay	674
Lake & Peninsula Borough	Chignik Lagoon	60
	Chignik Lake	142
	Egegik	133
	Igiugig	40
	Iliamna	92
	Ivanof Bay	40
	Kokhanok	139
	Levelock	105
	Pedro Bay	50
	Perryville	110
	Port Alsworth	66
	Matanuska-Susitna Borough	Alexander Creek
• Big Lake		1,742
Butte		2,254
• Chase		41
Chickaloon		204
Knik		296
Lazy Mountain		926
Meadow Lakes		2,582
Skwentna		106
Sutton		311
Talkeetna		267
• Trapper Creek		293
Willow	300	
Municipality of Anchorage	Eklutna	381
North Slope Borough	Deedhorse	25
	Point Lay	163
	Prudhoe Bay	32
Northwest Arctic Borough	Noatak	365
Total Number:	78	

60

NOTE: COMMUNITIES WITH A
DOT BY THEIR NAME
MIGHT ALSO BE ELIMINATED
IF WE APPLIED RULES
VERY RIGOROUSLY.



Lake and Peninsula Borough

P.O. Box 495
King Salmon, Alaska 99613

Telephone: (907) 246-3421
Fax: (907) 246-6602



December 15, 1995

Representative Carl Moses
716 W. 4th Ave.
Suite 200
Anchorage, AK. 99501-2133

RE: Support for HB 330

Dear Representative Moses:

Tim Benintendi recently informed us that you intend to push for passage of HB 330 this legislative session. HB 330 is the bill you introduced in the House last session which would correct the inequities which exist for unincorporated communities located within Boroughs who wish to participate in the State Capital Project Matching Grant Program. The Borough is very pleased to hear that HB 330 is one of your top priority items for the upcoming legislative session. We are writing to let you know that the Lake and Peninsula Borough strongly supports this effort and we will do whatever we can to assist you in getting this legislation passed.

As you know, the Lake and Peninsula Borough is very adversely affected by the way the State Capital Project Matching Grant Program is presently structured. Unincorporated communities in the unorganized borough are currently guaranteed at least \$25,000 per year in State matching funds for eligible capital projects. Conversely, unincorporated communities within organized Boroughs (like those in our borough) are not guaranteed a minimal level of funding. This prevents them from participating in the program for all practical purposes. The Borough, as the local eligible municipality, receives funding for these communities based upon the combined population of all unincorporated villages within the Borough; an amount far less than it would receive if its communities were treated equitably.

The Lake and Peninsula Borough has seventeen communities located within its boundaries. Eleven of these communities are presently unincorporated. I know you are familiar with these communities and that you know many of the local residents in them on a personal basis. The affected communities are Ivanof Bay, Perryville, Chignik Lagoon, Chignik Lake, Ugashik, Igiugig, Levelock, Pedro Bay, Iliamna, Kokhanok, and Port

Alsworth. The residents in these communities, approximately one half of all Borough residents, have essentially been denied the opportunity to participate in this very important State program.

In FY 95, the Borough received a total of \$44,000 in program monies to be divided up among these eleven communities. We expect to receive approximately the same amount in FY 96. This works out to about \$4,000 per community, per year. This is totally unacceptable. If each of these communities were guaranteed \$25,000 per year like unincorporated communities outside of boroughs are, we would have received at least \$275,000 last year. As you can see, that is quite a difference. This amount is a significant sum that could be used for meaningful capital projects. This is especially true when you consider that communities have the ability let this money accumulate in their accounts. For example, a community like Iliamna would have \$50,000 plus interest in its account after two years and \$75,000 plus interest after three years.

The State Capital Project Matching Grant Program as it is currently written into law is inherently unfair to unincorporated communities that are located within existing Boroughs. This was not the intent of those who advocated for the creation of this program several years ago. We believe the State should rectify this problem as quickly as possible for a number of reasons including:

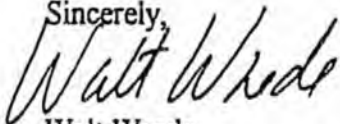
1. It is in the State's interest to promote economic and community development in rural areas. The construction of needed capital projects in Borough communities is now hindered because there is little or no incentive for local governments to participate in this program. For many communities, it is not worth the time and effort to prepare the application and other required paperwork for a mere \$4,000 per year. We have definitely seen a decline in the amount of interest in this program over the past few years. This situation serves to reduce, rather than increase, incentives for investing in our communities. In reality, it means that fewer capital projects will actually get completed in the Borough because this program was intended to replace or substitute for the old discretionary fund system. The problem is now compounded because our communities receive less discretionary funding and little or no funding from the State Capital Project Matching Grant Program.
2. The State is in the process of reducing its budget in response to new economic realities. It will therefore expect local governments to assume increased responsibility for providing local services and building necessary infrastructure. Therefore, it is in the State's interest to promote the existence and economic viability of Boroughs and other local governments. This program, as it is currently structured, serves to penalize unincorporated communities which are located within organized Boroughs. This is a disincentive for the formation of new Boroughs and could potentially threaten the continued existence of others.

