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COMMITTEE REPORT

HOUSE

FURTHER: Finance

(5)

4/15/82

Date: 4/19/82

Mr. Speaker: Health, Education

The Committee on & Social Services has had CSSB 517 (Fin)

"An Act extending the duration of repayment of loans for child care facilities; and providing for an effective date."

under consideration and reports it back as follows:

- [x] do pass [] do not pass
[] do pass with attached amendments(s)
[] replace with CS for [] same title [] new title
and recommends
[] AND attaches a "Letter of Intent" [] New Fiscal Note
[] reports it back without recommendation
[] referred to the Committee

MEMBERS SIGNING DO PASS

MEMBERS HAVING OTHER RECOMMENDATIONS:

Handwritten signatures in the left column.

Blank lines in the right column for other recommendations.

CHAIRMAN

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CSSB 517 (Fin)
Title An Act extending the duration of repayment of loans for child care facilities; and providing for an effective date.

Requested by _____ Date _____

II. FISCAL DETAIL

Agency Affected Department of Commerce & Economic Development
Program Category Affected Economic Development
BRU, Program, Or Subprogram(s) Affected Division of Loans and Veterans' Affairs
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		-0-	-0-	-0-	-0-	-0-

FUNDING (Thousands of Dollars)

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

POSITIONS

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

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

IV. DATE April 15, 1982 PREPARED BY Don Hostak, Director
 Original: Legislative Finance AGENCY Department of Commerce & Economic Development
 cc: Budget and Management PHONE 365-2555 Division of Loans and
 Prime Sponsor (First Legislator Named) or 465-2510 Veterans' Affairs
 33-001 (Rev. 12/81)

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March 17, 1982

M E M O R A N D U M

To: Senator Don Bennett, Co-chairman
Senate Finance Committee

From: Senator Dick Eliason

Re: SB 517, "Relating to loans for child care facilities
(by Parr)" *Dick*

SB 517 which was assigned to me in Finance is ready for committee action. I have had a proposed finance committee substitute drafted which is attached for your review.

The original SB 517 was a lengthy bill dealing with many details of the child care facilities loan program. The issues in the bill were handled in other legislation last year. One issue, however, which was not addressed was duration of the loans. Last year the Legislature raised the maximum loan amount from \$10,000 to \$50,000 but neglected to change the maximum time of repayment from the 10 year limit. This has set the monthly payments on loans of higher amounts so high that the loans are not moving well and are of little help to most people who need them.

I have discussed this matter with Senator Parr's office (original sponsor). Senator Parr does not object to using his bill as a vehicle to correct the situation.

Therefore, SB 517 has been rewritten to eliminate the unnecessary material (that taken care of last year) and the new CS simply changes the duration of repayment from a maximum of 10 years to a maximum of 20 years. This bill now carries a zero fiscal note and will make the program far more accessible to Alaskans at no additional cost to the State.

I request that a hearing be scheduled for the CS 517. It is a very simple straight-forward statutory change and should require very little of the committee's time.

MEMORANDUM (Brief Communications)

State of Alaska

TO:	Name Senator R. I. Eliason	Dept./Div./Sect. Alaska State Senate	Mail Stop
FROM:	Name <i>D. Hostak</i> D. A. Hostak, Director	Dept./Div./Sect. Division of Loans and Veterans' Affairs	Telephone 465-2555
SUBJ.:	Proposed CSSB 517		Date 3/17/82

If a change to the Child Care Loan program was made to allow the term of the loan not to exceed 20 years, this agency would submit a zero fiscal note.

The current term allowed under this program is 10 years.

Article 3. Alaska Historical Commission.

Editor's notes. — This article was enacted as AS 44.27.040 — 44.27.120 but was renumbered by the revisor of statutes pursuant to AS 01.05.031 (b).

Chapter 29. Department of Health and Social Services.

Article

1. Organization (§ 44.29.020)

Article 1. Organization.

Section

20. Duties of department

Sec. 44.29.020. Duties of department. The Department of Health and Social Services shall administer the state programs of public health and social services, including: (1) maternal and child health services; (2) preventive medical services; (3) public health nursing services; (4) Repealed by Executive Order No. 51, § 41; (5) nutrition services; (6) health education; (7) laboratories; (8) mental health treatment and diagnosis; (9) management of state institutions; (10) medical facilities; (11) old age assistance; (12) aid to dependent children; (13) aid to the blind; (14) child welfare services; (15) general relief; (16) licensing and supervision of child care facilities; and (17) probation and parole supervision. (§ 2 ch 64 SLA 1959; am § 3 ch 104 SLA 1971; am § 47 ch 71 SLA 1972, am Executive Order No. 51, § 41 (1981))

Effect of amendments. — The 1981 repealed paragraph (4) which read "sanitation and engineering services." amendment, effective July 1, 1981,

Chapter 33. Department of Commerce and Economic Development.

