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Alaska State Legislature



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House of Representatives

COMMITTEES
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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?

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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 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.