We are aware that many people believe this bill must have a zero net effect upon the operating budget if it is to have any chance of passing. Although we understand this thinking given the current budgetary constraints, we would encourage you to push for

more money to fully fund this program. Adding 60 villages to the list of communities that are eligible to participate in the program without increasing the appropriation accordingly penalizes all of the communities in the State. We agree that the State budget must be trimmed. We do not however, think reducing our investment in capital projects and economic development is a wise and prudent way to go about it.

In summary, the Lake and Peninsula Borough is very pleased that you intend to work for passage of HB 330 this session. Please do not hesitate to contact us if there is anything we can do to assist you in this effort. Thanks for your time and consideration.

Sincerely,



Walt Wrede
Borough Manager

c.

Governor Tony Knowles

Ms. Analee McConnell/Director OMB

Senator Lyman Hoffman

Senator John Torgerson

Kevin Ritchie/AML

Commissioner Mike Irwin/DCRA

Deputy Commissioner Lamar Cotten/DCRA

Mark Hickey

IGIUGIG VILLAGE COUNCIL

P.O. Box 4008
Igiugig, AK 99613
(907)533-3211
Fax (907)533-3217

December 26, 1995

Representative Carl Moses
716 W. 4th Avenue, Suite 200
Anchorage, AK 99501-2133

Dear Representative Moses

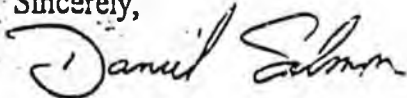
re: Support for HB 330

We are an unincorporated community in the Lake & Peninsula Borough and therefore not eligible for substantive amounts under the State Capital Project Matching Grant Program as it is currently structured. We are supportive of this legislation which strives to provide equity for unincorporated villages within organized boroughs.

We have been seeking for a number of years to provide basic necessities for the residents of our community. Some things have been possible through creative means, but many needs remain unaddressed. Among these unmet needs are, an emergency services building, an ambulance/rescue services and fire fighting equipment to name a few. It is very frustrating to be unable to access funds with which to provide for these basic community support structures and services, particularly when other communities very similar to ours remain eligible due to the fact that they do not fall within the boundary of an organized borough.

If it is the States goal to have organized boroughs to deal with local issues and carry part of the administrative burden, it would behoove State government to encourage this through equitable funding opportunities, rather than penalizing villages for being a part of a borough.

Sincerely,



Daniel Salmon
Village Administrator
DA:sa

cc:

Lake & Peninsula Borough
Governor Tony Knowles

HB

358

HOUSE BILL NO. 358

IN THE LEGISLATURE OF THE STATE OF ALASKA

NINETEENTH LEGISLATURE - SECOND SESSION

BY REPRESENTATIVE IVAN

Introduced:

Referred:

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to dog mushers' contests."

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

3 * Section 1. AS 05.15.180(b) is amended to read:

4 (b) With the exception of raffles, lotteries, bingo games, pull-tab games, rain
 5 classics, goose classics, mercury classics, deep freeze classics, dog mushers' contests
 6 snow machine classics, mushing sweepstakes, canned salmon classics, salmon classics,
 7 king salmon classics, an activity may not be licensed under this chapter unless it
 8 existed in the state in substantially the same form and was conducted in substantially
 9 the same manner before January 1, 1959. A snow machine classic may not be licensed
 10 under this chapter unless it has been in existence for at least five years before the
 11 licensing.

12 * Sec. 2. AS 05.15.690(12) is amended to read:

13 (12) "dog mushers' contest" means a

14 (A) contest in which prizes are awarded for the correct guess
 15 of the racing time of a dog team or of team position in the race, including

1 prizes to the race contestants; or

2 (B) a game of chance where a prize of money is awarded for
3 the closest guess or guesses of at least three elements of uncertainty about
4 a sled dog race of at least 200 miles that cannot be determined before the
5 commencement of the race:

6 * Sec. 3. Section 6, ch. 13, SLA 1995, is repealed and reenacted to read:

7 Sec. 6. AS 05.15.180(b) is repealed and reenacted to read:

8 (b) With the exception of raffles, lotteries, bingo games, pull-tab games, rain
9 classics, goose classics, mercury classics, deep freeze classics, dog mushers' contests,
10 snow machine classics, canned salmon classics, salmon classics, king salmon classics,
11 an activity may not be licensed under this chapter unless it existed in the state in
12 substantially the same form and was conducted in substantially the same manner before
13 January 1, 1959. A snow machine classic may not be licensed under this chapter
14 unless it has been in existence for at least five years before the licensing.

contracts with an operator to conduct on its behalf activities authorized under this chapter, the municipality or qualified organization may award a maximum of \$500,000 in prizes each year. The holders of a multiple-beneficiary permit under AS 05.15.100(d) may award a maximum in prizes each year of \$1,000,000 times the number of holders of the permit for activities authorized under this chapter. In this subsection "activities authorized under this chapter" means all activities subject to this chapter other than bingo. (§ 2 ch 27 SLA 1960; am § 3 ch 66 SLA 1976; am §§ 5, 6 ch 59 SLA 1983; am § 2 ch 93 SLA 1986; am § 3 ch 94 SLA 1986; am §§ 20, 21 ch 99 SLA 1988; am § 4 ch 24 SLA 1991; am §§ 23 — 25 ch 70 SLA 1993; am E.O. No. 82 §§ 12, 13 (1993); am § 3 ch 16 SLA 1994; am § 5 ch 13 SLA 1995; am § 3 ch 104 SLA 1995; am §§ 3 — 5 ch 105 SLA 1995)

Delayed amendment of subsection (b). — Under § 6, ch. 13, SLA 1995, effective January 1, 2000, subsection (b) is amended to delete the reference to mushing sweepstakes.

Effect of amendments. — The first 1995 amendment, effective July 31, 1995, inserted "mushing sweepstakes." in subsection (b).

The second 1995 amendment, effective July 1, 1995, in subsection (b), inserted "deep freeze classics, snow machine clas-

sics," in the first sentence and added the second sentence.

The third 1995 amendment, effective October 6, 1995, in subsection (a), deleted "Except as provided in AS 05.15.100(b)," from the beginning; in subsection (b), deleted "and other activities authorized under AS 05.15.100(b)," following "salmon classics"; and repealed subsection (c), relating to limitations on the operation activities licensed under AS 05.15.100(b).

Article 4. General Provisions.

Section

690. Definitions

Sec. 05.15.690. Definitions. In this chapter

(1) "adjusted gross income" means gross income less prizes awarded and state, federal, and municipal taxes paid or owed on the income;

(2) "authorizing permittee" means a municipality or qualified organization that authorizes an operator to conduct an activity subject to this chapter on its behalf;

(3) "bingo" means a game of chance of, and restricted to, the selling of rights to participate, and the awarding of prizes, in the specific kind of game of chance sometimes known as bingo or lotto, played with cards bearing numbers or other designations, five or more in one line, the holder covering numbers when objects similarly numbered are drawn from a receptacle, and the game being won by the person who first covers a previously designated arrangement of numbers on the card;

(4) "canned salmon classic" means a game of chance where a prize of money is awarded to the closest guess of the total number of cases of canned salmon that will be packed at the Petersburg salmon canner-

ch 70 SLA 1993; am § 2 ch 16 SLA 1994; am § 3 ch 13 SLA 1995; am § 2 ch 104 SLA 1995; am § 2 ch 105 SLA 1995)

Delayed amendment of subsection (c). — Under § 4, ch. 13, SLA 1995, effective January 1, 2000, subsection (c) is amended to delete the reference to mushing sweepstakes.

Effect of amendments. — The first 1995 amendment, effective July 31, 1995, inserted "mushing sweepstakes," in the second sentence of subsection (c).

The second 1995 amendment, effective

July 1, 1995, inserted "deep freeze classics," and "snow machine classics," in the second sentence in subsection (c).

The third 1995 amendment, effective October 6, 1995, in the second sentence in subsection (c), deleted ", and all activities permitted under AS 05.15.100(b)" following "contests of skill" and made a minor stylistic change.

Sec. 05.15.180. Limitations on authorized activity. (a) This chapter does not authorize the use of playing cards, dice, roulette wheels, coin-operated instruments or machines, or other objects or instruments used, designed, or intended primarily for gaming or gambling or any other method or implement not expressly authorized by the department.

(b) With the exception of raffles, lotteries, bingo games, pull-tab games, rain classics, goose classics, mercury classics, deep freeze classics, snow machine classics, mushing sweepstakes, canned salmon classics, salmon classics, king salmon classics, an activity may not be licensed under this chapter unless it existed in the state in substantially the same form and was conducted in substantially the same manner before January 1, 1959. A snow machine classic may not be licensed under this chapter unless it has been in existence for at least five years before the licensing.

