

Agency

Overviews:

DEC; DHSS;

DOE; AK Ct. Sys;

Mental H. Trust

**HFIN**

**FILE**

HOUSE FINANCE COMMITTEE  
JANUARY 24, 1997  
1:35 P.M.

TAPE HFC 97 - 9, Side 1, #000 - end.  
TAPE HFC 97 - 9, Side 2, #000 - end.  
TAPE HFC 97 - 10, Side 1, #000 - end.  
TAPE HFC 97 - 10, Side 2, #000 - end.  
TAPE HFC 97 - 11, Side 1, #000 - #204.

CALL TO ORDER

Co-Chair Mark Hanley called the House Finance Committee meeting to order at 1:35 P.M.

PRESENT

Co-Chair Hanley	Representative Grussendorf
Co-Chair Therriault	Representative Kohring
Representative Davies	Representative Martin
Representative Davis	Representative Moses
Representative Foster	Representative Mulder

Representative Kelly was not present for the meeting.

ALSO PRESENT

Michele Brown, Commissioner, Department of Environmental Conservation; Larry Jones, Director, Division of Administrative Services, Department of Environmental Conservation; Keith Kelton, Director, Division of Facility Construction & Operation, Department of Environmental Conservation; Barbara Frank, Program & Budget Support, Division of Administrative Services, Department of Environmental Services; Karen Perdue, Commissioner, Department of Health and Social Services; Jay Lively, Deputy Commissioner, Department of Health and Social Services; Janet Clarke, Director, Division of Administrative Services, Department of Health and Social Services; Shirley Holloway, Commissioner, Department of Education; Karen Rehfeld, Director, Division of Administrative Services, Department of Education; Richard Cross, Deputy Commissioner, Department of Education; Diane Barrans, Executive Director, Postsecondary Education Commission, Department of Education; Arthur Snowden II, Administrative Director, Alaska Court System; Sharon M. Henry-Hall, Administrative Assistant, Alaska Court System; Nelson Page, Chair, Alaska Mental Health Trust Authority; Jeff Jesse, Executive Director, Alaska Mental Health Trust Authority.

SUMMARY

DEPARTMENT OVERVIEWS:

Department of Environmental Conservation  
Department of Health and Social Services  
Department of Education  
Alaska Court System  
Mental Health Trust

handout  
1/24/97

**DEPARTMENT OF ENVIRONMENTAL CONSERVATION**

**DEPARTMENT OVERVIEW**

**Michele Brown, Commissioner**

**January 24, 1997**

1. Organization Overview
2. Reductions Linked to Changes in Service Delivery
3. Change from FY 97 Authorized to FY 98 Request - All Funding Sources
4. Change from FY 97 Authorized to FY 98 Request - General Funds
5. Change from FY 97 Authorized to FY 98 Request - Staffing

## 1. ORGANIZATION OVERVIEW

The Department of Environmental Conservation is organized in six divisions which provide services statewide.

### **Environmental Health**

**Funding \$9,520.8**

**118 PCNs**

**Mission:** In order to protect the health of Alaskans and their visitors, support the continued growth in the tourism industry, the businesses it supports, and the continued growth of food processing in the state, the division of Environmental Health works with businesses and municipalities to ensure the safe processing and delivery of food and drinking water, as well as the proper management of solid waste and pesticides.

**FY 96/97:** The Seafood Processing program was awarded the Hammer Award by Vice President Gore for work on a joint inspection form and the creation of a multi-state database on seafood inspections. This will facilitate seafood export to the European Union. The Hammer Award is given in recognition of efforts to "reinvent" government.

The Food Safety program, in recognition of its efforts related to Food Safety Awareness, was asked to participate in the planning of the first national conference on Food Safety Education.

Alaska's meat inspection program was publicly recognized this fall when new federal meat inspection rules were issued. The new rules require microbiological inspection — procedures Alaska had already been using for 1½ years.

The Drinking Water program continues to issue waivers to requirements for testing for unlikely contaminants, with an additional 305 waivers issued at a cost savings of nearly \$2 million annually to water system operators.

The Solid Waste program worked with the Governor's Washington D.C. office and Congressional delegation to secure passage of the Land Disposal Program Flexibility Act which provides Alaska-specific exemptions from certain solid waste regulations. This will allow our solid waste program to be tailored to Alaska's needs, saving Alaska communities from needless expense on solid waste disposal.

**FY 98:** Environmental Health is emerging as the main point of contact for large clusters of small- and medium-sized Alaska businesses that make up much of the state's community economic base: restaurants and hospitality, seafood processing, and basic community sanitation (drinking water, solid waste). The division is continuing its focus on regulatory streamlining and improvements that incorporate efficiencies and ensure that requirements add value to these key economic and public health sectors.

**Spill Prevention and Response****Funding \$12,058.4****129 PCNs**

**Mission:** The division of Spill Prevention and Response prevents, responds to and ensures the cleanup of unauthorized discharges of oil and hazardous substances.

**FY 96/97:** Approved the cleanup and final "close-out" of 135 contaminated sites around the State.

Negotiated and signed a three-party agreement with the U.S. Air Force and EPA for the investigation and cleanup of the King Salmon Air Force Station Barrel Bluffs. This agreement is the first of its type in the nation in which a state worked with the Air Force and EPA to move ahead on cleanup without the site being a Superfund listing.

Completed the initial investigation of contamination at the Alaska Pulp Corporation mill facility and marine environment near Sitka.

Signed local spill response agreements with seven communities which provide State technical and financial assistance to local governments that are willing to take initial response actions to control, contain or cleanup to oil or hazardous substance spills in the community. Placed initial first-tier emergency spill response equipment in Nome, Kotzebue, Fairbanks, Bethel, Anchorage, Seward, Kodiak, Dutch Harbor, Wrangell, Skagway, Juneau, Hoonah, Craig and Sitka.

Approved oil spill prevention and response contingency plans for 21 tankers operating in Prince William Sound with the condition that the shippers would develop improvements to the tug escort system for tankers transiting Prince William Sound.

Adopted regulations that clarify how operators are to meet the "best available technology" requirements in the state's oil pollution control statute.

**FY 98:** Working with Ketchikan Pulp Corporation, the City and Borough of Ketchikan and the EPA, complete site characterization and short-term cleanup actions for the Ketchikan pulp mill which is scheduled to close in March 1997. Develop a plan to ensure the closure and cleanup of the pulp mill properties will facilitate the economic re-use of the property.

Adopt cleanup standards that will serve as a uniform statewide "measuring stick" for determining when no further cleanup is needed to protect public health and the environment at a site contaminated by oil or hazardous substances.

In consultation with the shippers, the U.S. Coast Guard, marine pilots and the Prince William Sound Regional Citizens Advisory Council, approve and put in place technological and procedural improvements to the tanker escort system.

Bring publicly- and privately-owned underground fuel storage tanks into compliance with the federal 1998 tank upgrade and spill prevention deadline.

**Mission:** The division of Facility Construction and Operation promotes public health and environmental protection by providing financial and technical assistance to local governments for the construction and operation of water, sewerage, and solid waste projects.

**FY96/97:** Provided new water and sewer services to over 520 households where residents previously had hauled water or utilized honey buckets. Provided improvements to water, sewer, and/or solid waste systems serving 900 homes. This improved the lives of approximately 800 rural Alaska children through the provision of safe drinking water and sanitary sewage disposal systems. Village sanitation projects generated seasonal employment for over 1,000 rural residents and paid over \$8 million in wages. Municipal grants and loans resulted in an estimated 300 construction jobs this year. Likewise, urban Alaska-based engineering firms, vendors, and freight operators benefitted from approximately \$12 - \$15 million in additional business.

Participated in efforts to reauthorize the Safe Drinking Water Act and Farm Bill, including language authorizing up to \$30.0 million in federal appropriations annually for rural Alaska sanitation improvements.

Successfully introduced and secured passage of legislation authorizing the sale of state-issued revenue bonds to leverage the Alaska Clean Water Fund, providing up to \$15.0 million per year for funding for low interest loans for wastewater systems.

The State funded nine Remote Maintenance Workers (RMWs) who provided training and technical assistance to 126 rural communities. An additional 280 individuals from across the state passed operator certification exams.

Response by RMWs in one service area saved four village sanitation facilities valued at several million dollars each. Similarly in the Northwest Arctic, the quick response by a RMW is credited with preventing the catastrophic failure of another village water system.

**FY98:** Implement a State revolving loan program for drinking water projects.

Provide leveraged financing of the Alaska Clean Water Fund for low-interest loans on wastewater projects.

Continue to seek federal matching appropriations for state efforts to support construction of sanitation projects, the Remote Utility Business Advisor (RUBA) and RMW programs, project administration and village capacity development. Support and participate in developing new technology for rural sanitation solutions.

Provide new water and sewerage service to 1,000 households where residents previously hauled water or utilized honey buckets. Provide improved water, sewer and/or solid waste systems to 1,100 households.

**Mission:** The division of Air and Water Quality prevents, monitors and controls emissions in the air and water to protect public health and the environment.

**FY 96/97:** The division obtained an exemption from the national highway low-sulfur diesel fuel requirements, saving Alaskans millions of dollars in increased highway fuel costs. Extended Anchorage's deadline for carbon monoxide standards attainment allowing Anchorage more time to meet the standards. Obtained federal funding to establish a permanent particulate monitoring network and public alert system in the Matanuska-Susitna valley to protect public health.

Worked with other western states and federal agencies to help develop a national policy for granting waivers for communities that experienced air quality violations resulting from natural events, such as volcanic eruptions and wind blown dust from glacial rivers.

Issued certification for three placer mining general permits for mechanical, medium-suction dredges, and small-suction dredges.

Entered into a three-party Memorandum of Understanding with the EPA and Coeur Alaska, Inc. (Kensington Mine) which specified reasonable project permitting expectations by all parties.

The state issued its certifications of EPA water quality permits for six processing companies operating eight major seafood processing facilities in Unalaska and Akutan to improve water quality so Unalaska Bay and Akutan Harbor can be removed from the state's impaired water bodies list.

**FY 98:** Following Environmental Protection Agency "final interim" approval of Alaska's air quality program, facilities have three years to complete the permitting process. Over the next three years, the division will be processing an additional 400-500 operating and construction air quality permits annually.

Assist 500 operators in preparing air permit applications for construction and operating permits; issue 50 construction permits and 150 operating permits annually; and assist 250 permittee meet compliance obligations by making technical support site visits each year. We are continually improving the permit process to reduce permit costs and reduce permit review time.

Retain primacy of the air quality program to avoid more costly and less flexible federal permitting of Alaska facilities. Assist local communities in solving their air pollution problems through technical assistance, flexibility, and innovative approaches.

## **Air & Water Quality Continued**

Develop a monitoring plan for Amchitka Island; monitor any radioactive material leaking from the site; and develop an Agreement in Principle for monitoring U.S. Department of Energy activities.

Issue wastewater permits using sound technical water quality principles to protect the public health. This includes:

- certification of federal NPDES permits for four major facilities and for 20 municipal wastewater discharges with mixing zones;
- verify permit compliance by inspection of 12 major facilities (mines, sewage treatment plants, seafood processors, oil and gas facilities) with NPDES permits;
- approve 60 major forest plans and provide technical assistance to 15 timber operations;
- complete water quality certifications for dredge and fill operations (300 received annually), inspect 25 dredge and fill projects, and review another 200 projects for compliance with State water quality requirements, focusing on those with significant watershed impact potential.

**Mission:** The Statewide Public Service (SPS) division helps Alaskans meet laws and regulations designed to protect human health and environmental resources. The division provides a focal point for the public, local governments and businesses to fully access the department's services. This is accomplished through the local public service office and programs of community and compliance assistance, domestic wastewater management and an enforcement unit.

**FY 96/97:** The SPS division helps communities assess environmental priorities and focus limited resources to achieve positive results. The division provides locally-based assistance for environmental issues and emergencies. Some examples are:

**Adak:** assisted the military in solving a lagoon treatment problem.

**Municipality of Anchorage:** worked with Elmendorf Air Force Base in the closeout of landfills; assisted in finding solutions to the thousands of junk automobiles abandoned in Anchorage annually; participated with a multi-agency task force to address environmental problems with a proposed golf course in Anchorage that could impact Ship Creek;

**Bethel:** assisted the city in protection of a community water well; worked to reduce community waste and develop a back haul program; provided training for hazardous material management;

**Chignik Lake:** assisted school with a sewage overflow problem;

**Delta:** assisted the community and local farmers in solving agricultural waste issues;

**Dillingham:** provided assistance in finding a private party (seafood operator) to operate public water and sewer facilities for a community recreational area;

**Fairbanks:** assisted the 6-Mile "Badger/Richardson Safe Water Association" in their organization efforts and work toward a feasibility study; worked with local contractors, installers and engineer to review small residential wastewater treatment systems;

**Karluk:** assisted the community in repairs for the community sewage management system;

**Kenai:** worked with trailer court owner to resolve overflowing sewage inside mobile homes and areas open to children and pets; Provided technical assistance which avoided expensive nitrate modeling by using innovative treatment technology; through cooperative community effort with City of Soldotna and ADOT, provided technical assistance and expedited plan reviews for treatment systems for shop wastes that were going into the treatment plant and ultimately to the Kenai River; provided daily air quality advisory reports to public media during summer forest fires to help protect public health; worked with the community and DOT to correct an untreated storm water discharge to the Kenai River.

**Mat-Su:** developed a program for the reuse of some contaminated soils for roads; participated as a member of the response team for the Miller's Reach Fire;

**New Stuyahok:** provided technical assistance with a lift station operation to eliminate discharge of sewage directly onto the ground;

## Statewide Public Service Continued

**Ninilchik/Homer Burn:** worked with DNR Forestry and 50 timber harvesters to implement open burn approval system for burning efficiency and preventing public health concerns and conflict resolution; facilitated the disposal of fish carcasses impacting local beaches;

**St. Paul:** ensured that new water and sewer lines were properly installed for a new housing area, identifying serious construction problems early in the construction to reduce major delays.

Reduced the costs of doing business in Alaska through the Alaska Materials Exchange Program, resulting in savings for businesses of over \$522,840 through exchange of excess materials. For example, the Municipality of Anchorage Water and Wastewater Utility was able to receive excess water treatment filter media from the North Slope, rather than ordering new material which saved \$33,400.

**FY 98:** Provide the public and businesses a wide range of technical assistance to help them comply with laws and regulations through the Small Business Assistance program, the Hazardous Waste program, the Pit Stop program focused on the automotive sector, Rural Outreach Initiatives, and the daily activities of the SPS Area Offices.

Provide pollution prevention technical assistance to communities, businesses, and the general public through partnerships and cooperative efforts to reduce pollution at the source, investigating alternative production processes, recycling and reuse efforts such as the Alaska Materials Exchange and the Green Star Program, and other initiatives aimed at assisting businesses and the public in saving money and resources

Create positive economic incentives for businesses to voluntarily achieve compliance and pollution prevention through the Environmental Leadership program.

Create partnerships with industry associations, such as the Associated General Contractors to educate small businesses about environmental compliance and provide them an avenue for addressing their concerns.

Increase options for manufacturing compost products, and processing waste paper and waste wood for use in the development of recycled products in Alaska.

**Mission:** The division of Administrative Services provides timely and efficient support for the department's programs and personnel, and provides information to the public and communities during spills, hazardous releases and other environmental emergencies.

**FY 96/97:** Continued development and improvements to simplify and make more efficient the billing system for fee-based programs. The cost-recovery staff assisted in the development of financial agreements with industry, and provided comprehensive "user friendly" billings documenting costs incurred by the department.

The division increased efficiency in processing invoices and making quicker payments to businesses and communities.

Improved and increased efficiency for accounting for major funds under the purview of the department such as the Oil and Hazardous Substance Prevention and Response Fund, the Storage Tank Assistance Fund, the Alaska Clean Water Fund, and the Clean Air Protection Fund.

**FY 98:** As a result of numerous funding sources with strict auditing requirements, DEC continues to be a state agency with a diverse and complex revenue base. We will continue to implement more streamlined and efficient financial management systems to enable us to better serve the other DEC divisions, businesses and communities. We will also be working with the Office of Management and Budget and the Department of Administration on their efforts to develop a simpler, automated budget system.

The FY 98 budget reflects a net reduction of four positions (decrease 6 full-time, increase 4 part-time). This reduction is a concrete demonstration of successful centralization and continuing efforts to get the job done with less resources and lower costs.

The division will continue to increase cost recovery from the federal government by the optimal use of a cost allocation plan. In the last two years, federal cost recovery has increased from as low as 11 percent to as high as 41 percent for some programs.

The division will continue to prepare and distribute a newsletter to businesses, industry and the public (729 on the mailing list) which provides a snapshot of department activity allowing interested parties to note at a glance DEC activity. We will also continue to support the DEC homepage that provides regulations, calendar of activities, and contact persons information on line.

2.

## REDUCTIONS LINKED TO CHANGES IN SERVICE DELIVERY

### Participation in Reduction Process - General Funds Reduced 43 percent

The Department of Environmental Conservation is fully aware of the need to reduce usage of general funds. Since FY 91, general funds (including fees) have been reduced **43 percent**, from 27.3 million to 15.6 million dollars. This major decrease in general funds has been offset by increases in other funds such as federal funds and specialized funds. This includes the Response Fund, Alaska Clean Water Fund, the Storage Tank Fund and the Clean Air Protection Fund.

The **43 percent** reduction in general funds contributed by this agency has made a significant impact in closing the fiscal gap. Of the total department budget of 46.1 million, only 8.7 million or 19 percent is general fund. The remaining **81 percent** of the department's budget is tied to restricted funding sources and can only be used for specific services.

As the state pursues the goal of minimizing the use of general funds, this action limits the department's flexibility in setting service and program priorities. DEC is increasingly dependent on federal funds and program fees. Our programs are becoming increasingly dictated by the federal agencies or the providers of restricted fee source. With fees included in budget reduction targets, we can not provide services to customers who are willing and able to pay for them.

### Ranking Service Delivery

To meet its continuing goal of improving service delivery and reducing state costs, the department conducted a ranking process for its services. For each component, services were assigned costs and ranked. Completing this process allowed the department to again contribute to the goal of reducing usage of general fund dollars. Suggestions for specific service reductions resulted from this self-examination and ranking process, which reduce usage of general fund, are included in this budget. These are described below.

#### Oxygenated Fuels

(73.4) General Fund Program Receipts

General fund program receipts are being reduced in the oxygenated fuels project. New regulations being adopted will reduce the need for contractual support. This reduction eliminates the public education portion of the program. The greatest resultant risk is if ethanol blended fuel is inappropriately stored or dispensed, there will be no state technical assistance available to assist vehicle owners.

#### Biennial Emissions

(50.0) General Funds

General fund dollars are being eliminated for the implementation of the biennial vehicle inspection program, for which the new regulations have been developed. To achieve these savings, the department will discontinue its public awareness program and additional modifications to the test analyzer software.

Planning, Air Attainment Plans

(76.6) General Fund Match

General fund match dollars are being reduced in planning efforts of the Air Quality program. This reduction will limit the state's ability to plan for air quality problems in Anchorage and Fairbanks. Anchorage and Fairbanks will be responsible for planning for maintenance of attainment plans. The department will not conduct emission inventories for Anchorage or Fairbanks. The responsibility for documentation and associated scientific analysis will rest on local government.