Article

6. Child Care Facility Revolving Loan Fund (§§ 44.33.245, 44.33.255, 44.33.260)

Article 6. Child Care Facility Revolving Loan Fund.

<p>Section 245. Powers and duties of the department in administering the fund 250. [Repealed]</p>	<p>Section. 255. Loan terms 260. Eligibility for loans</p>
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Sec. 44.33.245. Powers and duties of the department in administering the fund. (a) The department may

- (1) make loans for the construction, renovation, and equipping of child care facilities, including private nonprofit child care facilities;
- (2) promulgate regulations necessary to carry out the provisions of AS 44.33.240 — 44.33.275.

(b) The department shall

- (1) develop eligibility standards for loans to child care facilities;
- (2) adopt guidelines for the determination of loan terms. (§ 9 ch 253 SLA 1976; am § 1 ch 112 SLA 1981)

Effect of amendments. — The 1981 amendment, effective July 27, 1981, added "including private nonprofit child care facilities" following "child care facilities" in paragraph (1) of subsection (a).

Sec. 44.33.250. Conditions of loans.

Repealed by § 3 ch 112 SLA 1981, effective July 27, 1981.

Editor's notes. — The repealed section derived from § 9, ch. 253, SLA 1976, § 2, ch. 153, SLA 1978.

Sec. 44.33.255. Loan terms. (a) A loan to a child care facility under AS 44.33.240 — 44.33.275 may not exceed \$50,000.

(b) The rate of interest charged shall be seven per cent a year on the unpaid balance of the loan.

(c) The duration for repayment of a loan may not exceed 10 years.

(d) All principal and interest payments on loans under AS 44.33.240 — 44.33.275 shall be paid into the child care facility revolving loan fund.

(e) If a child care facility ceases operation, any loan to the facility from the fund is due on the date the facility ceases operation. (§ 9 ch 253 SLA 1976; am § 3 ch 153 SLA 1978; am § 18 ch 72 SLA 1979; am § 2 ch 112 SLA 1981)

Effect of amendments. — The 1981 amendment, effective July 27, 1981, substituted "\$50,000" for "\$30,000, and no more than one loan may be made to a single child care facility under AS 44.33.240 — 44.33.275" in subsection (a).

Sec. 44.33.260. Eligibility for loans. A child care facility is eligible for a loan under AS 44.33.240 — 44.33.275 if

- (1) the applicant submits to the department a plan for the use of the loan funds which is approved by the commissioner;
- (2) Repealed by § 9 ch 112 SLA 1981.
- (3) Repealed by § 7 ch 153 SLA 1978.
- (4) Repealed by § 7 ch 153 SLA 1978.
- (5) the applicant meets additional eligibility standards established by the department under AS 44.33.245(b)(1). (§ 9 ch 253 SLA 1976; am §§ 4, 7 ch 153 SLA 1978; am § 9 ch 112 SLA 1981)

Effect of amendments. — The 1981 amendment, effective July 27, 1981, repealed paragraph (2) which read "the applicant demonstrates that the proposed loan will enable the child care facility to

obtain or renew a license from the Department of Health and Social Services or a certificate from the Department of Education."

Chapter 35. Department of Military Affairs.

Section

30. Construction of memorials to Alaska veterans

• **Sec. 44.35.030. Construction of memorials to Alaska veterans.** The Department of Military Affairs may construct memorials to Alaska veterans. A memorial constructed under this section is not subject to AS 35.15.010, 36.15.120 or AS 35.27.010 — 35.27.030. (§ 1 ch 30 SLA 1981)

Cross references. — As to the duty of the department of natural resources to maintain certain memorials to veterans, see AS 41.20.020 (12).

Effective dates. — Section 4, ch. 30, SLA 1981, makes this section effective June 20, 1981, in accordance with AS 01.10.070(c).

Editor's notes. — Section 2, ch. 30, SLA 1981 provides: "MEMORIAL TO ALASKA VETERANS. (a) A memorial to Alaska veterans shall be constructed by the Department of Military Affairs. The memorial shall be located in Denali State Park on a site adjacent to the Parks Highway.

"(b) The design of the memorial shall be chosen by a committee composed of

"(1) the adjutant general of the state, who shall serve as chair of the committee; and

"(2) one veteran selected by the adjutant general from each branch of the military service.

"(c) The memorial authorized by this section

"(1) shall contain suitable recognition of the contributions made by all men and women who have served on active duty in the military service in Alaska;

"(2) shall acknowledge the contribution of Alaskans to America's military history, including but not limited to, honoring the unique contributions made by the Eskimo Scout Battalion of the Alaska Territorial Guard.

"(d) The memorial shall be maintained by the division of parks, Department of Natural Resources."