(c) *[Repealed, § 5 ch 105 SLA 1995.]*

(1) cash prizes may not be awarded;

(2) only money substitutes such as chips or scrip may be used by a player in the activity;

(3) the money substitutes may be exchanged only for prizes other than money and may not be otherwise exchanged or sold; and

(4) additional limitations may be established by the department under adopted regulations.

(d) The total value of door prizes offered or awarded under authority of a permit issued to a municipality or qualified organization under this chapter or under authority of a multiple-beneficiary permit may not exceed \$20,000 a month or \$240,000 a year.

(e) The total value of all door prizes offered or awarded at a single facility or bingo hall or parlor by an operator on behalf of authorizing permittees may not exceed \$20,000 a month or \$240,000 a year.

(f) A person under the age of 19 years may not play a bingo game.

(g) A municipality or a qualified organization may award a maximum of \$1,000,000 in prizes each year in activities authorized under this chapter; however, if a municipality or a qualified organization

FISCAL NOTE

STATE OF ALASKA
1996 LEGISLATIVE SESSION

BILL NO: HB 358

Revision Date: 1/9/96
 Title: An Act relating to dog mushers' contests
 Sponsor: Rep. Ivan
 Requestor: Rep. Ivan

Dept. Affected: Community & Regional Affairs
 BRU: _____
 Component: _____
 COMPONENT SERIAL NO. _____

EXPENDITURES/REVENUES: (Thousands of Dollars) (inflation not included)

OPERATING	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0
CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
CHANGE IN REVENUES ()						
Revenue Code						

FUNDING: (Thousands of Dollars)

1002 Federal Receipts						
1003 GE Match						
1004 GE						
1005 GE/Program Receipts						
1006 GE/MHTIA						
Other						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of current year (FY 95) impact: \$ none

POSITIONS:

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

ANALYSIS: (Attach a separate page if necessary.)

Prepared By: Remond Henderson, Director *Remond Henderson* Phone: 465-4808
 Division: Administrative Services Date: 1/9/96
 Approved by Commissioner: Mike Irwin *Mike Irwin* Date: 1/9/96
 Agency: Mike Irwin, Dir. of Community & Reg. Affairs

PREPARER TO PROVIDE ALL DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE

For further distribution information call the Governor's Legislative Office

Revision Date: January 11, 1996 Dept. Affected: Revenue
 Title: Dog Musers' Contests/Games of Chance BRU: Revenue Operations
 Component: Charitable Gaming Division
 Sponsor: Representative Ivan
 Requestor: Representative Ivan COMPONENT SERIAL NO. _____

Expenditures/Revenues: (Thousands of Dollars)

OPERATING EXPENDITURES	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0
CAPITAL EXPENDITURES						
CHANGE IN REVENUES ()						

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY96) cost \$ _____

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

The Charitable Gaming Division issued an average of 55 Dog Musers' Permits for the years 1990 through 1995. This bill will have a negligible impact on the Division due to the low number of permits issued annually.

Prepared by: Dennis R. Poshard, Director *DRP*
 Division: Charitable Gaming Division
 Approved by Commissioner: Wilson L. Condon *W. Condon*
 Agency: Department of Revenue

Phone: 465-2279
 Date: 1/11/96
 Date: 1/11/96

PREPARER TO PROVIDE ALL DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE
 For further distribution information call the Governor's Legislative Office

Revision Date: January 11, 1996 Dept. Affected: Revenue
 Title: Dog Musers' Contests/Games of Chance BRU: Revenue Operations
 Component: Charitable Gaming Division
 Sponsor: Representative Ivan
 Requestor: Representative Ivan COMPONENT SERIAL NO. _____

Expenditures/Revenues:

(Thousands of Dollars)

OPERATING EXPENDITURES	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
----------------------	--	--	--	--	--	--

CHANGE IN REVENUES ()						
------------------------	--	--	--	--	--	--

FUND SOURCE

(Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY96) cost \$ _____

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

The Charitable Gaming Division issued an average of 55 Dog Musers' Permits for the years 1990 through 1995. This bill will have a negligible impact on the Division due to the low number of permits issued annually.