State Subsidy of Match on Pass Through Grants

(102.0) General Fund Match

General fund match dollars are reduced in the local watershed project. This general fund money is used to provide the third-party match requirement for grantees unable to afford the 40 percent match required for Clean Water Act Section 319 grants. This reduction will affect the client base potentially impacting small communities and non-profit organizations.

State Technical Participation on Impaired Water Body List

(109.8) General Fund  
(106.6) General Fund Match

General funds and general fund match for the impaired water body listing project are being reduced. Alaska will meet federal requirements for the state water quality report, but will participate only at a policy level in the development of the EPA section 303(d) list. Responsibility for the development of this list will revert to the EPA. The department will continue to track and monitor water bodies which have been de-listed as reduced time and resources allow.

**Effect of Budget Reductions on Department Services**

It is the Legislature's prerogative to further reduce the department's funding. Each additional reduction will result in an additional reduction in services the department provides to the public. As the Legislature proposes reductions, the department will ensure that the committees fully understand the impact of their actions on department services. For example, during the last session, reductions were proposed to the Statewide Public Service component. The department immediately advised the committees that their proposed reductions would eliminate funding for subdivision plan review services. Impacts of the elimination of this service were noted and the Legislature decided to make this reduction.

3.

## CHANGE FROM FY 97 TO FY 98 - All Funds

Increase \$295.7

Category	Description	Funding Source(s)	Amount
Statewide Costs	98 COLA Adjustment	All	387.2
	98 Health Adjustment	All	136.4
	Better Business Practices	General Fund	(33.4)
Increased Service Delivery	Alaska Pulp Corporation Cleanup Oversight	Response Funds	101.3
	Ketchikan Pulp Corporation Closure Oversight	Des GF Pgm Recpts	455.0
	Air Program, Title V Delegation	Clean Air Protection Fund	400.0
	Water Permit Contracts	Des GF Pgm Recpts	382.4
	Drinking Water Primacy	Federal	263.6
	Construction Project Travel	Federal	22.5
	Joint Pipeline Officer Liaison	I/a Receipts	125.0
	Remote Maintenance Workers	Federal	450.0
	Rural Sanitation	Federal	120.0
Decreased Service Delivery	Oxygenated Fuels	GF Pgm Receipts	(73.4)
	Biennial Emissions	General Fund	(50.0)
	Planning, Air Attainment Plans	Gen Fund Match	(76.6)

3.

## Continued - CHANGE FROM FY 97 TO FY 98 - All Funds

Category	Description	Funding Source(s)	Amount
Decreased Service Delivery (continued)	Reduce Other Agency Response Fund Emergency Communications, Disaster Planning, Increase Dispatch and Cost Recovery	General Fund and Response Fund	(175.2)
	Reduce Community and Compliance Assistance Indirect	Federal	(213.0)
	Reduce State subsidy of match on pass through grants	Gen Fund Match	(102.0)
	Reduce State Participation in Technical Preparation of the 303(d) Impaired Water Body Listing	General Fund and Gen Fund Match	(216.4)
Technical Adjustments	Federal Increment - Indirect Funding	Federal	368.6
	COLA Correction	Federal	(0.1)
	Transfer Storage Tank Grants to Capital Budget	Storage Tank Assistance Fund	(1,976.2)

4.

## CHANGE FROM FY 97 TO FY 98 - General Funds

Decrease (\$1,127.8)

Description	General Fund Match	General Fund	General Fund Program Receipts
Oxygenated Fuels			(73.4)
Biennial Emissions		(50.0)	
Planning, Air Attainment Plans	(76.6)		
State Subsidy of Match on Pass through Grants	(102.0)		
State Technical Participation on Impaired Water Bodies Listing	(106.6)	(109.8)	
Health Certificates for Transport of Domestic Animals		(15.0)	15.0
Domestic Wastewater Fees		(253.0)	253.0
Spill response telecommunications transferred from general fund to Response Fund		(106.8)	
General Fund Program Receipts to Clean Air Protection Fund (Title V)			(653.1)
Convert General Fund Program Receipts to IA Receipts (Indirect)			(25.9)
98 COLA Adjustment	23.4	98.8	33.1
98 Health Adjustment	8.3	35.0	11.2
Better Business Practices		(33.4)	
Fund Source - Drinking Water	97.8	(97.8)	
Fund Source - FCO	730.0	(730.0)	

5.

**CHANGE FROM FY 97 TO FY 98 - Staffing****Decrease (1) Full Time (PFT)  
Increase 3 Part Time (PPT)**

Category	Description	Funding Source	PFT	PPT
Increased Service Delivery	Alaska Pulp Corporation Site Cleanup	Response Fund	1	
	Joint Pipeline Office Liaison	Inter Agency	1	
	Spill Tracking and Projection - Contaminated Site Ranking - Database Support	Federal & Response Fund	1	
	Drinking Water Operator Certification, Sanitary Surveys, and System Capacity Development	Federal	5	(1)
	Contract Management - Chenega	Exxon	1	
	Clerical Support - Spill Response	Response Fund	1	
	Response Equipment Inventory Control, Allocation and Disposition	Response Fund		1
	Hazardous Waste Compliance Assistance	Federal	1	
	Certified Installer Program	GF Program Receipts	1	
	Industrial Wastewater Permit Cost Tracking and Recovery	GF Des Pgm Receipts	1	
Decreased Service Delivery	Administrative Support - Payroll, Clerical, Contracts, Programming	General Fund	(6)	2
	Planning, Air Attainment Plans	Gen Fund Match	(1)	
	Lab Services Consolidation	General Fund	(1)	1
	Seafood Inspections	General Fund	(1)	
	Domestic Wastewater, Subdivision Plan Review	General Fund	(2)	
	Impaired Water Bodies, Technical Support to Listing	General Fund and Gen Fund Match	(3)	

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1/24/97

**FY 97 Budgeted Expenditures  
(Legal Immigrants)**

Program	General Fund	Total
Food Stamps	\$0.0	\$812.3
Medicaid	\$2,585.7	\$5,171.3
AFDC/ATAP	\$1,349.7	\$2,699.4
APA	\$3,123.9	\$3,123.9
Totals	\$7,059.3	\$11,806.9

**Individual Impacts on Legal Immigrants**

**Benefits for Blind/Disabled/Elderly**

	Before Federal Legislation	After Federal Legislation (current state law)	Under Proposed State Legislation	
			Date of Arrival before 8/22/96	Date of Arrival after 8/22/96
FS	\$70	\$0	\$0	\$0
SSI	\$484	\$0	\$0	\$0
APA	\$362	\$362	\$362	\$0
Medicaid	Yes	No	Yes	No

**Benefits for Children & Families**

	Before Federal Legislation	After Federal Legislation (current state law*)	Under Proposed State Legislation	
			Date of Arrival before 8/22/96	Date of Arrival after 8/22/96
FS	\$70	\$0	\$0	\$0
AFDC/ATAP	\$825	\$825	\$825	\$0
Medicaid	Yes	No	Yes	No

\* Under current state law, benefits paid to aliens under the ATAP program are all general funds.

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SCIENCE  
GOVERNMENT AND CITIZENSHIP  
SKILLS FOR A HEALTHY LIFE  
WORLD LANGUAGES

# ALASKA STANDARDS

ENGLISH/LANGUAGE ARTS  
SCIENCE

GOVERNMENT AND CITIZENSHIP  
SKILLS FOR A HEALTHY LIFE  
WORLD LANGUAGES  
ENGLISH/LANGUAGE ARTS  
SCIENCE

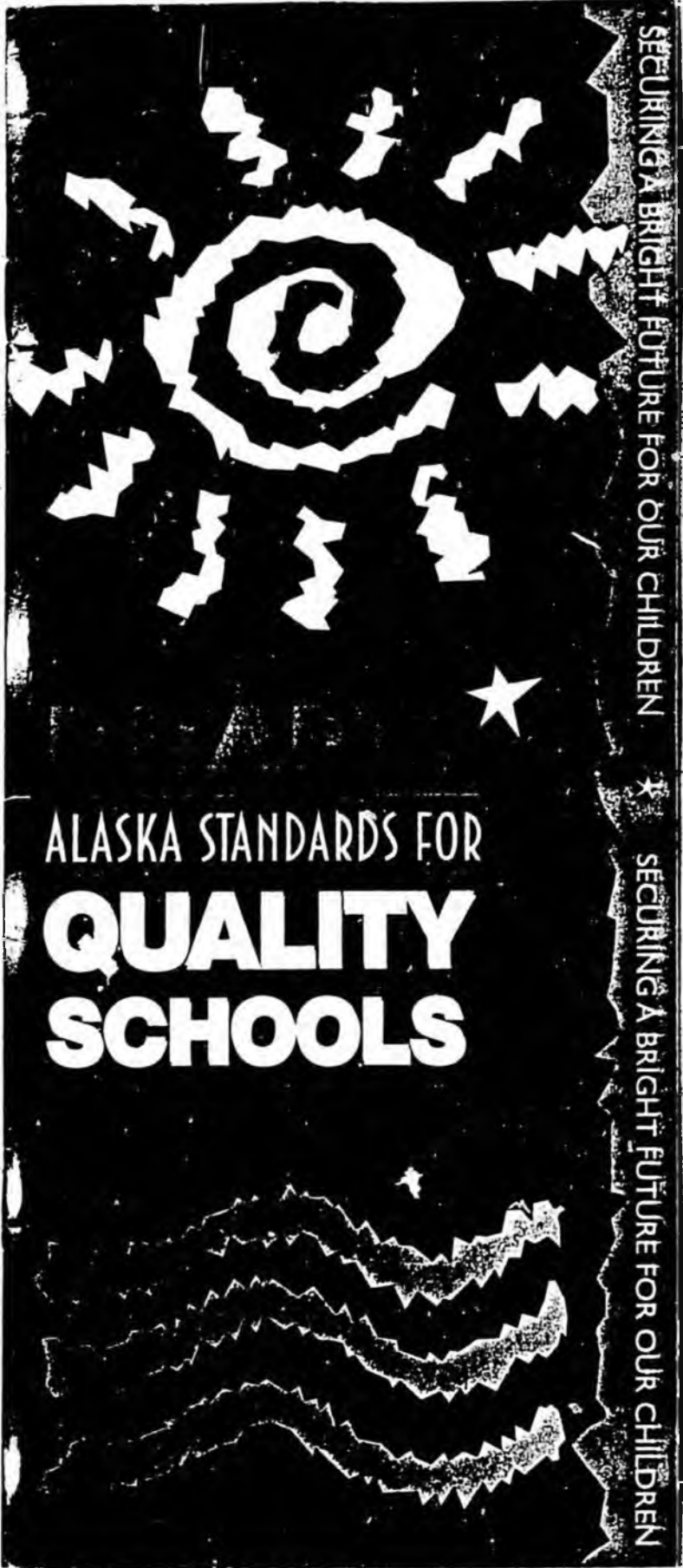
## GOVERNMENT AND CITIZENSHIP SKILLS FOR A HEALTHY LIFE WORLD LANGUAGES ENGLISH/LANGUAGE ARTS SCIENCE

WORLD LANGUAGES  
ENGLISH/LANGUAGE ARTS  
SCIENCE

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SECURING A BRIGHT FUTURE FOR OUR CHILDREN



SECURING A BRIGHT FUTURE FOR OUR CHILDREN

ALASKA STANDARDS FOR  
**QUALITY  
SCHOOLS**

1996

**ALASKA**

education

**SUMMIT**

**DRAFT**

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So Pick  
the  
**best**

**BETTER EDUCATION  
FOR ALASKA  
TODAY AND TOMORROW**

*L*et's get serious about improving the academic performance of every child in Alaska. Let's tackle this challenge as if the lives of our children and the health of our communities depended upon it. Let's work... to improve our schools, and better prepare our children for a fast-changing world."

*Ken Thompson  
President, ARCO Alaska, Inc.*



**BETTER EDUCATION FOR ALASKANS  
TODAY AND TOMORROW**



October 3 and 4, 1996, some 250 Alaskans met in Girdwood to rededicate themselves to improving the academic achievement of students enrolled in our state's public schools.

Three leaders—Governor Tony Knowles, ARCO Alaska, Inc. President Ken Thompson, and Commissioner of Education Shirley Holloway—attended the National Education Summit in Palisades, New York in the spring of 1996, along with most of the nation's governors and many leaders from our nation's major business corporations.

Upon returning to Alaska, the three invited every school district in the state to send a team to the summit. They asked the mayors of cities and boroughs and school board presidents of Regional Educational Attendance Areas to serve as team leaders. And they asked the team leaders to appoint teams composed of parents, business persons, school board members, teachers and school administrators.

The goal of the summit was to give each team the opportunity to begin to develop a community action plan for improving the quality of education our students receive. The plans were to be limited to five areas—student academic standards, assessment of student standards, professional standards, accountability, and family involvement in student learning; and community, school and business partnerships.

Governor Knowles, Mr. Thompson and Dr. Holloway encouraged each team to identify before the end of the summit its top three priorities for improving local schools. They then asked the teams to return home, expand the membership of their teams, and complete and implement their community action plans.

A summary of each team's priorities for improving schools can be found in this booklet. Also included is a written and visual record of summit activities, a brief summary of the talks of key speakers, the summit agenda, the names of participants and other information. Readers can also find the promises and commitments made by Governor Knowles, Mr. Thompson and Dr. Holloway to advance the goals of the summit and to further community efforts to improve education in Alaska.

The three observed at the end of the summit: "We have examples of high student achievement. We have some excellent schools, wonderful teachers and outstanding parent involvement and business partnerships that are working. But we do not have these things happening in every school in every community for every child. We need to make these things happen in all of our schools. That is our mission."

"Let's Pick Up the Beat!"

# schedule of EVENTS

## THURSDAY, OCTOBER 3

### Speakers

Lt. Gov. Fran Ulmer  
 U.S. Secretary of Education Richard Riley  
 Gov. Tony Knowles  
 ARCO Alaska President Ken Thompson  
 Bayer Foundation Executive Director Sande Deitch  
 Colorado Gov. Roy Romer: Standards and Assessments  
 Commissioner of Education Shirley Holloway: Quality Schools Initiative  
 ARCO Alaska President Ken Thompson: Technology introduction

### Learning Sessions

- . Student Academic Standards
- . Assessment of Student Standards
- . Professional Standards
- . Accountability
- . Family Involvement in Student Learning; and Community, School and Business Partnerships

### Speakers

State Board of Education Student Representative Jessica Worrell  
 State Board of Education Member & National PTA Vice-President Abbe Hensley  
 1995 National Teacher of the Year Elaine Griffin

## FRIDAY, OCTOBER 4

### Speakers

Commissioner of Education Shirley Holloway  
 ARCO Alaska President Ken Thompson  
 Alaska Association of Student Governments President Skye Rubadeau  
 Lt. Gov. Fran Ulmer  
 Technology Demonstrations

### General Session

Team Reports on Implementation Strategies

### Speakers

Gov. Tony Knowles  
 Lt. Gov. Fran Ulmer  
 ARCO Alaska President Ken Thompson  
 Commissioner of Education Shirley Holloway

### Conference Wrap Up—Speakers

Lt. Governor Fran Ulmer  
 Commissioner of Education Shirley Holloway  
 ARCO Alaska President Ken Thompson  
 Gov. Tony Knowles

### Kicaput Singers and Dancers

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*“The progress of our state rests  
on the strength of the founda-  
tion of our education system.”*

# tony KNOWLES

Governor  
State of Alaska

As we move into the 21st Century, Alaskans will expect more from our schools and from the students attending them. The global economy will demand it and parents and the public will demand it. We must meet the challenge. To do this, we'll need to focus in on higher standards, better assessments and the integration of technology into our schools, so that students are prepared for a technologically advanced world of work. A changing and productive society gives hope and opportunity, what dreams are made of. But for our children to share in that opportunity will take the efforts we put forth today. In fact, the progress of our state rests on the strength of the foundation of our educational system.

think  
**OUTSIDE**  
of the  
**BOX**

President Clinton summed it up well at the National Education Summit when he said, "We need a revolution of rising expectations." Here in Alaska, we see this revolution already taking shape. The Alaska Education Summit held in Girdwood in October was the first state summit to convene after the national summit met in Palisades, New York, earlier this year. Since then, communities across the state have met the call to action by holding or scheduling their own district-wide education summits. Juneau held an education summit November 23, and more will follow as the people of Alaska "Pick Up the Beat" for better schools.



To give our children a good education, we must prepare them for the work force, teach them the responsibilities of citizenship and help them expand their horizons beyond their towns and villages, so they are aware of the opportunities beyond the boundaries of their towns. High standards, realistic assessments and classroom technologies can help us achieve each of these goals. We don't want to tear down the existing school system, but *we will build on our successes, rearrange our priorities and help our schools "work smarter" by using technology where it has been shown to be effective in helping students learn.*

The success of our efforts will be realized when students graduating from Alaska's schools have the training and education to get good jobs that will lead to their economic security, will have the habits of life-long learners and are caring citizens involved in their villages, neighborhoods and cities.

We've asked educators to think outside the box to bring forward innovative ways to improve the lives of Alaska's children.



*"We need to rededicate  
ourselves to making  
education one of our  
highest priorities."*

ken

# THOMPSON

President  
ARCO Alaska, Inc.

If Alaska's children are to keep pace with the mind-boggling speed with which our world and our economy are changing, we need to rededicate ourselves to making education one of our highest priorities. This is the challenge of the 1996 Alaska Education Summit.

Alaska's businesses have a stake in the education of our young people. *In fact, the business sector is the top customer of our school system because it gets the products turned out by the state's high schools and the nation's universities.*

Some of the products are excellent. The young people we recruit to ARCO today are among the best we've ever seen. But that talent pool seems to be getting smaller. As parents, educators, government officials and business leaders, it is our responsibility to ensure that Alaskans don't fall behind. We cannot take education for granted.

A high school diploma is no longer a guarantee of basic competency to an employer. Basic skills such as reading comprehension and computation seem to be eroding; too few high school students are taking enough math and science classes. As a result, too many young men and women leave school unprepared for today's work-place demands. The cost of this failure is immense to business, to society and to the people who leave school without the knowledge and skills they'll need.

technology  
**VISION**

High-tech companies spend tens of millions every year on remedial training, teaching high school graduates skills they should have learned in school. For U.S. business, the cost of remedial training exceeds a billion dollars a year.

The ability of Alaska businesses to compete in today's world is a direct result of the quality of our educational system. Companies and communities with creative, educated workers are more likely to succeed and prosper. To do so, we must update and improve upon what we already have and set standards that are competitive with worldwide benchmarks.



We are endeavoring to set in motion a parental, community and business movement that will cause every school district to establish performance-based academic standards for every child, to institute quality-control programs that keep children from quietly falling behind and slipping through the cracks. Business leaders must work in partnership with local schools, setting high standards against which performance can be measured and for which students and educators are accountable.

With the commitment of Alaskans working together to build a vision of education for tomorrow, we will succeed in helping our schools make the grade.



*“We have to develop  
a passion about how  
we can help all of  
our youngsters reach  
for what they’re  
capable of doing.”*



We live in a great nation, in a society that enjoys more privileges and freedoms than any other nation at any other time in history. But when it comes to our children's education, we aren't doing as well as we can and should do. While we've been busy filling potholes and building prisons, America has allowed its education standards to become substandard. We are not expecting enough of our students, we haven't held our teachers and our schools accountable and we haven't created a vision for a practical measure of what is good enough. If that's going to change, we have to develop a passion about how we can help our youngsters reach for what they're capable of doing.

