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# COMMITTEE REPORT

## SENATE

5/5/81

FURTHER: Finance

Date: \_\_\_\_\_

Mr. President:

The Committee on HEALTH, EDUCATION AND SOCIAL SERVICES has had SI 551

making a special appropriation for payment of outstanding debts of Southeastern Regional Resource Center

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

- 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

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CHAIRMAN

# Alaska State Legislature

SENATOR  
TERRY STIMSON  
POUCH V  
JUNEAU, ALASKA 99811

WHILE IN ANCHORAGE  
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## Senate

TO: Senator Charlie Parr, Chair Senate HESS Committee  
FROM: Senator Terry Stimson  
SUBJECT: Statement of Intent for Senate Bill 551  
DATE: May 26, 1981

Attached please find a statement of intent that I have written to accompany Senate Bill 551. As the bill currently resides in the Senate HESS Committee I would like to see that you attach it to any discussion of the bill.

Thank you in advance for your attention to this matter.

Senate Bill 551

Statement of Intent

It is the intent of this bill that \$400,000 be appropriated to the Department of Education for payment of all outstanding claims, notes or other liabilities against the South Central Regional Resource Center.

While introduction and passage of this bill is not an indication that the Alaska State Legislature believes that the South Central Regional Resource Center is an agent of the Government of the State of Alaska, neither does it assume that the State is liable for the actions of the South Central Regional Resource Center, or other Resource Centers. It is rather a clear statement that it is not the best use of state resources to pursue the case. Passage of this bill will allow the State and affected school districts to get on with the task of educating Alaska's youth and not force the same to spend additional education dollars on further litigation.

Section \_\_\_\_\_. The sum of \$400,000 is appropriated from the general fund to the Department of Education for payment of the outstanding debts and obligations of the Southcentral Regional Resource Center. The purpose of this appropriation is solely to prevent accelerated costs and unreasonable delay in payment to creditors caused by protracted litigation ensuing from the closure of the Southcentral Regional Resource Center, and it shall not be construed as making regional resource centers agencies of the State of Alaska. The unexpended and unobligated portion of this appropriation lapses into the general fund July 1, 1982.

# Alaska State Legislature



## House of Representatives

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COMMITTEES  
—  
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—  
VICE CHAIRMAN  
HOUSE HEALTH EDUCATION  
AND  
SOCIAL SERVICES

### MEMORANDUM

TO : All Legislators  
All Interested Parties

FROM : Rep. Bette Cato *BC*

RE : Southcentral Regional Resource Center

DATE : May 29, 1981

Regional Resource Centers were established in 1975 with adoption of AS. 14.08.141. The intent was to establish a pool of knowledge and abilities for development of programs and studies for the school districts.

The Southcentral Regional Resource Center (S.C.R.R.C.) has the following member schools;

- Adak Regional School District
- Aleutian Chain School District
- Chugach School District
- Copper River School District
- Cordova School District
- Kodiak Island Borough School District
- Kenai Peninsula Borough School District
- King Cove School District
- Matanuska-Susitna Borough School District
- Pribilof Island School District
- Unalaska City School District
- Valdez City School District

The school districts of; Delta-Greely, Railbelt, Sand Point, and Yukon Flats, applied for membership in 1980 and received it but are not to be included in the discussion that follows.

There were problems in this regional resource center when administrative costs and accounting practices got out of hand. There is currently an audit taking place to find the extent of the problems and persons involved. Consequently, the Attorney General's office issued a complaint against S.C.R.R.C..

The underlying question: are the Regional Resource Centers an entity of the State or is it a voluntary association of individual members?

Page 2  
Rep. Bette Cato

If it is a state agency, then the state is liable for all debts incurred. If it is a voluntary association, then each of the members is liable for the debts of the association.

While this is a moot point, the funding in either case comes from the State Legislature. The school boards are funded by the state as are the S.C.R.R.C and the attorney generals office. The point is, the state is suing itself over a problem that should be solved internally. The school districts involved are now going through the trouble and expense of hiring outside attorneys.

The Attorney Generals office says that they will not press charges until the legislature has a chance to vote on Senate Bill 551. The bill would fund the outstanding debts of the S.C.R.R.C..If the bill does not pass the legislature by the end of this session, then the litigation will begin over the summer. The amount of indebtedness is nearly \$400,000 and costs for attorneys, etc. to this point have gone over \$100,000, and will, if the case continues, go much higher, this cost, in one line item or another will be paid by the state of Alaska.

This point must be addressed this session to prevent further litigation and allow for a resolution to this matter without the outcome of "the State suing the State".

I hope that you will join with me in supporting this bill and preventing this waste of money in the litigation process.

cc. Governor Jay Hammond  
Lt. Governor Terry Miller  
Sen. Terry Stimson  
Attorney General's Office  
School District's in S.C.R.R.C.