Prepared by: Dennis R. Poshard, Director *DRP*
 Division: Charitable Gaming Division
 Approved by Commissioner: Wilson L. Condon *WLC*
 Agency: Department of Revenue

Phone: 465-2279
 Date: 1/11/96
 Date: 1/11/96

PREPARER TO PROVIDE ALL DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE
 For further distribution information call the Governor's Legislative Office



Kuskokwim 300 Race Committee
P.O. Box 300
Bethel, Alaska 99559
907 543-3300

January 11, 1996

Ivan M. Ivan
Alaska State Legislature
Juneau, Alaska

Fax #: 465-4589

Dear Representative Ivan:

We have received a copy of house bill number 358. Of course the Kuskokwim 300 race committee supports this measure. We see no reason why the Iditarod should have the sole opportunity to stage such contests. We raise virtually all our money locally and yet we are able to stage the second largest dog race in the world. We have mainly a volunteer organization and are very careful with our money as evidenced by the fact we have never finished a year without a surplus.

On a similar subject, we would like you to look into the issue of our prize payout limit. For rippies, the total limit per year is one million dollars. However, because of the State's interpretation of the payout rules, included in that one million dollars is the money we pay to mushers for purses. There has been a regulatory change proposed that would eliminate that problem. However that regulation is bogged down somewhere and has not been passed. Legislative assistance would be greatly appreciated on that issue. Again, somehow the Iditarod has managed to avoid that problem through some form of exemption that is not available to us.

Thank you for keeping us advised of legislative matters pertaining to our race.

Best regards,


Myron Angstman
Race Chairman

THE "KUSKOKWIM 300" IS AN ANNUAL DOG SLED RACE
FROM BETHEL TO ANIAK AND BACK
The Race Route follows Old Dog Team Mail Routes Along The Kuskokwim River

9-LS1074G ✓
Luckhaupt
2/6/96

CS FOR HOUSE BILL NO. 358()

IN THE LEGISLATURE OF THE STATE OF ALASKA

NINETEENTH LEGISLATURE - SECOND SESSION

BY

Offered:
Referred:

Sponsor(s): REPRESENTATIVE IVAN

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to dog mushers' contests."

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

3 * Section 1. AS 05.15.180(b) is amended to read:

4 (b) With the exception of raffles, lotteries, bingo games, pull-tab games, rain
5 classics, goose classics, mercury classics, deep freeze classics, dog mushers' contests
6 snow machine classics, mushing sweepstakes, canned salmon classics, salmon classics,
7 king salmon classics, an activity may not be licensed under this chapter unless it
8 existed in the state in substantially the same form and was conducted in substantially
9 the same manner before January 1, 1959. A snow machine classic may not be licensed
10 under this chapter unless it has been in existence for at least five years before the
11 licensing.

12 * Sec. 2. AS 05.15.690(12) is amended to read:

13 (12) "dog mushers' contest" means a

14 (A) contest, conducted by a dog mushers' association, in
15 which prizes are awarded for the correct guess of the racing time of a dog team

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18

or of team position in the race, including prizes to the race contestants; or
(B) a game of chance, conducted by a dog mushers'
association, in which a prize of money is awarded for the closest guess or
guesses of at least three elements of uncertainty about a sled dog race that
cannot be determined before the commencement of the race; of the three
elements of uncertainty, one element must be identified as the primary
determinant of success, with the other two elements being utilized as
secondary and tertiary determinants if there are multiple correct guesses
of the primary determinant;

* Sec. 3. Section 6, ch. 13, SLA 1995, is repealed and reenacted to read:

Sec. 6. AS 05.15.180(b) is repealed and reenacted to read:

(b) With the exception of raffles, lotteries, bingo games, pull-tab games, rain classics, goose classics, mercury classics, deep freeze classics, dog mushers' contests, snow machine classics, canned salmon classics, salmon classics, king salmon classics, an activity may not be licensed under this chapter unless it existed in the state in substantially the same form and was conducted in substantially the same manner before January 1, 1959. A snow machine classic may not be licensed under this chapter unless it has been in existence for at least five years before the licensing.

Alaska State House of Representatives
House District 39

Session
Alaska State Capital
Juneau, Alaska 99801-1182
Phone: (907) 465-4042



Interim
P.O. Box 137
Akiak, Alaska 99552
Phone: (907) 765-7526

Representative Ivan M. Ivan

Changes to HB 358

The only changes in this bill are in section two.

Subsection A adds conducted by a dog mushers' association. This is to ensure that money raised in this manner goes to promote the sport of dog mushing.

Subsection B defines how the three elements of chance shall work. The first element is primary and the other two are secondary and tertiary tie breakers.

Subsection B also drops the mileage qualification and replaces it with the qualification that the Charitable Gaming Division recognize the group that is sponsoring the race.

**Sectional
HB 358**

Rep. Ivan M. Ivan

"An act relating to dog mushers' contests."