To get from where we are to where we ought to be, we'll need to take bold action, restructuring our education system, redefining and developing higher standards for what students should know and be able to do as they cross the hurdles of their academic careers. *We'll need to change the way we teach, the standards we set and how we evaluate academic progress. We'll need to aim for world-class standards, so that our students' achievements are measured against international benchmarks.*

This is what the standards reform movement is all about—we're redefining how we approach school.

Standards for our students and schools must have certain qualities: They must be specific, publicly understood, rigorous and measurable. They also must be inclusive, so that we continue to provide educational opportunities for all students, yet the results of student assessments must really matter. Standards must also be realistic, balancing the things we want students to know and be able to do with a realistic understanding of the demands of time.

Assessments are a critical portion of the standards we're talking about. A good, legitimate assessment is not just a gatekeeper, but another great way for students to learn. It gives content to the standards we set. Parents want to know what the expectation of achievement is, and know that schools are using an authentic measuring tool to gauge the progress of their students so that they'll know where their children stand academically in relationship to what the standard is.

Schools around the country have recently begun to implement standards and assessments as a way of improving the accountability of our schools. But we also must help teachers prepare to teach in this new way, with its increased emphasis on learning tasks and homework. We'll have to re-educate our teachers so they incorporate standards in all their work. We'll have to make sure that textbooks are rewritten so they demand the kind of mastery we expect. Word is getting out: We are not all going to perform the same academically, but we can all perform better. We're promoting practical reform as if the future of our nation and its children depends on it.



higher  
**STANDARDS**



*“The Quality Schools Initiative is based on high student academic standards and assessment, quality professional standards, family, school and community network, and school excellence standards.”*

# shirley HOLLOWAY

State Commissioner  
of Education

Alaska's children should be able to attend high-quality schools and graduate with the skills, knowledge and habits of mind that allow real choices — the choice to go to work, college, to be a subsistence hunter or to follow a number of career paths. This is the goal of the Alaska Quality Schools Initiative.

At the foundation of the Initiative is the emphasis on becoming a performance-based education system. This means school districts are being asked to develop clear goals for learning, that teachers and administrators are being asked to establish accountability systems and that students will need to meet higher academic standards.

Our public schools already have many pockets of excellence where promising things are happening. Chugach School District recently received permission from the State Board of Education to scrap the conventional 21-credit requirement for high school graduation and, in its place, implement a method of advancing students when they meet predetermined district performance standards.

Change is critical: Our children will live in a world that is more economically and technologically competitive. Other countries have realized the importance of a well-educated work force, one that is grounded in math and science. If we don't have the vision to set higher standards, our children's future economic prosperity may be in peril.

It will depend on all of us—the community of educators, public officials, parents and concerned citizens—to broaden the partnerships that will be needed to achieve the vision we hold for Alaska's schools. We are asking for more involvement of parents in their children's education, higher standards for teachers and more accountability from school districts. ***We are expecting more, with the belief that every child can learn, that every child is a star and that each young student deserves access to a quality education.***

every  
CHILD  
is a  
STAR



The future of Alaska's children depends on the success we have in transforming education today. We need to continue the work started at the 1996 Alaska Education Summit in Girdwood, and steadily pick up the BEA's for education: Better Education for Alaskans Today and Tomorrow. The future of Alaska depends on the students we are educating today and tomorrow.

# TECHNOLOGY

internet



COMPUTERS

networks

COMMUNICATION

information systems

Electronic

CONNECT

# Ken

# THOMPSON

President  
ARCO Alaska, Inc.

We are in the midst of an information revolution that has changed the way people live and work. The micro-chip is everywhere, from cars to VCRs, coffee makers to cameras. Wearing a digital watch? Carrying a credit card or debit card with a magnetic strip embedded in the back? That black strip tells the computer who you are so the grocery store computer can determine if you can afford the purchase you're trying to make.

Understanding computers and knowing how to use them ought to be a prerequisite for high school graduation because computer literacy has become a basic job requirement.

## Importance of **TECHNOLOGY**

Here's just one example of why we need computer-literate graduates: At ARCO Alaska, there's a personal computer on every desk and every job applicant is expected to have good computer skills. Powerful, low-cost computers have revolutionized almost every aspect of the way we conduct our business. Computers are the heart of the automation systems used to operate our North Slope oil and gas production systems.

Computers allow us to efficiently analyze seismic data, map oil-bearing formations deep beneath the earth and even build reservoir simulators that allow us to evaluate the efficiency of development options.

Computer-assisted drafting allows us to design better facilities, and better facility modifications. The digitization of our construction drawings and as-builts makes access to those drawings faster and easier.

Computers are improving communication within our company. Our e-mail system moves reports and information from field to field and from Alaska to the Lower 48, handling more than 30,000 messages. Every report and every letter written at ARCO is composed on a computer. Our



employee newsletter is designed on a computer and published on the ARCO Alaska intra-net, a kind of private inter-net that is becoming an important resource to our employees. More than 70 percent of our purchase orders are now placed by computers. More than half of our suppliers receive electronic fund transfers authorized by computers.

This kind of electronic commerce is sweeping the business world. In the years ahead, who knows what we'll be doing with computers.

The one thing I'm sure of is that we'll be doing more and more and more. That's why we have to make more effective use of computers and high technology in the classroom. Our children must be computer literate.

Let's provide the training and the resources our teachers and students need to keep pace with the technology revolution happening worldwide.

## **LET'S PICK UP THE BEAT**

Communication technology and computer-assisted networks have the promise to become a great equalizer between urban and rural school districts within our state. Technology breaks down the walls of one-room schools and erases distances between students, resources and teachers.



Technology has already changed much of the rest of our society—profit and non-profit, private sector and government. A similar revolution is possible in education if we provide our students tools to allow them to challenge themselves today with the technologies they'll use in the workplaces of tomorrow.

We can't continue with only chalk and pencils as tools to prepare workers who will work in a worldwide context with information and partners located anywhere. We can't allow a generation of students to fall behind on a global scale.

*Effective learning technologies have already demonstrated their ability to awaken the interest and increase the motivation of students.* Technology can improve the effectiveness of existing time and make more time available through self-guided instruction, both in school and out.

With 70 percent of our students in Alaska currently not completing a four-year degree program after finishing high school, we must focus a large portion of our efforts on the needs of our state's employers who are seeking qualified Alaskans for Alaska's jobs. Programs like School-to-Work, Tech Prep, Ready for Work, and others have helped focus schools on this task, but more can be done. Communities must be proactive in creating classrooms that meet the goal of creating self-sufficient adults who can succeed in a changing environment.

You are the "Johnny Appleseeds" of this exciting new effort to forge a partnership of parents, business, government and educators to begin the process one person, one classroom, one school district at a time.

"Without the vision  
you had, we would  
never have had that  
opportunity to  
showcase technology  
incorporation in  
science education.  
Thank you!"

Don Peterson  
Biotechnology  
Program

West Valley  
High School  
Fairbanks

*Technology is being used in innovative ways to improve educational opportunities in Alaska. Technology programs demonstrated at the Summit illustrate the benefits of integrating technology into the classroom—benefits shared by students, teachers, parents, business and the community.*

## COMMUNICATIONS PLAYROOM

Apple Computer, Inc. provided a communications playroom, allowing participants to browse the World Wide Web and check Internet e-mail at the Education Summit. Anchorage West High School's "Apple Corps" students provided training and assistance with the technology and "surfing" the Internet. Participants viewed business and education resources through the Summit's web page and watched students continue development of the Education Summit Web Page. Students added speeches, photos from the Summit and other resource information as it became available during the event.

## RECEPTION AREA EDUCATION TECHNOLOGY DISPLAY

The reception area featured a multi-vendor education technology display designed to encourage exploration of the latest educational technology. Participants could "test drive" the various programs and explore how these technologies can provide opportunities for different cultures, different geographies and different generations to learn together.

# technology DEMONSTRATIONS

## ARTSEdge

*The National Arts and Education Information Network*

Julie Liska  
Manager, Patron Services  
Alaska Center for the  
Performing Arts  
Dr. Gerald Wilson,  
Executive Director  
Kodiak Arts Council

ArtsEdge is an interactive World Wide Web site network

of affiliates that encourages and provides the means for teachers, students, and parents to learn about and through the visual and performing arts. The network was developed under a cooperative agreement between the Kennedy Center and National Endowment for the Arts to assist with implementing the arts as a core subject area in education reform nationally. Its goal is to place and maintain the arts alongside science, math and other subject areas in the K-12 curriculum, using the resources and services available on the Internet.



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## AUTOMATED LESSON PLANNING ON THE WORLD WIDE WEB

Carol Mel, ASD Anchorage School District  
Karen Wood, Digital Equipment Corporation  
Dwight Pond, MicroAge Infosystems Services  
Gerry Brown, Digital Altavista Internet Software

By typing a few keystrokes, teachers have access to a cornucopia of lesson plans via the Internet. This network of professional educators can provide not only the typical objective and suggested resources, but actual handouts, discussion topics, test questions, computer software and even

videos. Altavista Software allows educators to search the Internet for lesson plans. It facilitates collaboration in the development and implementation of planning materials. The Internet currently contains tens of thousands of references to lesson planning, available for free to anyone with access to the Internet.

## DISTANCE DELIVERY CONSORTIUM

*Lower Kuskokwim School District  
Bethel, Alaska*

Bob Medinger, Technology Director for LKSD  
Lance Campbell, Representative for K-12  
Schools & Local Government Statewide  
AT&T/Alascom

The Distance Delivery Consortium is a wide-area computer network connecting 54 school sites, including Internet access at each school's computer lab as well as a distributed e-mail network. The network illustrated innovation in using technology to link small schools across a large geographic region.

## **ELECTRONIC PORTFOLIOS**

*North Star Elementary School*

Kenai Peninsula Borough School District

Donna Peterson, Principal

Jim Legner, Teacher

Team Members: Donna Peterson, Jim Legner, Sandy Miller

Students share their school work through electronic portfolios, which is being used as an assessment tool for school work. The work includes the students' writing, art, audio samples of the student reading and other relevant academic materials. The portfolios create a powerful tool for students to track their own progress in many subjects and communicate their progress to teachers and parents. Electronic portfolios can be transferred with students from year to year or stored on digital storage devices if students move to another school.

## **"JUST IN TIME TECHNOLOGY"**

*Anchorage School District*

*Alpenglow Elementary School*

Arge Jeffery, Principal

Mark Standley, Apple Computer, Inc.

Team Members:

Arge Jeffery, Andy Rabung, Mark Standley,

Jim Utter

The Alpenglow/Apple Computer demonstration focused on the training needs of teachers, students and parents in Anchorage. A program entitled "Just in Time Technology" hosted by Alpenglow School features monthly speakers demonstrating new software and technology to enhance student learning. The "Just in Time Program" is part of an ongoing training program from Apple Computer including in-services and technical support to Alpenglow School staff and parents.

## **MULTIMEDIA CD-ROM PRODUCTIONS**

*Delta Greely School District*

Delta Junction High School

Sandy Hill, Principal

Jack Detzel, Teacher

Students from schools in rural Alaska like Delta Junction have built CD-ROM's for

corporations and government agencies to share information. Using multimedia tools, Delta Junction students integrated skills such as desktop layout and design to effectively communicate to a wide audience. Information was digitized, authored by the students and combined with existing media to develop the multimedia learning experiences that were archived on recordable CD-ROM disks

## **NUMBER ONE NUMERALS**

*North Slope Borough School District*

Bailey Aishanna

Kaveolook School Student

Kaktovik, Alaska

This demonstration showcased a unique numeral system developed by middle school students at Kaveolook School in Kaktovik, Alaska. The system is a base 20 system. The Inupiaq numbering system has been an oral system until the students developed these numerals. The demonstration included the use of a specially built abacus and future plans for development of a web page and a calculator using the new numeric system

## **PHOENIX PROGRAM**

*Juneau School District*

Karen Jordan, Technology Coordinator,

Les Morse, Teacher, Phoenix Program

The Phoenix Program, a school-within-a-school at Juneau-Douglas High School, operates around three main charters: Standards-based project learning, integrated assessments and ubiquitous use of technology in support of the total program, which uses the world as its laboratory. The atmosphere that has developed supports a strong community of learners that includes students, teachers and parents.

*"I was left feeling that we are all truly fortunate that education is such a valued commodity within our three local communities. Now all that is left is to "Pick up the Beat!!"*

*Terry Gregory*

*Team Member and Educator*

*Bristol Bay Borough School District*



*"As a parent, I was very interested in how much our schools will change in the coming few years. I urge you to contact your school board and our district's administration to see how you can help influence these changes so our children will get the very best education our schools can offer."*

*Janis Smoke*

*Team Member*

*Bristol Bay Borough School District*

## SCHOOL VIEW

*NW Arctic Borough School District*

Bob Butler, Education Computerland

A powerful administration tool in an easy-to-use graphical user interface, School View makes resource sharing easier for teachers and administrators. It is a series of integrated network software tools and accessories that all use point-and-click interface. Everything from creating, distributing and collecting student assignments to sharing spreadsheets and databases district-wide is possible.

## SOUND RESOURCE MANAGEMENT

*Sitka Sac-Roe Herring Fishery Unit*

Lyle Sparrowgrove, Teacher

Jonas Parker, Student, Blatchley Middle School

The Sound Resource Management demonstration showcased students in Sitka's Blatchley Middle School participating in a local resource issue, the lucrative Sitka Sac-Roe Herring Fishery limited-entry permit harvest. The students used authentic data from the Alaska Department of Fish & Game to make their own resource management decisions. The students learned to use graphing calculators and calculator-based laboratories. Classroom interactions with the community motivated students to learn rigorous math and science.

## WEST HIGH RESEARCH/INTERNET PROGRAM

*Anchorage School District*

Carol Goltz, Teacher

West High School

Team Members: Carol Goltz, Alison McCarrey, Sara Vieira, Owen Aftreth, Rupa Bhargava

Apple Corps, a school/business partnership between West Anchorage High School and Apple Computer, Inc., is a group of students interested in technology and in receiving and providing technology training. Through Apple Corps, students develop presentation and per-

sonal interaction skills as they learn more about technology. These students assist in professional conferences held in the Anchorage area, and they mentor educators and community members who are interested in developing home pages or who desire training in technology.

## WEST VALLEY HIGH SCHOOL BIOTECHNOLOGY PROGRAM

*Fairbanks North Star Borough School District*

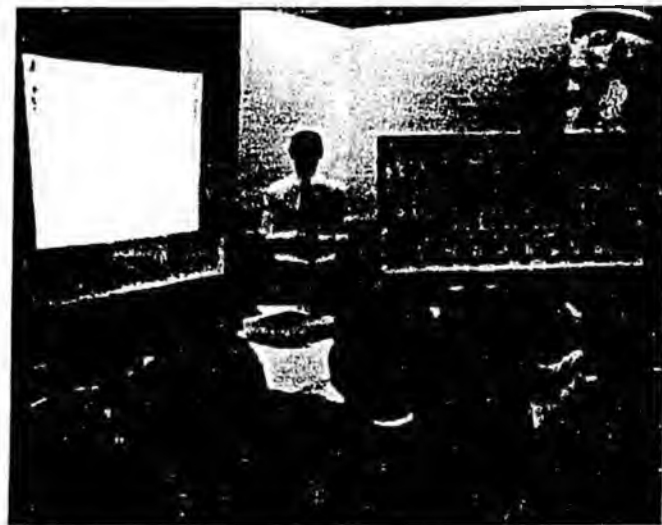
West Valley High School

Don Peterson, Teacher

Fairbanks North Star Borough School District

Team Members: Don Peterson, Tasha Fouts, Jennifer Angaiak

West Valley High School's Biotechnology Program blends new tools, subarctic biology, and unique approaches to research and student assessment into the high school science setting. Students conduct research on lakes and mammals around Fairbanks using technology to record, analyze and report data. Specimens are captured digitally and reported through student-generated newsletters and Web pages on the Internet. Students publish a semi-monthly newsletter to disseminate research results and lab experiences.



*"We're back at school and we're jazzed! The excitement and networking from the Education Summit will continue for a long time. We had an absolute blast and felt like we were really to have an education brewed in a state-of-the-art setting. This was the single best memory of the Summit."*

*Donna Peterson*

*Jim Legner*

*Sandy Miller*

*Jesse Johnson*

*North Star Elementary, Kodi Peninsula Borough School District*

*The primary summit goal was for each team to start work on a community action plan for improving the quality of education in local public schools. The teams were to focus on the themes below, then return home, expand their membership, complete their plans and begin to implement them. Each team's top three priorities for an action plan follows on the next pages.*

## ALASKA QUALITY SCHOOLS INITIATIVE

### HIGH ACADEMIC STANDARDS

- School districts develop and adopt standards and assessments
- State support of school districts by developing:
- content standards in ten core subject areas
- student performance standards for basic skills, and;
- curriculum frameworks and benchmarks

### STUDENT ASSESSMENT

- State support of school districts by developing state-wide assessment of standards
- California Achievement Test:
  - reading
  - mathematics
  - language arts
- Direct writing assessment
- National Assessment of Educational Progress

### SCHOOL STANDARDS AND ACCOUNTABILITY

- State school accreditation
- State standards for successful schools
- School profiling process
- Northwest Association of Schools & Colleges partnership
- Department of Education provides technical assistance to schools to reach accreditation standards
- Distinguished school recognition

### QUALITY PROFESSIONAL STANDARDS

- Standard-based licensure
- Tutorial preparation
- Continuing professional development
- National board-certified
- University preparation
- Performance-based evaluation

### FAMILY INVOLVEMENT IN STUDENT LEARNING

- Research-based family, school and community partnerships
- Collaborations among education organizations and parent organizations
- Facilitating student transitions throughout their schooling
- Business, agency, community partnerships

### TECHNOLOGY

- Integrate the use of computers and other high technology to
- enhance instruction
- increase student learning
- streamline class administration

V I S I O N

### ALASKA GATEWAY SCHOOL DISTRICT

#### Priority 1: Family/Community Involvement/ Business Partnerships

Contact with parents, students and teachers. Develop incentives to encourage parents to work as school volunteers. Provide in-service for parents. Participate in a regional education summit. Conduct earlier student-teacher-parent conferences.

#### Priority 2: Technology

Develop relationship/partnership with local and state-wide businesses to allow students to use technology. Use students to make special technology presentations. Convene district technology committee to review and amend the District Technology Plan and include how different computer platforms can be used.

#### Priority 3: Student Academic Standards

Provide in-service for staff and parents on Alaska standards for students. Board of Education will adopt Alaska standards for students.

### ANCHORAGE SCHOOL DISTRICT

#### Priority 1: Family/Community Involvement/ Business Partnerships

We intend to have in-depth continued discussion within one month for the Anchorage School District Team. We intend to build upon existing successful efforts—school/business partnerships with Chamber support—collaboration with PTAs across the district.

Regional Education Lab project as the only site selected in Alaska. Continue to partner with the city council.

#### Priority 2: Technology

Continue support for our technology plan.

#### Priority 3: Student Academic Standards.

Review our performance standards and align with Alaska content standards.

### BERING STRAIT SCHOOLS

#### Priority 1: Assessment of Standards

The next step is to see where we are and develop strategies. Have our students get to the 50%+. Develop our strengths, fix the weaknesses.

#### Priority 2: Technology

The focus of our interest is student learning, and technology is an excellent tool to spark student interest. Partnership with computer company.

#### Priority 3: Family/Community Involvement/ Business Partnerships

Many communities are reluctant to get involved. There exists a strong interest never the less.

### BRISTOL BAY BOROUGH SCHOOLS

#### Priority 1: Student Academic Standards

Inform our community what our standards currently are and where state standards are heading. Invite participation as agents of change.

### PRIORITY 3: Accountability

Full implementation of student performance standards and the creation of a feedback and evaluation team made up of non-educators.

### CORDOVA SCHOOL DISTRICT

#### Priority 1: Family/Community Involvement/ Business Partnerships

Provide information to the community through newsletters, site councils and a town meeting. Support the PTA in its volunteer program, work with local businesses to determine work force needs and how we can help our students meet those needs.

#### Priority 2: Technology

Continue to develop our technology plan. Increase the number of computers in our classrooms as limited funding allows. Develop business partnerships to possibly acquire more. We are working to get our kids on line as soon as possible with the cooperation of the school district, the city of Cordova, Prince William Sound Service Center and PWS Community College.

#### Priority 3: Student Academic Standards

We want to set high standards for our students. We are in the process of reviewing our current curriculum through site curriculum committees. We will determine if it meets the state standards and if not, how that can be changed.

team

# PRIORITIES



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#### Priority 2: Technology

Reconvene technology committee and have them develop a five-year plan. Educate committee. Short-term goal: expand student access to Internet.

#### Priority 3: Professional Standards

Develop a better inservice program for our staff with areas of common interest.



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#### Priority 2: Assessment of Standards

Student and professional standards become meaningful when incorporated into curriculum and all stakeholders buy in.

#### Priority 3: Student Academic Standards and Accountability

We want to inform local schools about our profiles of performance that assess the students' progress school by school.

### ANNETTE SCHOOL DISTRICT

#### Priority 1: Family/Community Involvement/ Business Partnerships

Use parents as aides and volunteers in the schools. Continue four-year commitment to the Northwest

### CHUGACH SCHOOL DISTRICT

#### Priority 1: Student Academic Standards/Assessment of Standards

The Chugach School District has already developed content and student performance standards for 12 subject areas. The Board of Education adopted these standards on Aug. 19, 1996. We have also developed board-adopted multiple assessment strategies to measure students progress in attaining the standards. Full implementation is in progress for this year.

#### Priority 2: Family Involvement & Community, School and Business Partnerships

Continue year two of the Alaska Onward to Excellence process. Continue to increase our business partnerships and the membership of the Chugach Coalition.

### DELTA/GREELY SCHOOL DISTRICT

#### Priority 1: Professional Standards

#### Priority 2: Student Academic Standards

#### Priority 3: Family/Community Involvement/ Business Partnerships

Delta Greely School District is participating in the Education Mini-Summit being held in Valdez in January, 1997. This summit will involve the Interior school districts that are along the Pipeline Corridor. Our team will consist of 12 members: four School Board members, four parents and four community/business leaders who will focus on creating action plans for the above three priorities.

### DENALI SCHOOL DISTRICT

#### Priority 1: Student Academic Standards

Look at standards in terms of alignment with curriculum.

#### Priority 2: Family/Community Involvement/Business Partnerships

Plan "education fair" specifically targeting Borough assembly and officers, school board, business, parents. Highlight technology in the schools and its use in business and industry.

#### Priority 3: Professional Standards

We are implementing a new evaluation process that already has teachers and administrators excited.

### FAIRBANKS SCHOOL DISTRICT

#### Priority 1: Student Academic Standards

Further expand our team to include neighborhoods, gather input and listen.

#### Priority 2: Family/Community Involvement/Business Partnerships

Hold town meeting about standards. Are we meeting national standards of family/parent involvement?



Attorney General Bruce Borelho

### Priority 3: Assessment of Standards

Work with staff/community to devise an authentic evaluation system based on performance standards.

### HOONAH SCHOOL DISTRICT

#### Priority 1: Family/Community Involvement/Business Partnerships

This always has been a priority with our small community. We feel it's very important to get parents and community involved.

#### Priority 2: Technology

We have computers in computer lab and are on-line, but we need to get our staff trained. We have computer labs, but we would like to get our computers into our classrooms.



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### KAKE SCHOOL DISTRICT

#### Priority 1: Family/Community Involvement/Business Partnerships

When children come to school rested, fed, at ease with their lives, learning will occur. Parent involvement is also critical for support through the process.

#### Priority 2: Student Academic Standards

State standards will be the target.

### KENAI PENINSULA BOROUGH SCHOOLS

#### Priority 1: Student Academic Standards and Accountability

Continue to develop standards-based curriculum according to our established schedule. Develop a process for creating a certified diploma which will guarantee that every graduating student will have identified skills. Develop benchmark levels of performance at selected grade levels that will be used to determine promotion from one grade level to another.

#### Priority 2: Technology

All classrooms in our district to be wired for Internet by January, 1997.



Juneaus Mayor Dennis Egan describes the city's use of technology.

Reach out to community that is vested in education: students, parents, business and university.

#### Priority 3: Technology

Thread technology through all strategies. Get Susan Stitham on e-mail. Model the incorporation of technology throughout this process.

### GALENA SCHOOL DISTRICT

#### Priority 1: Family/Community Involvement/Business Partnerships

Educate the community on the results of this conference. Form interagency working groups.

#### Priority 2: Professional Standards

Begin to incorporate state standards.

Incorporate local standards from working committees.

#### Priority 3: Student Academic Standards/Assessment of Standards

Begin to incorporate state standards.

Incorporate local standards from working committees.

Move toward objective rather than subjective assessment. Emulate when applicable; how is assessment done elsewhere.

### HAINES

#### Priority 1: Family/Community Involvement/Business Partnerships

Put together a representative group from all community groups to: 1) set/recommend standards; 2) develop assessment tools; 3) develop professional staff evaluations; 4) define local accountability and contents to implement technology plan including parent/community training.

#### Priority 2: Student Academic Standards

Work with community committee to review state standards and recommend standards to board for adoption.

### Priority 3: Student Academic Standards

We have our student standards in place and they pretty much match the state standards.

### HYDABURG SCHOOL DISTRICT

#### Priority 1: Family/Community Involvement/Business Partnerships; Technology; Student Academic Standards

No action plan given

### IDITAROD AREA SCHOOL DISTRICT

#### Priority 1: Student Academic Standards

Organize a forum to review and adopt (with possible district revisions) the Alaska state standards.

#### Priority 2: Family/Community Involvement/Business Partnerships

Report back to our constituents highlights of this conference through radio, TV and letters. Send out personal invitations asking them to sit on a specific content area committee to review the standards.

#### Priority 3: Technology

Implement a technology development plan for all staff. Identify the appropriate role of technology in the various curriculum areas.

### JUNEAU SCHOOL DISTRICT

#### Priority 1: Family/Community Involvement/Business Partnerships

Marketing the programs already in place. Call to action—create an event that gets community involved. Create a sense of urgency.

#### Priority 2: Technology

How to use, community involvement.

#### Priority 3: Student Academic Standards

Improve.

### Priority 3: Family/Community Involvement/Business Partnerships

Design a comprehensive public information effort to get the public knowledgeable and involved in the standard and assessment process. Included will be district homepage with e-mail address of all board members.

### KETCHIKAN GATEWAY BOROUGH SCHOOL DISTRICT

#### Priority 1: Student Academic Standards

Completion of student academic standards by utilizing community involvement and incorporating the use of technology in achieving these standards.

#### Priority 2: Assessment of Standards

Assessment of the student standards to ensure that at a minimum the state standards are being met and realizing the need to set up what criteria we will use in assessing academic standards.

#### Priority 3: Professional Standards

Creation of a set of professional standards that should at least achieve the minimal state goals but will use community and family involvement.

All information will be brought back to the community; use the community's strengths and experiences toward achieving the goals listed and attaining others, assuming the community agrees with priorities.

### KODIAK ISLAND BOROUGH SCHOOL DISTRICT

#### Priority 1: Student Academic Standards

Student academic standards will be addressed as we review our curriculum and prepare students for the graduation requirements (beyond Carnegie units) established by our community. Interface with the Board's strategic planning committee.

**Priority 2: Family/Community Involvement/  
Business Partnerships**

To focus on business and community partnerships as we continue our effort to welcome families into our schools. Listen and discuss education at town meeting and conduct local summit in Kodiak in Nov./Dec.

**Priority 3: Technology**

Continue in the direction set through our existing technology committee to ensure that students staff and families in the KIBSD have opportunities to become more comfortable in the use of technology.

**KUSPUK SCHOOL DISTRICT**

**Priority 1: Student Academic Standards**

Adopt State standards following community input via Alaska Onward to Excellence process.

**Priority 2: Family/Community Involvement/  
Business Partnerships**

Continue Alaska Onward to Excellence process, parent tip brochure.

**Priority 3: Technology**

District wide Internet hookup, staff development.

**LAKE AND PENINSULA BOROUGH SCHOOL**

**Priority 1: Family/Community Involvement/  
Business Partnerships**

Lake and Peninsula has developed action plans in partnership with community members and parents.

**Priority 2: Assessment of Standards**

Authentic assessment methods are being used to better assess student achievement.

**Priority 3: Professional Standards**

Work with new professional standards developed for teachers and administrators to devise a new effective evaluation system.



*Caption, Caption*

**LOWER KUSKOKWIM SCHOOL DISTRICT**

**Priority 1: Student Academic Standards**

Student Academic Standards at the local (district) level will be developed in cooperation with local and district boards, staff, parents, communities, parent-teacher organizations and students.

**Priority 2: Family/Community Involvement/  
Business Partnerships**

Utilize Alaska Onward to Excellence as one of the processes to involve parents and communities in determining what they really want for their children.

**Priority 3: Technology**

Train our staff, students and parents to use the equipment we have available.

**LOWER YUKON SCHOOL DISTRICT**

**Priority 1: Student Academic Standards**

In the process of accreditation, will be evaluating LYSD curriculum in light of Alaska standards, NW Association of Schools & Colleges process and Chapter 1 school-wide.

**Priority 2: Family/Community Involvement/  
Business Partnerships**

Create opportunities to develop computer skills with

parents. Continue to seek placement for students with local businesses for job experience.

**Priority 3: Technology**

FCC, Step/Star, Distance Delivery Consortium. Networking between classrooms and school and Internet access from every classroom. Enhance our bilingual program.

**MAT-SU SCHOOL DISTRICT**

**Priority 1: Family/Community Involvement/  
Business Partnerships**

Conduct future search conference Nov. 11-13. Meet with Palmer/Wasilla Chambers to talk about partnerships.

**Priority 2: Technology**

Have technology committee meet with us to learn what they are asking. Technology Fair—showcase. Classes for parents and community in school computer labs.

**NENANA SCHOOL DISTRICT**

**Priority 1: Family/Community Involvement/  
Business Partnerships**

A public forum will be held as soon as possible.

**Priority 2: Accountability**

The importance of everyone's accountability—parents, students, teachers, administration will be emphasized. Teachers: Test what you teach, teach what you know.

**NORTH SLOPE BOROUGH SCHOOLS**

**Priority 1: Student Academic Standards**

Enforcement of standards; creation/refinement of local standards

**Priority 2: Assessment of Standards**

Form post-secondary perspective; develop a multifaceted assessment tool to measure the competencies of each student as he/she transitions from grade to grade.



*Juneau Schools Superintendent Mary Rubadeau*

**Priority 3: Family/Community Involvement/  
Business Partnerships**

To improve attendance of students by developing partnerships with families—extended families. Discuss/develop mentorships and to recreate incentives for village students to continue their schooling.

**NORTHWEST ARCTIC BOROUGH SCHOOLS**

**Priority 1: All Action Steps Combined**

All of these are priorities. No data. Need to find out where we are. Must make the invisible, visible. Confirm, reaffirm the direction of our district which is based on total quality learning. Need community involvement, students and teachers in participation.

**BEIRLOF SCHOOL DISTRICT**

**Priority 1: Student Academic Standards**

No action plan given.

**Priority 2: Assessment of Standards**

No action plan given.

**Priority 3: Family/Community Involvement/  
Business Partnership**

No action plan given.

**SITKA SCHOOL DISTRICT**

**Priority 1: Student Academic Standards/Assessment of Standards**

We view academic standards and the assessment of them as one entity - you must not separate them. Academic standards are reflected in Sitka's strategic plan #6 as are assessments. Attend annual strategic plan session in November to set district priorities focusing on academic standards with assessment as the indispensable diagnostic tool to help set standards and to chart individual students needs and progress. Reconsider makeup of strategic plan team to ensure adequate representation of business community.

**Priority 2: Technology**

Technology is a tool that helps us achieve academic standards; it is also a standard in and of itself.

**Priority 3: Professional Standards**

Reflected in strategic plan #1.

\*We all will be making reports (upon our return) to the City Assembly, Chamber of Commerce, School Board and Rotary. This will be a joint process because each of us brings a different perspective.

**SKAGWAY SCHOOL DISTRICT**

**Priority 1: Family/Community Involvement/  
Business Partnership**



*Caption, Caption Caption, Caption, Caption*

Town meeting/expert speakers including technological demonstrations in our community. Incentives to lure everyone in town must be created.

**Priority 2: Technology**

See above. Partnerships for money and person support must be established. More computers, networks, Internet access and multi-media equipment must be purchased through collaborative funding.

**Priority 3: Student Academic Standards**

Review state standards and finish project of establishing Skagway's academic standards by including teachers, parents and business letters. Enforce standards.

**SOUTHEAST ISLAND SCHOOL DISTRICT**

**Priority 1: Family/Community Involvement/  
Business Partnerships**

Conduct SISD Summit Conference: 4 participants from each school site to include ASC president, a parent, a high school student, and a teacher; SISD Summit Team to facilitate with the purpose of getting the school community involved in reviewing the Alaska state standards and in planning District priorities.

Although the downturn in economics in Southeast Alaska has made it extremely difficult for business

people to give up time or finances in support of school efforts, SISD will exert every effort to include a business representative on each team.

**Priority 2: Student Academic Standards**

Get the school community involved in setting the student academic standards for the community schools, in addition to state standards; designate teams in each school community, provide initial training to teams, and have the SISD Summit Team facilitate the process.

**Priority 3: Accountability**

Ask each site team to consider: Are the standards high enough? What would you change? What do we want? Survey communities for those answers and develop a plan for accountability from this point.

**TANANA SCHOOL DISTRICT**

**Priority 1: Student Academic Standards**

Give the state standards (performance & content) to the school board—use some of inservice time (including school personnel, board, parents) to work on adapting state standards and aligning curriculum.



Elaine Griffin

**YUPIK SCHOOL DISTRICT**

**Priority 1: Family/Community Involvement/Business Partnerships / Accountability**

Alaska Onward to Excellence Process of meetings, proposed to be organized by IRA councils. Involve communities with help of IRA councils. A partnership between the schools and IRA councils in each village will be formed to increase community involvement in the schools. Accountability will be improved by developing a performance-based curriculum related to local cultural activities. Expand beyond standardized testing to perform assessments using elders to help score rubrics.

**Priority 2: Student Academic Standards**

Integrate Yupik Studies curriculum into four core curriculum/standards areas - language arts, math, science



Caption, Caption

strator preparation programs.

**Priority 2: Technology**

Expand the technology infrastructure and educate the higher education community about the role of technology in teaching and learning.

**Priority 3: Family/Community Involvement/Business Partnerships**

Develop strong school district-community-business partnerships, recognizing public service or outreach.

**STATE SCHOOL**

**Priority 1: Technology**

Improve access to and use of technology.

**Priority 2: Family/Community Involvement/Business Partnerships**

Communicate the vision and strategies to our various school audiences to attract more involvement.

**Priority 3: Assessment of Standards**

Use a variety of assessment tools to measure and report student performance.



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**Priority 2: Family/Community Involvement/Business Partnership**

We will have the already planned meeting of school-to-work partnerships and expand it to include more people and all of the topics in a seminar format, with the goal to design/refine the local action plan and expand partnerships. Also, present the concept and action plan at the next quarterly community meeting, scheduled to be hosted in January, 1997 by Tanana Youth Council.

**Priority 3: Technology**

Get curriculum from other districts with established programs; review with student standards curriculum efforts. Pursue consortia and other resources to get telephone technology to support putting Tanana on line.

**VALDEZ SCHOOL DISTRICT**

**Priority 1: Family/Community Involvement/Business Partnerships**

Most important—we will start in individual classrooms.

**Priority 2: Technology**

Second five-year plan in place - more staff training.

**Priority 3: Student Academic Standards**

Continue to implement - process already in progress.

**YUKON FLATS SCHOOL DISTRICT**

**Priority 1: Student Academic Standards**

Form committees to look at models from other districts.

**Priority 2: Assessment of Standards**

Do benchmark levels to meet standards. Individual portfolios for students.

**Priority 3: Professional Standards**

Form committees to develop evaluation instruments.

and social studies.

**Priority 3: Technology**

Continue computer training and find more cost effective way to link up with the Internet.

**ALASKA NATIVE EDUCATION ASSOC.**

**Priority 1: Need another strategy on aboriginal Alaska Native cultures.**

Utilize the local environment including human and natural resources.

**Priority 2: Professional Standards**

Take the drafted teacher education standards back to own Native Association and provide feedback to the State Department of Education.

**Priority 3: Student Academic Standards**

Include elders.

**BUSINESS TEAM**

**Priority 1: Student Academic Standards**

Work to move to meet or exceed the state standards from voluntary to mandatory status. Work with Department of Education to accomplish this.

**Priority 2: Accountability**

Explore different ways to achieve performance and meet the standards for promotion or graduation. Work to bring more kids into the workplace.

**Priority 3: Professional Standards**

Explore implementation of meaningful professional standards. Work with Anchorage Chamber—Education Committee and Anchorage School District. Attend District Summit with Bob Crystal.

**POST SECONDARY**

**Priority 1: Professional Standards**

Development of standards-based teacher and admini-

**SERRC**

**Priority 1: Technology**

Develop a format for delivering special education-related services via technological modes/fast track.

**Priority 2: Family/Community Involvement/Business Partnerships**

Provide opportunity for school/business partnership cooperative.

**Priority 3: Professional Standards**

Smaller districts/provide certified itinerant teachers on an as needed basis to address standards.

**ASSOCIATIONS TEAM**

**Priority 1: No priorities chosen**

Cannot be personalized—all are priorities.

**ORGANIZATION**

Our organization's action plan in partnership with education: 1) Increase public awareness; a) need for technology in our schools; b) successful programs like school-to-work; c) computer stations as seen today are set up in grocery stores/malls; d) get the information out prior to elections; e) put our reports on the Internet; 2) push funding issues politically—based on adoption of standards/assessment/accountability; 3) put the industry skill clusters that are needed in today's workforce in the school curriculum; 4) encourage training for teachers to involve parents; encourage training for parents to become involved; encourage businesses to provide training for teachers; 5) work on achieving accountability; 6) raise level of involvement of businesses and organizations; 7) with the change in technology, hold the education summit next year/and annually. Education is the heartbeat of Alaska.

elaine

## **GRIFFIN** *National Teacher of the Year*

Elaine Griffin was teaching in the Kodiak Island village of Chiniak when she was named Alaska Teacher of the Year for 1994. A few months later, she was named National Teacher of the Year for 1995. Since then, she has traveled the nation, from the White House to town halls across America, meeting with leaders and educators and speaking on behalf of better education for our nation's children.