***Section 1. Authorizes the expansion of AS 05.15.180(b). This statute is expanded by adding "dog mushers' contests" to the list of permissible activities.**

***Section 2. Inserts the definition of "dog mushers' contest" into AS 05.15.690(12)(b). A dog mushers' association that is recognized by the Charitable Gaming Division to run a dog race will be able to run a mushers' contest in conjunction with the race.**

***Section 3. Last year HB 146 became law with a sunset clause for the year 2000. Any changes to AS 05.15.180(b) between 1995 and 2000, will sunset in 2000 without an exemption clause, which is found in this section. This section saves having to reenact new legislation in four years.**

3165

1996 RACING SEASON
MID AND LONG DISTANCE RACES

***Excel 300

Simms, MT
December 17-23, 1995
Entry Fee:
Contact: Doug Swingley, PO Box 131, Simms, MT 59477
Phone: (406) 264-5944 Fax (406) 264-5943

***Kobuk 220

Kotzebue, AK
December (actual date not set as of 11/10/95)
Entry Fee: \$270
Contact: Kotzebue Dog Muthers Association c/o Hadley Hess,
PO Box 964, Kotzebue, AK 99752 Phone (907) 442-2600 or
(907) 442-3715 Fax (907) 442-3716

***Two Rivers 200

Two Rivers, AK
December 30, 1995
Entry Fee:
Contact: Helen Helgren, PO Box 16115, Two Rivers, AK
99716 Phone: (907) 488-3114 Fax: (907) 488-9253

***Knik 200

Wasilla, AK
December 30, 1995
Entry Fee: \$150 until Dec 1, after Dec 1: \$200
Contact: Barb Redington, PO Box 877452, Wasilla, AK 99607
Phone & Fax (907) 76-6730 / Tom Mundy, Phone (907) 776-4817

***Copper Basin 300

Glennallen, AK
January 13, 1996
Entry Fee: \$285
Contact: Doug or Cindy Rhoads Brown Bear Rhodhouse, PO
Box 110, Glennallen, AK 99598 Phone (907) 822-3663 Fax (907)
822-5268

***John Beargrease Sled Dog Marathon

Duluth, Minnesota
January 21-26, 1996
Entry Fee: \$500 by 12/1 \$600 after 12/1
Contact: Bernice Gagnon, Race Coord, 314 W Superior, Duluth,
MN 55802 Phone (218) 722-7631, Fax (218) 722-3675

***Klondike 300

Big Lake, Alaska
January 20, 1996
Entry Fee: \$300
Contact: Bert Kleinberg, PO Box 521020, Big Lake, AK
99652 Phone (907) 892-6261 Fax (907) 892-6445

***Gold Rush Trail Sled Dog Race

Quesnel, British Columbia
January 26-29, 1996
Entry Fee: \$123 Canadian
Contact: Jeffrey Dimsdale, Secretary, Box 4473, Quesnel, BC
V2J 3J4 CANADA Phone (604) 249-5710 or 992-9143 Fax
(604) 992-2418

***Tustumena 200

Katikof, Alaska
Feb 1-2, 1996
Entry Fee: Pru \$150 & Am \$50 before 1/15. Pru \$200 & Am
\$75 after 1/15
Contact: Evg Gehhardt, PO Box 220, Katikof, AK 99610 Phone
(907) 262-5037

***Kuskokwim 300

Bethel, Alaska
January 26, 1996
Entry Fee: \$300
Contact: Christy Davis, Race Manager, PO Box 300, Bethel,
AK 99559 Phone (907) 543-3300 Fax (907) 543-3153

***Wildcat Musher Marathon

Hudson Bay, Saskatchewan
February 16-25, 1996
Entry Fee: \$150
Contact: Shirley Dzimbovsky, Box 1695, Hudson Bay, SK
CANADA S0E 0Y0 Phone (306) 865-3344 Fax (306) 865-2911

Portage 200

Unalakleet, Alaska
Feb 2-4, 1996
Entry Fee: \$200
Contact: Doug Kachatag, Norton Sound Sled Dog Club,
Unalakleet, AK 99684 Msg phone: 907-624-3493

***Race to the Sky 500

Helena, Montana
February 10, 1996
Entry Fee: \$500
Contact: Pam Ott, 736 N Ewing Street, Helena, MT 59601
phone (406) 442-2335 or (406) 442-4008

***Race to the Sky 300

Helena, Montana
February 11, 1996
Entry Fee: \$300
Contact: Pam Ott, 736 N Ewing Street, Helena, MT 59601
Phone (406) 442-2335 or (406) 442-4008