For many years, Elaine and her husband, Ned, have taught school on Kodiak Island for one semester of each school year. While another couple took their places in the Chiniak classrooms, Elaine and Ned spend a semester teaching orphans in India, preserving rain forest plants in Australia, or volunteering in Mexico. Elaine and Ned bring new skills back to the children in Chiniak, who are beneficiaries of these experiences.

abbe

## **HENSLEY** *National PTA Vice President for Leadership*

In 1990, we organized the first parent involvement conference for parents; we held a second one in 1991. I'm pleased to see that we've really made some progress in understanding the real importance of parents in the home/school/community/business partnership. Parent involvement has been an important theme of this conference. We know, and research tells us, that when parents are involved in their child's education, that child achieves more. But to be involved, parents need information from teachers.

Many parents who want to help but don't know what to do. What a wonderful opportunity for schools to reach out to parents. And schools do have an obligation to actively engage parents in their child's learning. In this way, we all win.

skye

## **RUBADEAU** *President, Alaska Association of School Government*

All students have lists of things they would like to change in their schools. While their lists may vary, almost all would agree on this: Learning is easier when it makes sense to your daily life and your future plans. In this context, computers are the best way to find information and produce high quality work. We need more interactive, state-of-the-art computers in our schools.

It's also important to judge student success by what we can demonstrate. Set us goals for performance and then give us the space to meet those marks in creative and individual ways.

jessica

## **WORRELL** *Student Advisor State Board of Education*

Imagine a 5th grade classroom that has at least two parents volunteering each day. Every parent signs a contract that commits them to at least 30 hours of classroom involvement each year. Together, teachers and parents teach activities and answer students questions. Parents who can't help in the classroom take home papers to grade. Field trips are never hard to organize because there are plenty of chaperones available. Together, the student, parents and teacher meet to set achievement goals for the student at home and at school. There really is such a learning environment: It was my 5th grade class at Chugach Optional.

My grade school is an example of how parents and teachers can successfully work together to give each student the one-on-one attention needed to learn and achieve their dreams. It's a learning environment all students deserve. I challenge each of you help make every classroom in Alaska like the one I had the opportunity to attend.



# PROMISES CHALLENGES

*How to Improve the Academic Achievement Of Students*

*Governor Tony Knowles,  
Lt. Governor Fran Ulmer,  
ARCO President Ken Thompson,  
Commissioner of Education  
Shirley Holloway*

## PROMISES

### *Governor's pledges from Education Summit*

- To keep education at the top of my agenda. We must insist on higher academic standards, accurately chart our progress and, when we're not measuring up, fix the problem.
- To fight for adequate resources for education. When our customers—parents and the general public—are convinced schools are doing a good job, they will support adequate funding.
- To involve the business community with parents, teachers, students, administrators and others who influence education in Alaska.
- To promote the use of technology in the classroom.

### *Ken Thompson's promises*

- I promise to follow through with each and every business leader who attended the Summit by calling and visiting every one of you, by urging business leaders to network with each other so that together business leaders can build a statewide network of education advocates in the business community.

### *Shirley Holloway's promises*

- I promise to call or visit each school district team during the next year as you continue your work in your communities.
- I promise to restructure the resources at the State Department of Education to support a statewide school system that is built on standards, that is results-oriented and that is accountable at all levels throughout the system. My aim is to create a Department of Education that supports the public schools at all levels of the education process.
- I promise to work with colleges and universities in Alaska to better support a public school system that is based on high student standards and high teacher standards.



*Governor Tony Knowles*

*"... a laser-like focus on end results can make ... schools more effective."*

*Ken Thompson,  
ARCO President*

## CHALLENGES

### *Lieutenant Governor's challenges to parents*

- Invest in a personal computer for your home. Studies show that this small investment reaps the highest returns in increased performance and test scores for students. A place for your PFD check?
- Take a personal pledge to do everything in your power to link every child in Alaska with at least one responsible adult who will devote the time necessary to nurture success in school. At times this link must be made in creative and positive ways outside of the nuclear family.
- Take the time to call your local school board member, superintendent, or principal and ask them what they are doing right now to "Pick Up the Beat!" for better education for Alaskans today and tomorrow. Get involved!

### *Ken Thompson's challenges for business leaders*

- Implement hiring practices within one year that will require applicants to demonstrate academic achievement and that will show students have met the graduation requirements set by their schools and universities. We will review and validate their school work.
- Demonstrate by example how rigorous quality control and a laser-like focus on end results can make businesses and schools more effective, more competitive and more successful.
- Encourage your community to adopt a quality control program based on high academic standards, measurement and accountability.
- Clearly communicate to students, parents, schools and the community the types and levels of skills necessary to meet the workforce needs of the next century.
- Adopt within our companies—and urge other business leaders to adopt—policies that encourage and support parental involvement in their children's education and in improving local schools.
- Work in our home school districts to connect local businesses with local schools. The goal, within one year, is to create a business-school partnership for every school.
- As business leaders, work with other members of your Summit teams to ensure that your home school districts schedule a District Education Summit or one-day community workshop.

**pick  
UP  
the  
BEAT**

### *Shirley Holloway's challenges for school board members and superintendents*

- Take responsibility and be accountable for student achievement.
- State clearly to the community that learning is the fundamental goal of all schools.
- Ensure that all policies support learning and achievement; and that they are well-coordinated and coherent.
- Set goals for achievement that are standards based. Use national or state standards to guide the performance of students and monitor student progress on standards aligned with an assessment system.
- Maintain vigorous communication with parents and the community to stress the importance of learning and to involve families and others.
- Develop formal partnerships with businesses, corporations and community agencies to help meet the needs of every child.

### *Shirley Holloway's challenges for principals*

- Establish a school climate that makes the school a community of learners that has a clear mission focused on high academic standards.
- Spend the majority of your time being an instructional leader, or identify someone in your school to fulfill this critical role.
- Develop supervision programs that are based on assisting teachers to continue to grow and develop utilizing other teachers as mentors and coaches.
- Take responsibility and be accountable for the learning of every child in your school.
- Do quality evaluations of teachers based on standards.

### *Shirley Holloway's challenges for teachers*

- Take responsibility for and be accountable for the learning of every child in your classroom.
- Work to bring the necessary resources to your students, including health and social services resources.
- Teach to standards and assess to the standards.
- Develop real partnerships with parents.



*ARCO President Ken Thompson, Commissioner of Education Shirley Holloway and Lieutenant Governor Fran Ulmer*

# Summit PARTICIPANTS

## Alaska Gateway School District

John Miranda, Business  
AK Association of the Deaf  
1345 Rudakof Circle, Suite 107, Anchorage, AK 99508  
(907) 785-3741

Troy Abel, Teacher, Tok School  
Box 249, Tok, AK 99780  
(907) 883-5161; FAX (907) 883-5165

Yolanda Bailey, Principal  
Walter Northway School  
Box 519, Northway, AK 99764  
(907) 778-2288; FAX (907) 778-2221

Darroll Hargraves, Superintendent, Team Leader  
P.O. Box 226, Tok, AK 99780

(907) 883-5151; FAX (907) 883-4356  
Sue Warbelow, Parent  
Box 401, Tok, AK 99780  
(907) 883-2225; FAX (907) 883-4356

## Anchorage School District

Bob Christal, Superintendent, Team Leader  
Anchorage School District  
P.O. Box 196614, Anchorage, AK 99508  
(907) 269-2111; FAX (907) 269-2226

Harriet Drummond, School Board  
Anchorage School District  
P.O. Box 196614, Anchorage, AK 99508  
(907) 563-2525

Kathi Gillespie, School Board, Anchorage School District  
P.O. Box 196614, Anchorage, AK 99508  
(907) 563-2525

Ginger Jenkinson, Anchorage Council of PTA, President  
3940 Twilight Lane, Anchorage, AK 99516  
(907) 345-4901

Rich Kronberg, Teacher, Anchorage Edu. Asso., President  
1840 S. Bragraw Street, Anchorage, AK 99508  
(907) 274-0536; FAX (907) 274-0551

Debbie Osslander, School Board, Anchorage School District  
P.O. Box 196614, Anchorage, AK 99508  
(907) 688-2308; FAX (907) 688-2309

Tom Williams, Anchorage Chamber of Comm., Chairman  
P.O. Box 196612, Anchorage, AK 99508  
(907) 564-5955

## Annette Island School District

Melanie Bolton, School Admin., Metlakatla Indian Comm.  
Hatchery Road #2, Metlakatla, AK 99926  
(907) 886-3150; FAX (907) 886-3152

Paul Brendible, School Board, President, Team Leader  
4th & Millon, Metlakatla, AK 99926  
(907) 886-4441; FAX (907) 886-4470

Kathy Hayward, Parent  
4th & Millon, Metlakatla, AK 99926  
(907) 886-4020; FAX (907) 886-5130

Robert Pratt, Superintendent  
4th & Millon, Metlakatla, AK 99926  
(907) 886-6332; FAX (907) 886-5130

Marilyn Pratt, Teacher  
4th & Millon, Metlakatla, AK 99926  
(907) 886-6020; FAX (907) 886-4122

## Associations Team

Fredi Bullmire, AAESP, Pearl Creek Elem.  
700 Auburn Drive, Fairbanks, AK 99709  
(907) 452-2000

John Cyr, NEA Alaska, President  
1840 S. Bragraw, Anchorage, AK 99508  
(907) 274-0536; FAX (907) 274-0551

Karla Feeley, NEA Alaska  
1840 S. Bragraw, Anchorage, AK 99508  
(907) 274-0536

Larry LeDoux, AK Assoc. of Secondary School Prin., Pres.  
722 Millbay Rd., Kodiak, AK 99615  
(907) 486-9253; FAX (907) 486-9279

Richard Mauer, School Board Asso. of AK, President  
PO Box 1302 Delta, Junction, AK 99737  
(907) 895-4658

Terry McDermott, Alaska PTA, President  
P.O. Box 201496, Anchorage, AK 99520  
(907) 279-9345; FAX (907) 279-9345

Stephen McPhetres, AK Council of School Admin., Ex. Dir.  
326 Fourth Street, Suite 404, Juneau, AK 99801  
(907) 586-9702; FAX (907) 586-5879

John Monahan, Superintendent  
520 Fifth Avenue, Fairbanks, AK 99701  
(907) 452-2000; FAX (907) 451-6160

Ronelva Peacock, Teacher, AK Retired Teachers Assoc.  
6623 Fairweather, Anchorage, AK 99518  
(907) 349-1714

Carl Rose, Executive Director, Asso. of Alaska School Boards  
316 West Eleventh, Juneau, AK 99801  
(907) 586-1083; FAX (907) 586-2995

## Bering Strait School District

Marilyn Asicksik, Teacher  
P.O. Box 225, Unalakleet, AK 99684  
(907) 624-3611; FAX (907) 624-3099

Matt Clark, Assistant Principal  
P.O. Box 225, Unalakleet, AK 99684  
(907) 624-3611; FAX (907) 624-3099

Jerry Ivanoff, NSEDC  
P.O. Box 225, Unalakleet, AK 99684  
(907) 624-3611; FAX (907) 624-3099

Weaver Ivanoff, Board President, Team Leader  
P.O. Box 225, Unalakleet, AK 99684  
(907) 624-3611; FAX (907) 624-3099

Stella Weyouanna, Parent  
P.O. Box 225, Unalakleet, AK 99684  
(907) 624-3611; FAX (907) 624-3099

## Bristol Bay Borough School District

Terry Gregory, Teacher, Bristol Bay Borough School District  
School Road North, Naknek, AK 99633  
(907) 246-4225; FAX (907) 246-6857

Richard Leath, Superintendent, Team Leader  
School Road North, Naknek, AK 99633  
(907) 246-4225; FAX (907) 246-6857

Pete Montanelli, School Board  
School Road North, Naknek, AK 99633  
(907) 246-6165; FAX (907) 246-6857

Janice Smoke, Business  
PO Box 51, King Salmon, AK 99613

## Business Team

Marie Collins, Dir. of Human Resources  
Anchorage Hilton Hotel  
500 W. 3rd Avenue, Anchorage, AK 99501  
(907) 272-7411

Jerry DeFrancisco, President Business AT&T Alascom  
210 E. Bluff Drive, Mt. 365, Anchorage, AK 99501  
(907) 264-7122

Dave Hougen, Lynden, Inc., President  
1029 W. 3rd Avenue, Suite 150, Anchorage, AK 99501  
(907) 279-7501

Rav Jakubczak, BP Exploration, External Affairs  
PO Box 196612, Anchorage, AK 99501  
(907) 561-5111; FAX (907) 564-4124

Bob Reynolds, Manager of Local Hire, BP Exploration  
PO Box 196612, Anchorage, AK 99501  
(907) 561-5111; FAX (907) 564-4124

Chuck Sullivan, General Manager, Parker Drilling  
1407 W. 31st Ave, Suite 500, Anchorage, AK 99511  
(907) 349-1591

Jov Sullivan, General Manager  
3330 Reamreach Court, Anchorage, AK 99511  
(907) 349-1591

## Chugach School District

Richard DeLorenzo, School Admin.  
165 E 56th Ave, Ste. Anchorage, AK 99518  
(907) 561-3666; FAX (907) 561-8659

Gloria Protzman, School Board  
165 E 56th Ave, Ste. Anchorage, AK 99518  
(907) 561-3666; FAX (907) 561-8659

Roger Sampson, Superintendent, Team Leader  
165 E 56th Ave, Ste. Anchorage, AK 99518  
(907) 561-3666; FAX (907) 561-8659

Charles Selanoff, School Board, President  
100 Main Street, Chenega Bay, AK 99574  
(907) 561-3666; FAX (907) 561-8659

## Cordova School District

Cindy Appleton, Parent  
P.O. Box 1210, Cordova, AK 99574  
(907) 424-6200; FAX (907) 424-6230

Margy Johnson, Mayor, Team Leader  
P.O. Box 1210, Cordova, AK 99574  
(907) 424-6200; FAX (907) 424-6230

Martha Nichols, Business, Prince William Motel  
PO Box 235, Cordova, AK 99574  
(907) 424-3201

Penny Oswald, School Board  
P.O. Box 1210, Cordova, AK 99574  
(907) 424-6200; FAX (907) 424-6230

## Delta Greely School District

Dan Beck, Superintendent  
Delta Greely School District, Delta Junction, AK 99737  
(907) 895-4658; FAX (907) 895-4246

Barbara Blackshear, Alyeska Pipeline Service Company  
1835 S. Bragraw Street, Anchorage, AK 99508  
(907) 278-1611

Doris Fales, School Board President, Team Leader  
Delta Greely School Board, Delta Junction, AK 99737  
(907) 895-4502; FAX (907) 895-5014

Sandra Hill, Principal  
Delta High School Delta, Junction, AK 99737  
(907) 895-4460; FAX (907) 895-4049

## Denali Borough School District

John Gonzales, Mayor, Team Leader  
PO Box 480, Healy, AK 99743  
(907) 683-2278; FAX (907) 683-2514

John Novak, School Admin.  
PO Box 480, Healy, AK 99743  
(907) 683-2278; FAX (907) 683-2514

## Fairbanks North Star Borough School District

Bill Bjork, Teacher, Fairbanks Education Association  
2118 Cushman, Fairbanks, AK 99701  
(907) 456-4435

Meg Marquette, Parent  
520 Fifth Avenue, Fairbanks, AK 99701

Karen Parr, Business  
P.O. Box 71267, Fairbanks, AK 99707  
(907) 479-6736

Jim Sampson, Mayor, Team Leader  
P.O. Box 71267, Fairbanks, AK 99707  
(907) 459-1304; FAX (907) 459-1102

Betsy Turner-Bogren, Parent  
P.O. Box 343, Fairbanks, AK 99725  
(907) 474-0235

Sue Wilken, President, School Board of Education  
520 Fifth Avenue, Fairbanks, AK 99707  
(907) 474-6642

## Galena School District

Roland Chadbourn, School Board, President  
P.O. Box 299, Galena, AK 99741  
(907) 656-1205  
FAX (907) 656-1368

Carol Huntington, Business, Huntington Ventures  
P.O. Box 299, Galena, AK 99741  
(907) 656-1312; FAX (907) 656-1871

Steven Musser, Principal  
P.O. Box 299, Galena, AK 99741  
(907) 656-1205; FAX (907) 656-1368

Sharon Myers, Teacher, Galena Schools  
P.O. Box 299, Galena, AK 99741  
(907) 656-1205; FAX (907) 656-1368

Marvin Yoder, City Manager, Team Leader  
P.O. Box 149, Galena, AK 99741  
(907) 656-1301; FAX (907) 656-1769

## Haines Borough School District

Ronald Erickson, Superintendent  
Box 1289, Haines, AK 99827  
(907) 766-2644; FAX (907) 766-2508

Jerry Lapp, Borough Manager, Team Leader  
Box 1209, Haines, AK 99827  
(907) 766-2711; FAX (907) 766-2716

**Hoonah City School District**

Bob Beasley, Parent  
P.O. Box 360, Hoonah, AK 99829  
(907) 945-3663; FAX (907) 945-3445

Vergie Fryrear, Superintendent  
P.O. Box 157, Hoonah, AK 99829  
(907) 945-3611; FAX (907) 945-3492

Gordon Greenwald, Teacher  
P.O. Box 157, Hoonah, AK 99829  
(907) 945-3611; FAX (907) 945-3492

Mary Peterson, School Board, President  
P.O. Box 157, Hoonah, AK 99829  
(907) 945-3661; FAX (907) 945-3492

Mary Peterson, Mayor, Team Leader  
P.O. Box 360, Hoonah, AK 99829  
(907) 945-3663; FAX (907) 945-3445

**Hydaburg School District**

Jean Bland, School Board  
PO Box 109, Hydaburg, AK 99922  
(907) 285-3491; FAX (907) 285-3391

Becky Frank, School Board  
PO Box 109, Hydaburg, AK 99922  
(907) 285-3491; FAX (907) 285-3391

Robert Robertson, Superintendent, Team Leader  
PO Box 109, Hydaburg, AK 99922  
(907) 285-3491; FAX (907) 285-3391

**Iditarod Area School District**

Raymond Collins, Mayor, Team Leader  
P.O. Box 90, McGrath, AK 99627  
(907) 524-3033; FAX (907) 524-3217

Karen Ladegard, Principal  
P.O. Box 90, McGrath, AK 99627  
(907) 524-3033; FAX (907) 524-3217

Gerald "Kim" Langton, Superintendent  
P.O. Box 90, McGrath, AK 99627  
(907) 524-3033; FAX (907) 524-3217

Becky Skinner, Parent  
P.O. Box 90, McGrath, AK 99627  
(907) 524-3033; FAX (907) 524-3217

**Juneau School District**

Joseph Beedle, President, Business  
9097 Glacier Highway #200, Juneau, AK 99801  
(907) 790-4990

Dennis Egan, Mayor, Team Leader  
10014 Crazy Horse, Juneau, AK 99801  
(907) 586-5257

Deborah Marshall, Parent  
PO Box 22158, Juneau, AK 99802  
(907) 463-1700

John Norton, Teacher, Juneau Douglas High School  
10014 Crazy Horse, Juneau, AK 99801  
(907) 463-1700

Mary Rubadeau, Superintendent  
10014 Crazy Horse, Juneau, AK 99801  
(907) 463-1700; FAX (907) 463-1768

Sally Rue, School Board  
10014 Crazy Horse Dr., Juneau, AK 99801  
(907) 463-1700; FAX (907) 463-1768

**Kake City School District**

Loretta Gregory, Parent  
PO Box 450, Kake, AK 99830  
(907) 785-3741; FAX (907) 785-3461

Patti Handy, School Board  
PO Box 450, Kake, AK 99830  
(907) 785-3741; FAX (907) 785-3461

William Hopkins, Superintendent, Team Leader  
PO Box 450, Kake, AK 99830  
(907) 785-3741; FAX (907) 785-3461

Rick Mills, Teacher  
PO Box 450, Kake, AK 99830  
(907) 785-3741; FAX (907) 785-3461

**Kenai Peninsula Borough Schools**

Ron Draihman, Assembly Member, Team Leader  
144 N. Binkley St., Soldotna, AK 99669  
(907) 262-8608; FAX (907) 262-8615

Mari-Ann Gross, School Board President  
148 N. Binkley St., Soldotna, AK 99669  
(907) 235-7330

Pam Lazenby, Parent PTA  
1607 Fathom Dr., Kenai, AK 99611  
(907) 283-4432; FAX (907) 283-9340

Mark Necessary, Tesoro Alaska Petroleum  
P.O. Box 3369, Kenai, AK 99611  
(907) 776-8191; FAX (907) 776-5383

Marlene Pearson, Teacher, Nikiski High School  
Pouch 10,000, Nikiski, AK 99635  
(907) 776-3456

Tom Thorpe, School Admin.  
48 North Binkley Street, Soldotna, AK 99669  
(907) 262-5846

**Ketchikan Gateway Borough School District**

Penny Abbott-Ranniger, Teacher  
Pouch Z, Ketchikan, AK 99901  
(907) 247-2896

Dick Clement, Principal  
Pouch Z, Ketchikan, AK 99901  
(907) 225-5138; FAX (907) 247-5138

Chris Elliott, School Board  
Pouch Z, Ketchikan, AK 99901  
(907) 225-9401; FAX (907) 225-5513

Karlene Kiffer, Parent  
630 N. Point Higgins, Ketchikan, AK 99901  
(907) 247-2680; FAX (907) 247-8439

George Tipton, Assemblyman, Team Leader  
344 Front St., Ketchikan, AK 99901  
(907) 228-3506; FAX (907) 225-1845

**Kodiak Island Borough School District**

Bonnie Aulabaugh, Chelsea Realty  
104 Center St. #201, Kodiak, AK 99615  
(907) 486-3424

Lacy Berns, Parent  
P.O. Box 26, Kodiak, AK 99615  
(907) 486-5091

Patty Holmes, Teacher  
P.O. Box 2651, Kodiak, AK 99615  
(907) 486-3074; FAX (907) 486-9277

Carl Short, Team Leader  
710 Mill Bay Road, Kodiak, AK 99615  
(907) 486-9350; FAX (907) 486-9374

Betty Walters, Superintendent  
722 Mill Bay, Kodiak, AK 99615  
(907) 486-9210; FAX (907) 486-9277

**Kuspuk School District**

Dan Ausdahl, Business  
PO Box 21 Upper, Kalskag, AK 99607  
(907) 471-2311; FAX (907) 471-2242

Bobette Bush, Superintendent  
P.O. Box 49, Aniak, AK 99557  
(907) 675-4250; FAX (907) 675-4351

Samantha John, Parent  
P.O. Box 49, Aniak, AK 99557  
(907) 675-4384; FAX (907) 675-4387

Leo Morgan, Board President, Team Leader  
P.O. Box 46, Aniak, AK 99557  
(907) 675-4384; FAX (907) 675-4387

Barb Sabo, Teacher  
General Delivery, Red Devil, AK 99656  
(907) 447-3213; FAX (907) 447-3214

**Lake & Peninsula Borough School District**

Lynn Carlsea, Vice Mayor, Team Leader  
P.O. Box 498, King Salmon, AK 99613  
(907) 246-4280; FAX (907) 246-4473

Marty Gorten, Teacher  
P.O. Box 498, King Salmon, AK 99613  
(907) 246-4280; FAX (907) 246-4473

Frank Hill, Superintendent  
P.O. Box 498, King Salmon, AK 99613  
(907) 246-4280; FAX (907) 246-4473

Myra Olsen, Parent  
P.O. Box 498, King Salmon, AK 99613  
(907) 246-4280; FAX (907) 246-4473

David Wilder, Business  
P.O. Box 498, King Salmon, AK 99613  
(907) 246-4280; FAX (907) 246-4473

**Lower Kuskokwim School District**

Debi Bye, Parent  
Box 305, Bethel, AK 99559  
(907) 543-4310; FAX (907) 543-4904

Sue Hare, Superintendent  
Box 305, Bethel, AK 99559  
(907) 543-2310; FAX (907) 543-4904

Bob Herron, Business  
Box 305, Bethel, AK 99559  
(907) 543-4810; FAX (907) 543-4904

Susan Murphy, Admin. Assistant, Team Leader  
Box 305, Bethel, AK 99554  
(907) 543-4810; FAX (907) 543-4904

Tim Samson, Teacher  
Box 305, Bethel, AK 99559  
(907) 543-4810; FAX (907) 543-4904

**Lower Yukon School District**

Jerry Gates, Asst. Superintendent  
P.O. Box 32089, Mountain Village, AK 99632  
(907) 591-2411; FAX (907) 591-2449

Tom Genne, Principal, Kotlik School  
P.O. Box 20129, Kotlik, AK 99620  
(907) 899-4415; FAX (907) 899-4515

Ellen Genne, Teacher, Kotlik School  
P.O. Box 20129, Kotlik, AK 99620  
(907) 899-4415; FAX (907) 899-4515

Leslie Hunter, Hunter Sales  
P.O. Box 50, Marshall, AK 99585  
(907) 679-6111

Tim Kaganak, PTA School Board Chair, Team Leader  
P.O. Box 66, Scammon Bay, AK 99662  
(907) 558-5556

**Mat-Su Borough School District**

Lucy Hope, Teacher, Mat-Su Education Assn., President  
P.O. Box 870887, Wasilla, AK 99687  
(907) 376-4795; FAX (907) 373-5194

Janet Kincaid, Valley Hotel  
P.O. Box 118, Palmer, AK 99645  
(907) 745-3330; FAX (907) 745-3855

Barbara Lacher, Mayor, Team Leader  
450 E. Dahlia, Palmer, AK 99645  
(907) 745-9682; FAX (907) 745-9845

Cynthia Lee, Parent, PTA President  
P.O. Box 2401, Palmer, AK 99645  
(907) 745-1095; FAX (907) 745-1314

Norm Palenske, Superintendent  
125 West Evergreen, Palmer, AK 99645  
(907) 746-9255; FAX (907) 745-0194

Peter Purchell, Principal, Mat-Su Alternative  
1775 W. Parks Hwy., Wasilla, AK 99654  
(907) 373-7775; FAX (907) 373-1430

**Native Education Assoc. Team**

Esther Ilutsik, Chulista Education Association  
Box 188, Dillingham, AK 99576  
(907) 842-5901; FAX (907) 842-5692

Virginia Ned, Alaska Native Education  
P.O. Box 202243, Anchorage, AK 99518  
(907) 274-2502

Luanne Pelagio, Alaska Native Education  
P.O. Box 202243, Anchorage, AK 99518  
(907) 274-2502; FAX (907) 272-6176

Martha Stackhouse, School Admin. Inupiat Educators Assn.  
PO Box 1238, Barrow, AK 99723  
(907) 852-2174

**Nenana School District**

Marilyn Dugger, Parent  
PO Box 70, Nenana, AK 99760  
(907) 832-5422; FAX (907) 832-5429

Cherrie Forness, School Board President  
PO Box 70, Nenana, AK 99760  
(907) 832-5505; FAX (907) 832-5282

John Gill, Superintendent  
P.O. Box 10, Nenana, AK 99760  
(907) 832-5464; FAX (907) 832-5625

Robert Knight, Mayor, Team Leader  
PO Box 70, Nenana, AK 99760  
(907) 832-5441; FAX (907) 832-5503

Blain Morris, Teacher  
PO Box 10, Nenana, AK 99760  
(907) 832-5464; FAX (907) 832-5625

**North Slope Borough School District**

Ettajane Danner, Mayor's Special Asst., Team Leader  
P.O. Box 69, Barrow, AK 99723  
(907) 852-0205; FAX (907) 852-0337

Leland Dishman, Superintendent  
P.O. Box 169, Barrow, AK 99723  
(907) 852-5311; FAX (907) 852-5984

Brenda Iltta-Lee, Vice President, Arctic Slope Regional Corp.  
P.O. Box 129, Barrow, AK 99723  
(907) 852-8633; FAX (907) 852-9470

Edna MacLean, Teacher, Iltisagvik College President  
P.O. Box 749, Barrow, AK 99723  
(907) 852-9101; FAX (907) 852-9102

Forrest Olemaun, President, Board of Education  
P.O. Box 169, Barrow, AK 99723  
(907) 852-5311; FAX (907) 852-5984  
Barbara Renoux, Teacher  
c/o Cully School, Point Lay, AK 99759  
(907) 852-5311

### Northwest Arctic Borough School District

Charlie Curtis, President, Nana Regional Corporation  
P.O. Box 49, Kotzebue, AK 99752  
(907) 442-3301; FAX (907) 442-2863  
Chuck Greene, Mayor, Team Leader  
P.O. Box 1110, Kotzebue, AK 99752  
(907) 442-2500; FAX (907) 442-2930  
Velma Jones, Teacher  
P.O. Box 51, Kotzebue, AK 99752  
(907) 442-3472; FAX (907) 442-2392  
Sandra Kowalski, Teacher  
P.O. Box 51, Kotzebue, AK 99752  
(907) 442-3472; FAX (907) 442-2392  
Pobby Schaeffer, President  
P.O. Box 51, Kotzebue, AK 99752  
(907) 442-3472; FAX (907) 442-2392  
Randy Swenson, Superintendent  
P.O. Box 51, Kotzebue, AK 99752  
(907) 442-3472; FAX (907) 442-2392

### Organizations Team

Mike Andrews, AHRIC  
360 C Street, Suite 380, Anchorage, AK 99503  
(907) 269-7485  
Mike Boots, President, Alaskans for Educational Choice  
P.O. Box 92021, Anchorage, AK 99509  
(907) 276-1558; FAX (907) 276-6375  
Debra Call, Alaska Chamber of Comm.  
Cook Inlet Regional Inc.  
P.O. Box 93330, Anchorage, AK 99501  
(907) 263-5126; FAX (907) 279-8836  
Mano Frey, AFL-CIO  
2501 Commercial Drive, Anchorage, AK 99501  
(907) 272-4571; FAX (907) 274-0570  
Dorothy Larsen, Alaska Federation of Natives  
1577 C Street, Suite 201, Anchorage, AK 99501  
(907) 274-3611  
Jim McElroy, Commonwealth North, Inc.  
1049 West Fifth Avenue, Anchorage, AK 99501  
(907) 276-1414  
Col. Gary Pederson, Nat'l Guard Youth Corps  
PO Box 5727, Ft. Richardson, AK 99505  
(907) 334-6007  
Tom Rohloff, Challenge Alaska  
PO Box 1166, Girdwood, AK 99586  
(907) 783-2925  
Sarah Scanlan, NANA  
1001 E. Benson Road, Anchorage, AK 99508  
(907) 265-4100; FAX (907) 265-4123

### Post-Secondary Team

John Anttonen, Ex. Dir., Rural Edu. Partnership Pro., SERRC  
210 Ferry Way, Ste 200, Juneau, AK 99801  
(907) 586-6806; FAX (907) 463-3811  
April E. Crosby, Asst to the President, UAS—Statewide  
910 Yukon Drive, Ste 202, Fairbanks, AK 99775  
(907) 474-5922; FAX (907) 474-7570  
Pam Keating, School Admin., U of A, Fairbanks  
320 Signer's Hall, Fairbanks, AK 99775  
(907) 474-7211  
Charles Kingsland, Sheldon Jackson College  
801 Lincoln Street, Sitka, AK 99835  
(907) 747-5222; FAX (907) 747-2594  
Jerome B. Komisar, President, University of AK—Statewide  
910 Yukon Dr., Ste 202, Fairbanks, AK 99775  
(907) 474-7311; FAX (907) 474-6342  
Anne Kruse, School Admin., Alaska Pacific University  
4101 University Drive, Anchorage, AK 99508  
(907) 561-1266  
Alexander McNeill, Dean II of A, Anchorage  
3211 Providenc Dr., Anchorage, AK 99506  
(907) 786-4406; FAX (907) 786-4445  
John Pugh, Dean, School Admin., UAS  
11120 Glacier Hwy., Juneau, AK 99801  
(907) 465-6531; FAX (907) 465-6406

### Pribilof Island Schools

Carol Melovidor, School Board Member  
930 Tolstoi St., St. Paul Island, AK 99660  
(907) 546-2222; FAX (907) 546-2327

### Sitka School District

Bruce Bachen, Parent  
1815 Edgumbe Drive, Sitka, AK 99835  
(907) 747-6850; FAX (907) 747-1470  
Peter Hallgren, Mayor, Team Leader  
100 Lincoln Street, Sitka, AK 99835  
(907) 747-6909; FAX (907) 747-6988  
Gayle Hammons, Teacher  
210 Kruzof, Sitka, AK 99835  
(907) 747-3213; FAX (907) 747-3229  
John Holst, Superintendent  
P.O. Box 179, Sitka, AK 99835  
(907) 747-8622; FAX (907) 966-1260  
Charles Horan, C.E.O., Horan Corak  
403 Lincoln Street, Sitka, AK 99835  
(907) 747-6666

### Skagway School District

Joe Beckford, Superintendent  
P.O. Box 497, Skagway, AK 99840  
(907) 983-2960; FAX (907) 983-2964  
Tom King, White Pass & Yukon Railroad, President  
P.O. Box 435, Skagway, AK 99840  
(907) 983-2214  
Vivian Meyer, Teacher  
P.O. Box 457, Skagway, AK 99840  
(907) 983-2960; FAX (907) 983-2966  
Sioux Plummer, Mayor, Team Leader  
P.O. Box 415, Skagway, AK 99840  
(907) 983-2289; FAX (907) 983-2151  
Duff Ray, Parent  
P.O. Box 211, Skagway, AK 99840  
(907) 983-2370; FAX (907) 983-2380

### Southeast Island School District

Jackie DuRette, Direct Construction  
P.O. Box 19497, Thorne Bay, AK 99919  
(907) 828-3343; FAX (907) 247-9190  
Ray Griffith, Superintendent  
P.O. Box 8340, Ketchikan, AK 99901  
(907) 225-9658; FAX (907) 225-8908  
Kelly Reno, ASC-Thorne Bay President  
P.O. Box 17473, Thorne Bay, AK 99919  
(907) 828-3941  
Patricia Rowland, School Board, President, Team Leader  
P.O. Box 14111, Coffman Cove, AK 99918  
(907) 329-2216; FAX (907) 329-2216  
Barry Stewart, Teacher, Craik Logging School  
Box 9813FA (Sumez Bay), Ketchikan, AK 99950  
(907) 755-3023

### Southeast Regional Res Center

Bill Buell, Administrator, SERRC  
210 Ferry Way, Ste 200, Juneau, AK 99801  
(907) 586-6806; FAX (907) 463-3811  
Linda Griffin, Special Ed. Admin, SERRC  
210 Ferry Way, Ste 200, Juneau, AK 99801  
(907) 586-6806  
FAX (907) 463-3811  
Mike Mosher, Principal School Admin., SERRC  
210 Ferry Way, Ste 200, Juneau, AK 99801  
(907) 586-5742; FAX (907) 865-5971  
Ken Sreater, Migrant Ed. Project Admin., SERRC  
210 Ferry Way, Ste 200, Juneau, AK 99801  
(907) 586-6806; FAX (907) 463-3811  
Sheryl Weinberg, Association Director Business, SERRC  
210 Ferry Way, Ste 200, Juneau, AK 99801  
(907) 586-6808; FAX (907) 463-3811

### State School Team

Darby Anderson, Superintendent, Alyeska Central School  
3141 Channel Dr., Ste 100, Juneau, AK 99801  
(907) 465-6919; FAX (907) 465-2935  
Todd Berman, Teacher, Mt. Edgumbe High School  
1330 Seward, Sitka, AK 99835  
(907) 662-2201; FAX (907) 966-2442  
Don Brandon, Business  
111 Jalinek, Anchorage, AK 99504  
Marsha Ann Buening, Business  
996 Copper Street, Fairbanks, AK 99709  
(907) 474-0094; FAX (907) 479-0563

Jack Cadigan, Teacher, Alyeska Central School  
3141 Channel Dr., Ste 100, Juneau, AK 99801  
(907) 465-6910; FAX (907) 465-2935  
Linda Corbin, School Admin., AK Voc. Technical Center  
PO Box 889, Seward, AK 99664  
(907) 224-3322  
Nancy DeRuwe, Parent, AK Voc. Technical Center  
PO Box 889, Seward, AK 99664  
(907) 224-3322  
Lois Fedele, Parent, Alyeska Central School  
3500 Rabbit Creek Road, Anchorage, AK 99516  
(907) 345-7802  
Bruce Johnson, Superintendent, Mt. Edgumbe H.S.  
1330 Seward, Sitka, AK 99835  
(907) 966-2201; FAX (907) 966-2442  
Fred Lau, School Admin., AK Voc. Technical Center  
PO Box 889, Seward, AK 99664  
(907) 224-3322  
Carolyn Martin, School Board Pres., Mt. Edgumbe H.S.  
1330 Seward, Sitka, AK 99835  
(907) 780-6195; FAX (907) 780-6195  
Kathy Mayo, Teacher, Mt. Edgumbe High School  
1330 Seward Avenue, Sitka, AK 99835  
(907) 780-6195  
Ulla Pedersen, Parent, Alyeska Central School  
3141 Channel Dr., Ste 100, Juneau, AK 99801  
(907) 465-2835  
David Sadlowski, Parent, Alyeska Central School  
3141 Channel Drive Suite 100, Juneau, AK 99801  
(907) 465-2835  
Jerry Trainor, School Admin., AK Voc. Technical Center  
PO Box 889, Seward, AK 99664  
(907) 224-3322

### Tanana School District

Debra Caudill, Teacher, Maudry Sommer School  
Box 89, Tanana, AK 99777  
(907) 366-7203; FAX (907) 366-7201  
Ron Delay, Superintendent  
Box 89, Tanana, AK 99777  
(907) 366-7203; FAX (907) 366-7201  
Connie Greenway, Business  
PO Box 130, Tanana, AK 99777  
(907) 366-7160; FAX (907) 366-7195  
Mary Moses Edwin, City Manager, Team Leader  
Box 249, Tanana, AK 99777  
(907) 366-7159; FAX (907) 366-7169  
Julie Roberts, Business  
PO Box 130, Tanana, AK 99777  
(907) 366-7160; FAX (907) 366-7195

### Valdez City School District

Harry Rogers, Superintendent  
P.O. Box 398, Valdez, AK 99686  
(907) 835-4357; FAX (907) 835-4964

### Yukon Flats School District

Diane Bridges, Teacher  
P.O. Box 4, Fort Yukon, AK 99740  
(907) 662-2308  
Mae Glazer, Team Leader  
P.O. Box 263, Fort Yukon, AK 99740  
(907) 622-2362  
Darrell Johnson, Superintendent  
P.O. Box 359, Fort Yukon, AK 99740  
(907) 662-2515  
FAX (907) 662-2519  
James Kelly, Parent  
c/o PO Box 263, Fort Yukon, AK 99740  
Darren Micheals, Alaska Commercial  
Fort Yukon, AK 99740  
(907) 622-2619

### Yupit School District

Willie Kasayulie, President, Team Leader  
Box 100, AKiachak, AK 99551  
(907) 825-4813; FAX (907) 825-4827  
John Weise, Superintendent  
Box 100, AKiachak, AK 99551  
(907) 825-4427; FAX (907) 825-4827



# **FY98 Budget Overview**

**January 1997**

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# Alaska Quality Schools Initiative

I n t e g r a t e	<p><b>High Student Academic Standards &amp; Assessment</b></p>	<ul style="list-style-type: none"> <li>★ School districts develop and adopt standards and assessments</li> <li>★ State supports school districts by developing             <ul style="list-style-type: none"> <li>• content standards in ten core subject areas</li> <li>• student benchmarks and performance standards for basic skills</li> <li>• curriculum frameworks</li> </ul> </li> <li>★ State supports school districts through statewide assessment of standards             <ul style="list-style-type: none"> <li>• California Achievement Test: reading, mathematics, language arts</li> <li>• Direct writing assessment</li> <li>• National Assessment of Educational Progress</li> </ul> </li> </ul>
U s e o f	<p><b>Quality Professional Standards</b></p>	<ul style="list-style-type: none"> <li>★ Standards-based licensure             <ul style="list-style-type: none"> <li>• Meet state standards for initial preparation</li> <li>• Professional development for continuing licensure</li> <li>• National board certified</li> </ul> </li> <li>★ University preparation becomes standard based</li> <li>★ Performance-based evaluation at district level</li> </ul>
T e c h n o l o g y	<p><b>Family, School and Community Network</b></p>	<ul style="list-style-type: none"> <li>★ Research-based family, school and community partnerships</li> <li>★ Collaborations among education organizations and parent organizations</li> <li>★ Facilitating student transitions throughout their schooling</li> <li>★ Business, agency, community partnerships</li> </ul>
	<p><b>School Excellence Standards</b></p>	<ul style="list-style-type: none"> <li>★ State school accreditation             <ul style="list-style-type: none"> <li>• State standards for successful schools</li> <li>• School profiling process</li> <li>• Northwest Association of Schools and Colleges partnership</li> <li>• Distinguished school recognition</li> </ul> </li> <li>★ Network of distinguished schools and educators to provide technical assistance for school improvement</li> </ul>



**Department of Education  
Mission**

The mission of the Department of Education is to lead and support the development of responsible, economically viable, lifelong learners and citizens.