***Yukon Quest International

Fairbanks, Alaska
February 10, 1996
Entry Fee: \$800 til 8/31, \$1,000 9/1-10/31, \$1,200 after 10/31
Contact: Michelle Roberts, Business Manager, PO Box 75015,
Fairbanks, AK 99707 phone (907) 452-7954 Fax (907) 452-
8878

***Upper Peninsula 200

Marquette, Michigan
February 15-18, 1996
Entry Fee: \$275 til 1/1 \$375 after 1-1
Contact: Dennis Olson, Race Director, UP Sled Dog
Association, 500 N 3rd Street, Marquette, MI 49855 Phone
(906) 428-9307, Fax (906) 226-7596

***Nushagak Classic

Dillingham, Alaska
February 16, 1996
Entry Fee: \$250
Contact: Chris Napoli, PO Box 605, Dillingham, AK 99576
Phone (907) 842-2414 Fax (907) 842-5933

Jr. Iditarod

Wasilla, Alaska
February 24-25, 1996
Entry Fee: \$50
Contact: Jr. Iditarod Race Committee, PO Box 870800, Wasilla,
AK 99607 phone (907) 376-5155 Fax (907) 373-6928

Iditarod

Wasilla, Alaska
March 2, 1996
Entry Fee: \$1,750
Contact: Iditarod Trail Committee, PO Box 870800, Wasilla, AK
99607 Phone (907) 376-5155 Fax (907) 373-6928

***Finmarkskjøpet

Alta, Norway
March 9, 1996
Entry Fee: NOK 3,500
Contact: Roger Dahl, Siengelsen N-9500 Alta Norway
Phone 47 784 31253 Fax 47 784 33463

***Percy DeWolfe Memorial Sled Dog Run

Dawson City, Yukon Territory
March 16, 1996
Entry Fee: \$200
Contact: Christine McDonald, PO Box 133, Dawson City, YT
Y0B 1G0 CANADA Phone (403) 993-5451 Fax (403) 993-6851

***Nome to Council 200

Nome, Alaska
Last weekend of March or first weekend of April (exact date not
set as of 11/11/95)
Entry Fee: \$100
Contact: Richard Buttnermeister, Box 1103, Nome, AK 99762
phone (907) 443-5948

***Kobuk 440

Kotzebue, Alaska
April (actual date not set as of 11/10/95)
Entry Fee: \$440
Contact: Kotzebue Dog Muthers Association c/o Hadley Hess,
PO Box 964, Kotzebue, AK 99752 Phone (907) 442-2600 or
(907) 442-3175

*** denotes approved qualifying races for 1996 Iditarod

Post-it Fax Note		7671	Date	1/22	# of pages	1
To	DARIO BOTTI		From	BOB WALKER		
Co	IVOR's office		Co			
Phone #			Phone #			
Fax #	907.465.4587		Fax #	907.6948		

contracts with an operator to conduct on its behalf activities authorized under this chapter, the municipality or qualified organization may award a maximum of \$500,000 in prizes each year. The holders of a multiple-beneficiary permit under AS 05.15.100(d) may award a maximum in prizes each year of \$1,000,000 times the number of holders of the permit for activities authorized under this chapter. In this subsection "activities authorized under this chapter" means all activities subject to this chapter other than bingo. (§ 2 ch 27 SLA 1960; am § 3 ch 66 SLA 1976; am §§ 5, 6 ch 59 SLA 1983; am § 2 ch 93 SLA 1986; am § 3 ch 94 SLA 1986; am §§ 20, 21 ch 99 SLA 1988; am § 4 ch 24 SLA 1991; am §§ 23 — 25 ch 70 SLA 1993; am E.O. No. 82 §§ 12, 13 (1993); am § 3 ch 16 SLA 1994; am § 5 ch 13 SLA 1995; am § 3 ch 104 SLA 1995; am §§ 3 — 5 ch 105 SLA 1995)

Delayed amendment of subsection (b). — Under § 6, ch. 13, SLA 1995, effective January 1, 2000, subsection (b) is amended to delete the reference to mushing sweepstakes.

Effect of amendments. — The first 1995 amendment, effective July 31, 1995, inserted "mushing sweepstakes," in subsection (b).

The second 1995 amendment, effective July 1, 1995, in subsection (b), inserted "deep freeze classics, snow machine clas-

sics," in the first sentence and added the second sentence.

The third 1995 amendment, effective October 6, 1995, in subsection (a), deleted "Except as provided in AS 05.15.100(b)," from the beginning; in subsection (b), deleted "and other activities authorized under AS 05.15.100(b)," following "salmon classics"; and repealed subsection (c), relating to limitations on the operation activities licensed under AS 05.15.100(b).