This new mission requires the Department to change its relationship with learners, schools, districts, communities and other educational entities as well as other social agencies. Partnerships, rather than hierarchical relationships become the new norm.

The mission also requires new relationships among staff within the Department. Isolated projects and activities give way to collaborative activities that support learners across ages, cultures and communities.

The Department becomes the keeper of the vision of an educational system that develops "responsible, economically viable, lifelong learners and citizens."

**Goals and Objectives**

The Department stands at the intersection of many parts of the state's social system necessitating that it direct its attention to a new set of goals.

**GOAL A**

**FOCUS ON LEARNING**

Focus the education system on improving the knowledge, skills and attitudes of learners to prepare them for community and global citizenry, lifelong learning and work.

**OBJECTIVES**

- Prepare every citizen to fully participate as an educated member in the cultural, aesthetic, civic, and economic life of their communities.
- In collaboration with schools, districts, and communities, develop standards that help raise the quality of curriculum content, student performance, educator preparation, and school operations.
- Facilitate the connection of services and programs to the lifelong learner through educational technology and information systems.
- Promote and support self-reliance, independence, choice, control, involvement, and productivity within all program services for individuals who experience disabilities and their families.
- Protect and preserve Alaska's cultural and historical heritage.

**GOAL B**

**LEADERSHIP FOR  
EFFECTIVENESS AND  
EFFICIENCY**

Provide leadership and support throughout the education system to effectively and efficiently serve constituents of all ages and stages of learning.

**OBJECTIVES**

- With innovation and efficiency, deliver high quality programs and services to lifelong learners.
- Involve learners, parents, families, and communities as active partners in all aspects of the learning process.
- Become a customer-service oriented organization, providing districts and constituents support that directly impacts learning and development.
- Ensure that all programs and services are fully accessible to persons with limited access and/or barriers to participation.

**GOAL C**

**ADVOCATE EXEMPLARY  
PRACTICES**

Advocate the use of model programs and alternatives for learners of all ages, abilities, and cultures in collaboration with consumer groups, service providers, Native associations, and other public agencies.

**OBJECTIVES**

- Provide effective traditional and nontraditional multicultural outreach services and opportunities.
- Expand and improve vocational rehabilitation services to individuals from underrepresented groups who experience disabilities.
- Provide technical assistance to regions and districts in establishing school-community partnerships.
- Through research and assessment identify educational practices that support learner needs.
- Facilitate access to and sharing of information, programs, and data among schools, communities, libraries, museums, and other appropriate organizations.

**GOAL D**

**COLLABORATION**

Promote collaboration among schools, learners, families, and communities to enhance learning and the delivery of services.

**OBJECTIVES**

- Enhance learning by sharing information, early intervention, and providing referral services for all persons, including those who experience disabilities.
- Actively participate in state-wide inter-agency collaboration in the design and delivery of educational programs and services.
- Support the establishment of local school/community/agency partnerships to assess and determine needs and the most effective design and delivery of programs and services.
- Promote the involvement of learners, families, and communities as active partners in all aspects of the learning process.

**GOAL E**

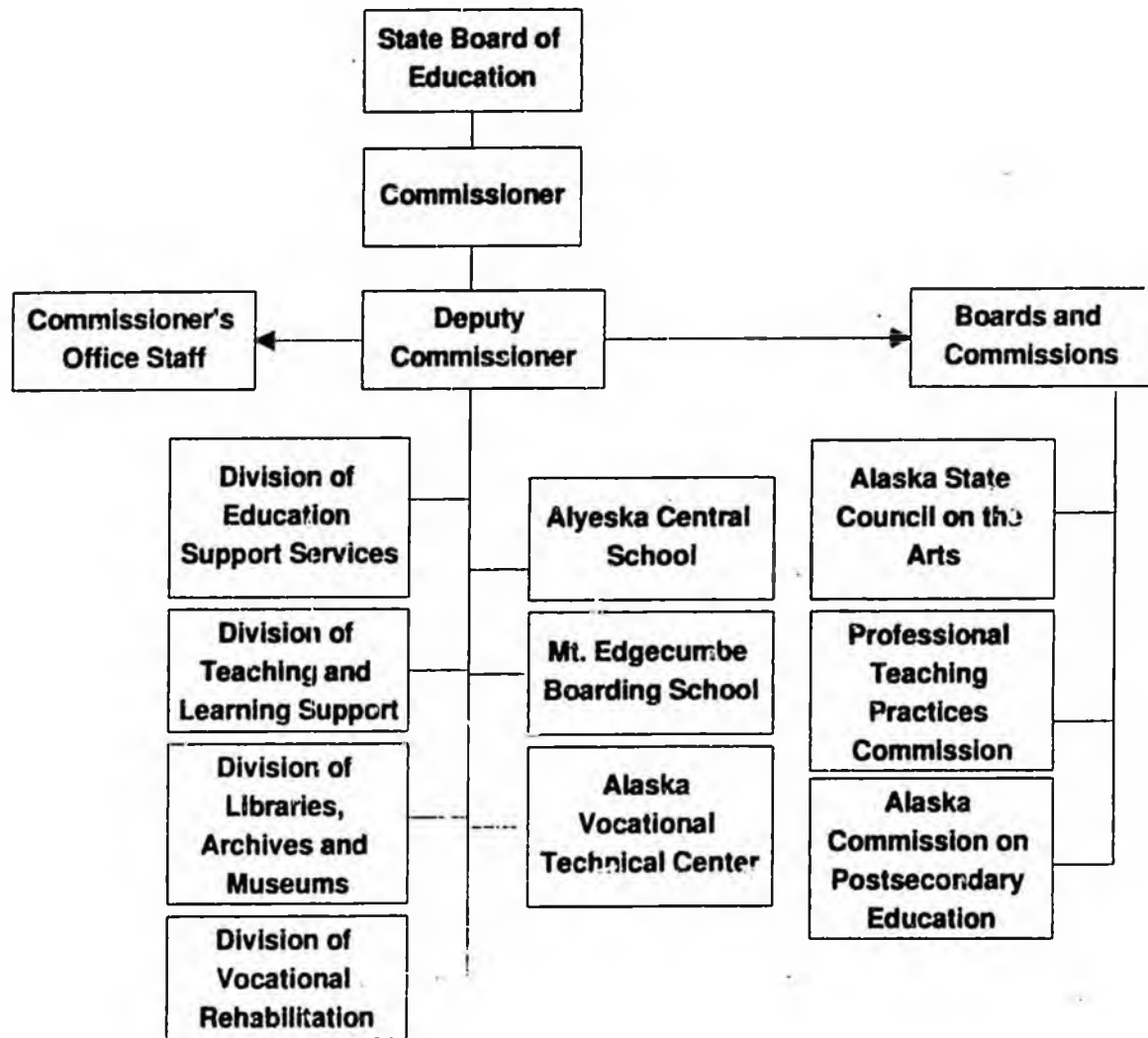
**INSPIRE PUBLIC CONFIDENCE**

Promote and inspire public confidence in and support for education.

**OBJECTIVES**

- Maintain open and continuous communication with the Governor, State Board of Education and legislature regarding the education goals to ensure congruent policy development.
- Continuously communicate the mission and goals throughout the state.
- Use technology to facilitate communication throughout the state.
- Promote to the general public all learning programs, services, and opportunities including early childhood, K-12, post-secondary options, vocational technology, vocational rehabilitation, museums, libraries, archives, and the importance of the arts in the development of lifelong learners.
- Leverage public support for and awareness of vocational rehabilitation services, resources, and activities.
- Tailor communications to various populations including persons who experience disabilities, to ensure awareness of and access to appropriate resources, education, and assistance.
- Act as a steward and keeper of the public trust. Ensure legal and authorized compliance with fiscal requirements and responsibilities serving with a high level of accountability, integrity, and efficiency.

## Alaska Department of Education FY98 Organization

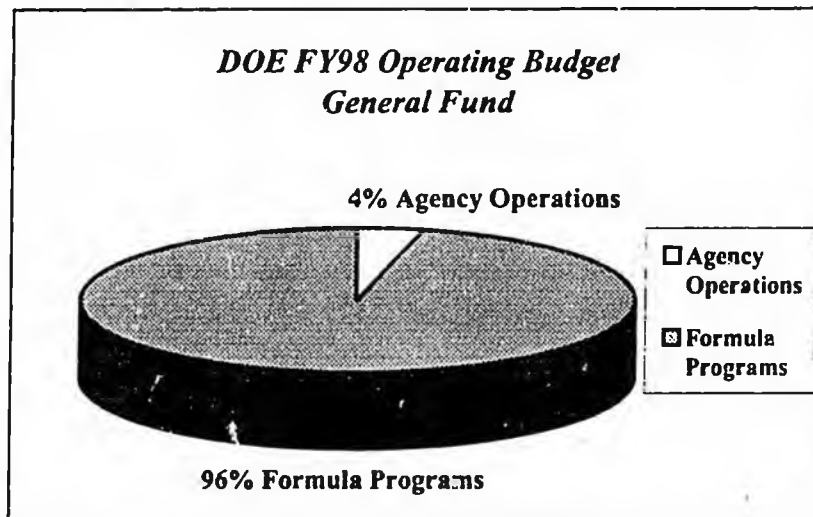


# FY98 Operating Budget



**Department of Education  
FY98 Operating Budget Summary**

	<b>General Funds</b>	<b>Federal Funds</b>	<b>Other Funds</b>	<b>Total</b>
<i>Agency Operations</i>	26,874.6	79,566.0	18,127.3	124,567.9
<i>Formula Programs</i>	675,199.9	42,791.0	74,118.9	792,109.8
<b>Total</b>	<b>702,074.5</b>	<b>122,357.0</b>	<b>92,246.2</b>	<b>916,677.7</b>



**General Fund Expenditures**

- 96.4% Grants in support of public education
- 1.0% Operation of Mt. Edgecumbe, Alyeska Central School and Alaska Vocational Technical Center
- 0.7% Vocational Rehabilitation
- 0.1% Professional Teaching Practices Commission and Council on the Arts
- 1.0% Department operations in support of general fund activities and over \$200.0 million in federal and other funds
- 0.8% Libraries, Archives and Museums

**Highlights of FY98 General Fund Changes**

<b>Foundation Program</b>	<b>\$12,381.4</b>
This increase includes full funding for projected enrollment of \$9,747.6 and funding to offset the loss of one-time Public School Fund revenues of \$2,633.8, for a total funding level of \$659,587.4.	
<b>Additional District Support</b>	<b>\$296.5</b>
This increase provides funding of \$3,445.9 for single site school districts with 900 or less Average Daily Membership based on the FY98 enrollment projections.	
<b>Pupil Transportation</b>	<b>\$2,353.0</b>
This increase provides full funding for the projected cost of reimbursement to school districts providing a total for pupil transportation services of \$35,195.2.	
<b>Schools for the Handicapped</b>	<b>\$46.1</b>
This increase provides full funding for the Special Education Services Agency (SESA) of \$2,029.0 based on the statutory formula requirement of 2% of special education foundation funding or \$85 per special education student, whichever is greater.	
<b>School Debt Reimbursement</b>	<b>(\$6,328.2)</b>
This reduction is based upon the October 15, 1996, estimate from school districts of the amount of funding required to reimburse them for voter approved bond issues and reimbursement of debt service.	
<b>Quality Schools - Youth in Justice Review</b>	<b>\$107.0</b>
This increase supports the goals of the Children's Cabinet, Youth and Justice Review and the Alaska Quality Schools Initiative by providing funding for development of parenting and family support programs across the state. These programs will be designed to measure increases in parental involvement in related health, education and safety activities.	
<b>Alaska Vocational Technical Center</b>	<b>\$171.5</b>
This increase includes designated and other program receipts due to providing industry specific training for entities such as Unocal, Alaska Independent Electrical Contractors, and the Yukon-Delta Fisheries Association.	

<p><b>Vocational Rehabilitation</b>            This reduction includes elimination of one administrative position based upon restructuring of the division to provide direct services to clients in a more efficient and effective manner.</p>	<p><b>(\$82.6)</b></p>
<p><b>WICHE</b>            This reduction reflects the final phase out of the Professional Student Exchange Program. No new students have been funded in the last four years and continuing students will complete their final year of support in FY97. Remaining funding will pay for dues to allow Alaska students to have access to educational programs not available in Alaska but without any tuition support from the state.</p>	<p><b>(\$111.1)</b></p>
<p><b>WAMI</b>            This increase reflects the cost of contractual support fees for participation in the Washington, Alaska, Montana, Idaho (WAMI) regional medical school program through the University of Washington, School of Medicine.</p>	<p><b>\$41.4</b></p>
<p><b>Better Business Practices</b>            This general fund reduction is taken in travel and contractual lines throughout the Department's budget as part of a statewide effort to show savings through reductions in airfares, subscriptions and memberships, and use of administrative vehicles.</p>	<p><b>(\$50.5)</b></p>

## FY98 Budget Overview

### Department of Education

#### Operating Budget Comparison FY97 Authorized to FY98 Governor

### All Funds

	FY97 Auth	FY98 Gov	Gov to Auth	% Change
<i>K-12 Support:</i>				
Foundation	649,839.8	659,587.4	9,747.6	1.5%
Additional District Support	3,149.4	3,445.9	296.5	9.4%
Cigarette Tax	2,690.0	2,608.4	-81.6	-3.0%
Tuition Students	1,731.2	1,731.2	0.0	0.0%
Boarding Home Grants	185.9	185.9	0.0	0.0%
Youth in Detention	800.0	800.0	0.0	0.0%
Schcols for the Handicapped	3,721.3	3,767.4	46.1	1.2%
Pupil Transportation	32,842.2	35,195.2	2,353.0	7.2%
Child Nutrition	22,000.0	22,000.0	0.0	0.0%
Community Schools	500.0	500.0	0.0	0.0%
School Debt Reimbursement	68,616.6	62,288.4	-6,328.2	-9.2%
<b>Subtotal K-12 Support</b>	<b>786,076.4</b>	<b>792,109.8</b>	<b>6,033.4</b>	<b>0.8%</b>
<i>Agency Operations:</i>				
Teaching & Learning Support	62,111.5	67,366.6	5,255.1	8.5%
Executive Administration/School Finance	4,853.8	4,898.3	44.5	0.9%
Alyeska Central School	4,123.9	4,144.2	20.3	0.5%
Professional Teaching Practices Commission	189.0	190.7	1.7	0.9%
Alaska State Council on the Arts	1,154.7	1,158.7	4.0	0.3%
Kotzebue Technical Center Grant	634.0	634.0	0.0	0.0%
Alaska Vocational Technical Center	4,627.2	4,984.9	357.7	7.7%
Mt. Edgecumbe Boarding School	4,149.4	4,168.8	19.4	0.5%
Vocational Rehabilitation	19,035.7	20,639.3	1,603.6	8.4%
Libraries, Archives & Museums	7,261.3	7,322.8	61.5	0.8%
AK Commission on Postsecondary Education	9,164.1	9,059.6	-104.5	-1.1%
<b>Subtotal Agency Operations</b>	<b>117,304.6</b>	<b>124,567.9</b>	<b>7,263.3</b>	<b>6.2%</b>
<b>Total Education</b>	<b>903,381.0</b>	<b>916,677.7</b>	<b>13,296.7</b>	<b>1.5%</b>

Department of Education

Operating Budget Comparison FY97 Authorized to FY98 Governor

**General Funds**

	FY97 Auth	FY98 Gov	Gov to Auth	% Change
<i>K-12 Support:</i>				
Foundation	617,192.9	629,574.3	12,381.4	2.0%
Additional District Support	3,149.4	3,445.9	296.5	9.4%
Cigarette Tax	0.0	0.0	0.0	0.0%
Tuition Students	1,731.2	1,731.2	0.0	0.0%
Boarding Home Grants	185.9	185.9	0.0	0.0%
Youth in Detention	800.0	800.0	0.0	0.0%
Schools for the Handicapped	3,721.3	3,767.4	46.1	1.2%
Pupil Transportation	32,842.2	35,195.2	2,353.0	7.2%
Child Nutrition	0.0	0.0	0.0	0.0%
Community Schools	500.0	500.0	0.0	0.0%
School Debt Reimbursement	0.0	0.0	0.0	0.0%
<b>Subtotal K-12 Support</b>	<b>660,122.9</b>	<b>675,199.9</b>	<b>15,077.0</b>	<b>2.3%</b>
<i>Agency Operations:</i>				
Teaching & Learning Support	4,062.0	4,190.5	128.5	3.2%
Executive Administration/School Finance	2,301.0	2,318.1	17.1	0.7%
Alyeska Central School	117.1	116.9	-0.2	-0.2%
Professional Teaching Practices Commission	189.0	190.7	1.7	0.9%
Alaska State Council on the Arts	460.9	462.4	1.5	0.3%
Kotzebue Technical Center Grant	634.0	634.0	0.0	0.0%
Alaska Vocational Technical Center	4,471.9	4,671.4	199.5	4.5%
Mt. Edgecumbe Boarding School	2,315.2	2,321.9	6.7	0.3%
Vocational Rehabilitation	4,598.2	4,534.9	-63.3	-1.4%
Libraries, Archives & Museums	5,782.2	5,837.4	55.2	1.0%
AK Commission on Postsecondary Education	1,666.1	1,596.4	-69.7	-4.2%
<b>Subtotal Agency Operations</b>	<b>26,597.6</b>	<b>26,874.6</b>	<b>277.0</b>	<b>1.0%</b>
<b>Total Education</b>	<b>686,720.5</b>	<b>702,074.5</b>	<b>15,354.0</b>	<b>2.2%</b>