Article 4. General Provisions.

Section 690. Definitions

Sec. 05.15.690. Definitions. In this chapter

- (1) "adjusted gross income" means gross income less prizes awarded and state, federal, and municipal taxes paid or owed on the income;
- (2) "authorizing permittee" means a municipality or qualified organization that authorizes an operator to conduct an activity subject to this chapter on its behalf;
- (3) "bingo" means a game of chance of, and restricted to, the selling of rights to participate, and the awarding of prizes, in the specific kind of game of chance sometimes known as bingo or lotto, played with cards bearing numbers or other designations, five or more in one line, the holder covering numbers when objects similarly numbered are drawn from a receptacle, and the game being won by the person who first covers a previously designated arrangement of numbers on the card;
- (4) "canned salmon classic" means a game of chance where a prize of money is awarded to the closest guess of the total number of cases of canned salmon that will be packed at the Petersburg salmon canner-

ch 70 SLA 1993; am § 2 ch 16 SLA 1994; am § 3 ch 13 SLA 1995; am § 2 ch 104 SLA 1995; am § 2 ch 105 SLA 1995)

Delayed amendment of subsection (c). — Under § 4, ch. 13, SLA 1995, effective January 1, 2000, subsection (c) is amended to delete the reference to mushing sweepstakes.

Effect of amendments. — The first 1995 amendment, effective July 31, 1995, inserted "mushing sweepstakes," in the second sentence of subsection (c).

The second 1995 amendment, effective

July 1, 1995, inserted "deep freeze classics," and "snow machine classics," in the second sentence in subsection (c).

The third 1995 amendment, effective October 6, 1995, in the second sentence in subsection (c), deleted ", and all activities permitted under AS 05.15.100(b)" following "contests of skill" and made a minor stylistic change.

Sec. 05.15.180. Limitations on authorized activity. (a) This chapter does not authorize the use of playing cards, dice, roulette wheels, coin-operated instruments or machines, or other objects or instruments used, designed, or intended primarily for gaming or gambling or any other method or implement not expressly authorized by the department.

(b) With the exception of raffles, lotteries, bingo games, pull-tab games, rain classics, goose classics, mercury classics, deep freeze classics, snow machine classics, mushing sweepstakes, canned salmon classics, salmon classics, king salmon classics, an activity may not be licensed under this chapter unless it existed in the state in substantially the same form and was conducted in substantially the same manner before January 1, 1959. A snow machine classic may not be licensed under this chapter unless it has been in existence for at least five years before the licensing.

(c) *[Repealed, § 5 ch 105 SLA 1995.]*

(1) cash prizes may not be awarded;

(2) only money substitutes such as chips or scrip may be used by a player in the activity;

(3) the money substitutes may be exchanged only for prizes other than money and may not be otherwise exchanged or sold; and

(4) additional limitations may be established by the department under adopted regulations.

(d) The total value of door prizes offered or awarded under authority of a permit issued to a municipality or qualified organization under this chapter or under authority of a multiple-beneficiary permit may not exceed \$20,000 a month or \$240,000 a year.

(e) The total value of all door prizes offered or awarded at a single facility or bingo hall or parlor by an operator on behalf of authorizing permittees may not exceed \$20,000 a month or \$240,000 a year.

(f) A person under the age of 19 years may not play a bingo game.

(g) A municipality or a qualified organization may award a maximum of \$1,000,000 in prizes each year in activities authorized under this chapter; however, if a municipality or a qualified organization

Sponsor Statement
HB 358
Rep. Ivan M. Ivan

"An act relating to dog mushers' contests."

House Bill 358 would authorize dog mushers' associations, which run races of two hundred miles or longer, to conduct statewide games of chance. Prizes of money may be awarded for the closest guess or guesses of at least three elements of uncertainty about a sled dog race that can not be determined before the commencement of the race. The intent is to provide a mechanism to help race organizing committees to become financially self-sufficient.

High profile protests from radical animal rights activists have caused important corporate sponsors to withdraw financial support. Combined with the removal of legislative and municipal funds, these races now face uncertain futures.

The intent of HB 358 is to create sweepstakes similar to the Nenana Ice Classic where tickets are bought wagering on the Nenana River ice breakup.

HB 358 will allow contestants to purchase raffle tickets and wager on checkpoints and finish line arrival times. Wagering on individual mushers is prohibited. The dog mushers' associations will administer the mushers' contests in conjunction with state regulatory authority.

It is important to note that HB 358 does not restrict or prohibit any gaming activity by other mushing organizations