## FY98 Budget Overview

### Department of Education FY98 Operating Budget

		General Funds	Federal Funds	Other Funds	Total Funds
<i>Decrements:</i>					
Cigarette Tax decrease	FY98 Revenue Estimate			-81.6	-81.6
School Debt Reimbursement	FY98 Reimbursement			-6,328.2	-6,328.2
Education Special Projects	Delete excess authorization			-90.0	-90.0
Vocational Rehab Admin	Delete position	-18.3	-81.2		-99.5
Assistive Technology	Delete excess I/A Receipts			-70.8	-70.8
Americans with Disabilities	Delete general fund	-64.3			-64.3
Student Loan Operations	Delete 4 part-time CIP positions			-72.6	-72.6
WICHE	Phase out support fees	-111.1			-111.1
Federal Student Aid	Decrease federal authorization		-45.0		-45.0
Program Administration	Reduce federal authorization		-53.3		-53.3
	<i>Subtotal</i>	-193.7	-179.5	-6,643.2	-7,016.4
Education Special Projects	Better Business Practice	-1.0			-1.0
Teacher Certification	Better Business Practice	-0.3			-0.3
State Board of Education	Better Business Practice	-1.5			-1.5
Commissioner's Office	Better Business Practice	-2.3			-2.3
Administrative Services	Better Business Practice	-5.5			-5.5
District Support	Better Business Practice	-1.9			-1.9
Information Services	Better Business Practice	-0.4			-0.4
Alyeska Central School	Better Business Practice	-0.2			-0.2
Prof Teaching Practices Comm	Better Business Practice	-0.7			-0.7
AK State Council on the Arts	Better Business Practice	-0.7			-0.7
AK Vocational Technical Center	Better Business Practice	-7.5			-7.5
Mt. Edgecumbe High School	Better Business Practice	-6.6			-6.6
Client Services	Better Business Practice	-3.4			-3.4
Vocational Rehab Admin	Better Business Practice	-7.5			-7.5
Americans with Disabilities	Better Business Practice	-0.4			-0.4
Library Operations	Better Business Practice	-9.3			-9.3
Archives	Better Business Practice	-0.9			-0.9
Museum Operations	Better Business Practice	-0.4			-0.4
	<i>Subtotal</i>	-50.5	0.0	0.0	-50.5
	<b>Total FY98 Decrements</b>	<b>-244.2</b>	<b>-179.5</b>	<b>-6,643.2</b>	<b>-7,066.9</b>

## FY98 Budget Overview

Department of Education  
FY98 Operating Budget

		General Funds	Federal Funds	Other Funds	Total Funds
<i>Increments:</i>					
Foundation Program	FY98 Enrollment	9,747.6			9,747.6
Pupil Transportation	FY98 Reimbursement	2,353.0			2,353.0
Schools for the Handicapped	SESA FY98 Funding Level	46.1			46.1
Additional District Support	FY98 Funding Level	296.5			296.5
Special & Supplemental Svs	Migrant Education-federal carryover		3,000.0		3,000.0
Special & Supplemental Svs	Adult Basic Education - federal carryover		158.0		158.0
Quality Schools	School to Work-federal carryover		1,005.0		1,005.0
Quality Schools	Technology Grant		1,000.0		1,000.0
Quality Schools	Youth in Justice	107.0			107.0
AVTEC	First Aid - CPR Training			3.0	3.0
AVTEC	Corrections			77.0	77.0
AVTEC	Single Parent Support			32.4	32.4
AVTEC	Unocal Training	81.5			81.5
AVTEC	Alaska Independent Electrical Contractors	20.0			20.0
AVTEC	Yukon-Delta Fisheries Association	45.0			45.0
AVTEC	Alaska Housing Finance Corp. Training	25.0		35.0	60.0
AVTEC	Donations			10.0	10.0
Client Services	Increase federal authorization		600.0		600.0
Vocational Rehab Admin	Increase federal authorization		231.2		231.2
Independent Living Rehab	Reimbursable services agreement			160.0	160.0
Disability Determination	Increase federal authorization		677.0		677.0
Special Projects	Transition Grant		58.8		58.8
Student Loan Operations	Financial analysis software			42.3	42.3
WAMI Medical Education	Increase support fees	41.4			41.4
	<b>Total FY98 Increments</b>	<b>12,763.1</b>	<b>6,730.0</b>	<b>359.7</b>	<b>19,852.8</b>

# FY98 Budget Overview

## Changes From FY97 Authorized By Component - All Funds

	FY97	FY98	Change
<b>Formula Programs</b>			
Foundation Program	649,839.8	659,587.4	9,747.6
Additional District Support	3,149.4	3,445.9	296.5
Cigarette Tax Distribution	2,690.0	2,608.4	-81.6
Tuition Students	1,731.2	1,731.2	0.0
Boarding Home Grants	185.9	185.9	0.0
Youth in Detention	800.0	800.0	0.0
Schools for the Handicapped	3,721.3	3,767.4	46.1
Pupil Transportation	32,842.2	35,195.2	2,353.0
Child Nutrition	22,000.0	22,000.0	0.0
Community Schools	500.0	500.0	0.0
School Debt Reimbursement	68,616.6	62,288.4	-6,328.2
<b>Subtotal Formula Programs</b>	<b>786,076.4</b>	<b>792,109.8</b>	<b>6,033.4</b>
<b>Agency Operations</b>			
Special & Supplemental Services	36,731.3	44,819.2	8,087.9
Quality Schools	0.0	20,129.0	20,129.0
Basic Education & Instructional Improvement	12,187.5	0.0	-12,187.5
Education Special Projects	245.0	1,003.8	758.8
Adult Basic Education	3,080.0	0.0	-3,080.0
Federal Vocational Education Grants	4,822.3	0.0	-4,822.3
Adult & Vocational Education Administration	727.1	0.0	-727.1
Alaska Career Information System	213.0	0.0	-213.0
Rural School Vocational Education Program	100.0	0.0	-100.0
School to Work	2,601.8	0.0	-2,601.8
Teacher Certification	674.8	680.7	5.9
Child Nutrition Administration	728.7	733.9	5.2
State Board of Education	85.7	133.3	47.6
Commissioner's Office	570.9	650.9	80.0
Administrative Services	2,009.1	1,438.8	-570.3
Information Services	0.0	904.3	904.3
District Support Services	770.8	769.2	-1.6
Data Management	375.8	0.0	-375.8
Educational Facilities Support	681.4	639.5	-41.9
Donated Commodities	360.1	362.3	2.2
Alyeska Central School	4,123.9	4,144.2	20.3
Professional Teaching Practices Commission	189.0	190.7	1.7
Alaska State Council on the Arts	1,154.7	1,158.7	4.0
Kotzebue Technical Center Operations Grant	634.0	634.0	0.0
AVTEC Operations	4,627.2	4,984.9	357.7
Mt. Edgecumbe Boarding School	4,149.4	4,168.8	19.4
Client Services	10,983.5	11,662.1	678.6
Federal Training Grant	56.3	56.3	0.0
Vocational Rehabilitation Administration	1,003.8	1,139.2	135.4
Independent Living Rehabilitation	1,124.0	1,285.3	161.3
Disability Determination	3,282.7	3,980.9	698.2
Special Projects	1,293.5	1,353.3	59.8
Assistive Technology	1,106.2	1,038.9	-67.3
Americans with Disabilities	185.7	123.3	-62.4
Library Operations	5,100.2	5,133.8	33.6
Archives	718.1	728.8	10.7
Museum Operations	1,401.3	1,418.5	17.2
Specific Cultural Programs	41.7	41.7	0.0
Program Administration	1,045.1	1,120.2	75.1
Student Loan Operations	6,327.9	6,263.0	-64.9
WICHE Student Exchange Program	193.6	82.5	-111.1
WAMI Medical Education	1,309.0	1,350.4	41.4
Federal Student Aid	288.5	243.5	-45.0
<b>Subtotal Agency Operations</b>	<b>117,304.6</b>	<b>124,567.9</b>	<b>7,263.3</b>
<b>Total Education</b>	<b>903,381.0</b>	<b>916,577.7</b>	<b>13,296.7</b>

**Changes From FY97 Authorized By Component - General Funds**

	FY97	FY98	Change
<b>Formula Programs</b>			
Foundation Program	617,192.9	629,574.3	12,381.4
Additional District Support	3,149.4	3,445.9	296.5
Cigarette Tax Distribution	0.0	0.0	0.0
Tuition Students	1,731.2	1,731.2	0.0
Boarding Home Grants	185.9	185.9	0.0
Youth in Detention	800.0	800.0	0.0
Schools for the Handicapped	3,721.3	3,767.4	46.1
Pupil Transportation	32,847.2	35,195.2	2,353.0
Child Nutrition	0.0	0.0	0.0
Community Schools	500.0	500.0	0.0
School Debt Reimbursement	0.0	0.0	0.0
<b>Subtotal Formula Programs</b>	<b>660,122.9</b>	<b>675,199.9</b>	<b>15,077.0</b>
<b>Agency Operations</b>			
Special & Supplemental Services	33.4	1,998.3	1,964.9
Quality Schools	0.0	1,127.9	1,127.9
Basic Education & Instructional Improvement	1,169.9	0.0	-1,169.9
Education Special Projects	30.0	354.2	324.2
Adult Basic Education	1,736.8	0.0	-1,736.8
Federal Vocational Education Grants	0.0	0.0	0.0
Adult & Vocational Education Administration	181.5	0.0	-181.5
Alaska Career Information System	106.7	0.0	-106.7
Rural School Vocational Education Program	100.0	0.0	-100.0
School to Work	0.0	0.0	0.0
Teacher Certification	658.4	664.0	5.6
Child Nutrition Administration	45.3	46.1	0.8
State Board of Education	41.7	40.2	-1.5
Commissioner's Office	295.6	372.3	76.7
Administrative Services	1,184.5	782.8	-401.7
Information Services	0.0	551.9	551.9
District Support Services	493.4	490.0	-3.4
Data Management	205.8	0.0	-205.8
Educational Facilities Support	80.0	80.9	0.9
Donated Commodities	0.0	0.0	0.0
Alyeska Central School	117.1	116.9	-0.2
Professional Teaching Practices Commission	189.0	190.7	1.7
Alaska State Council on the Arts	460.9	462.4	1.5
Kotzebue Technical Center Operations Grant	634.0	634.0	0.0
AVTEC Operations	4,471.5	4,671.4	199.5
Mt. Edgecumbe Boarding School	2,315.2	2,321.9	6.7
Client Services	3,527.7	3,550.6	22.9
Federal Training Grant	5.6	5.6	0.0
Vocational Rehabilitation Administration	193.8	169.9	-23.9
Independent Living Rehabilitation	602.5	602.6	0.1
Disability Determination	0.0	0.0	0.0
Special Projects	82.9	82.9	0.0
Assistive Technology	0.0	0.0	0.0
Americans with Disabilities	185.7	123.3	-62.4
Library Operations	3,946.9	3,978.8	31.9
Archives	432.4	438.7	6.3
Museum Operations	1,361.2	1,378.2	17.0
Specific Cultural Programs	41.7	41.7	0.0
Program Administration	0.0	0.0	0.0
Student Loan Operations	0.0	0.0	0.0
WICHE Student Exchange Program	193.6	82.5	-111.1
WAMI Medical Education	1,309.0	1,350.4	41.4
Federal Student Aid	163.5	163.5	0.0
<b>Subtotal Agency Operations</b>	<b>26,597.6</b>	<b>26,874.6</b>	<b>277.0</b>
<b>Total Education</b>	<b>686,720.5</b>	<b>702,074.5</b>	<b>15,354.0</b>

# FY98 Budget Overview

## Position Changes From FY97 Authorized By Component

BRU	Component	FY97		FY98		Change	
		PFT	PPT	PFT	PPT	PFT	PPT
<b>Teaching and Learning Support</b>							
	Special & Supplemental Services	16	0	24	0	8	0
	Quality Schools	0	0	31	2	31	2
	Basic Educ & Instructional Improve	29	0	0	0	-29	0
	Education Special Projects	0	0	2	0	2	0
	Adult & Vocational Education Admin	7	0	0	0	-7	0
	Alaska Career Information System	3	0	0	0	-3	0
	School to Work	2	0	0	0	-2	0
	Teacher Certification	6	1	7	1	1	0
	Child Nutrition Administration	5	0	5	0	0	0
<b>Executive Administration</b>							
	State Board of Education	0	0	1	0	1	0
	Commissioner's Office	5	0	5	1	0	1
	Administrative Services	29	1	23	0	-6	-1
	Information Services	0	0	10	0	10	0
<b>School Finance</b>							
	District Support Services	6	1	6	0	0	-1
	Data Management	4	0	0	0	-4	0
	Educational Facilities Support	4	4	6	0	2	-4
	Donated Commodities	2	0	2	0	0	0
	Alyeska Central School	21	26	21	26	0	0
<b>Boards and Commissions</b>							
	Professional Teaching Practices	2	0	2	0	0	0
	Alaska State Council on the Arts	4	0	4	1	0	1
	AVTEC Operations *	24	37	21	46	-3	9
	Mt. Edgecumbe Boarding School	14	26	14	26	0	0
<b>Vocational Rehabilitation</b>							
	Client Services	80	0	81	0	1	0
	Vocational Rehabilitation Admin	8	0	8	0	0	0
	Independent Living Rehabilitation	1	0	1	0	0	0
	Disability Determination *	19	0	22	0	3	0
	Special Projects *	0	2	2	0	2	-2
	Assistive Technology	3	0	2	0	-1	0
	Americans with Disabilities	2	0	1	0	-1	0
<b>Alaska State Library</b>							
	Library Operations	41	0	41	0	0	0
	Archives	11	0	11	0	0	0
<b>Alaska State Museums</b>							
	Museum Operations	16	5	16	5	0	0
<b>Alaska Commission on Postsecondary Education</b>							
	Program Administration	12	0	13	0	1	0
	Student Loan Operations	87	4	82	0	-5	-4
	<b>Total Positions</b>	<b>463</b>	<b>107</b>	<b>464</b>	<b>108</b>	<b>1</b>	<b>1</b>

\* New federal/other funds positions

## Agency Operations



**Agency Operations**

The following information is a brief summary of the services, responsibilities and priorities of the divisions within the Department of Education.

***Teaching & Learning Support***

The Division of Teaching and Learning Support has primary responsibility for the Department of Education's goals related to teaching and learning in the K-12 public school system and the implementation of the Governor and the State Board of Education's Quality Schools Initiative including student standards, school standards, professional standards for educators, parent and community involvement in student learning and the integration of technology to improve student learning. The Division extends these goals to support young children and adult learners through special programs targeted at preschools, early childhood education, child nutrition, and adult basic education.

The activities of the Division are supported almost entirely through federal funds, of which approximately 85% flow through to local school districts and communities. General funds to support state priorities such as an assessment program to monitor statewide student achievement have been severely reduced over the last decade. Federal funds are sought aggressively to support state goal areas, such as the Quality Schools Initiative.

In FY98, the Division's budget has been restructured to group programs and projects that are similar in nature or focused on like goals, instead of individual components for each project. This change is intended to clearly show the types of programs

administered by the Division and to focus resources to address the Quality Schools Initiative in a coordinated manner. Six components are eliminated by transferring projects and programs into other existing components and a new Quality Schools component is created that consolidates the existing programs to support that effort.

***State Board of Education***

The State Board of Education consists of seven-members appointed by the Governor for five year terms. A student and military advisory member are appointed by the board. The State Board of Education is responsible for establishing policy and adopting regulations necessary to implement statutory requirements.

The FY98 budget provides funding for board activities including public meetings and travel related to statewide education issues. A full-time position has been transferred into this component to support the State Board in meeting their statutory responsibilities.

***Commissioner's Office***

The Commissioner's Office is responsible for implementation of the State Board of Education's policies and priorities through leadership and support. The Commissioner's Office provides leadership and guidance to a broad range of constituencies including school districts, superintendents, principals, teachers, students, parents, legislators, the Governor, department programs and the public.

Through the leadership of the Commissioner's Office, the Department is continuing to review and align agency functions and resources to support implementation of the Quality Schools Initiative.

### ***Education Support Services***

The Division of Education Support Services combines the former divisions of Administrative Services and School Finance under a single director. This combination includes the Department's internal management support in the areas of information services, human resources, finance and accounting, procurement and the responsibilities of providing primary financial support to Alaska's 53 school districts, Mt. Edgecumbe High School and Alyeska Central School, the state's correspondence program. The Division also provides statewide oversight for educational facilities renovation and construction.

In providing support to divisions and programs within the Department of Education, the Division of Education Support Services assists with the success of the DOE mission and goals. On a statewide basis, the Division's role in distributing funding for schools is a key component to the successful implementation of the Quality Schools Initiative.

### ***Alyeska Central School***

The Alyeska Central School is the state's correspondence program; it provides a cost effective educational program for Alaskan students who elect to complete their studies at home. Parents serve as home teachers and work directly with certified teachers who deliver the instruction program primarily by mail. The school serves approximately 2,000 students statewide.

In FY98, ACS will continue implementation of the Quality Schools Initiative through high academic standards for students and incorporating the use of technology in delivering educational programs.

### ***Professional Teaching Practices Commission***

The Professional Teaching Practices Commission (PTPC) is composed of nine educators appointed by the Governor to establish the criteria for and monitor the professional conduct of educators in Alaska. The commission investigates allegation of misconduct by educators and holds hearings in accordance with the Administrative Procedures Act. Members of the profession may be disciplined by receiving a warning, being issued a public reprimand, or having their Alaska teaching certificate suspended or revoked. The budget for the PTPC is supported entirely from fees paid by individuals applying for teacher certification in Alaska.

### ***Alaska State Council on the Arts***

The Alaska State Council on the Arts is an eleven member board appointed by the Governor to guide the development of the arts in Alaska. Through eight grant programs, the Council provides funding for services that directly impact learning and community life across the state.

The Council supports the Quality Schools Initiative through many of its programs including Arts in Education which serves more than 70 schools, giving children professionally guided, hands-on experience creating works of art, and providing teacher's with practical training in arts education.

### ***Alaska Vocational Technical Center***

The Alaska Vocational Technical Center (AVTEC) in Seward is a statewide facility providing vocational training to approximately 1,700 Alaskans from over 200 communities each year. Training is offered in a variety of disciplines including courses in marine fisheries, office

technology, facility maintenance, mechanics, forest technology and food service. Courses are also offered in employability skills such as resume writing, job interviewing, emergency medical training and communication.

AVTEC is continuing to respond to industry specific training needs through providing courses for millwrights, electrical apprentices and aluminum boat fabricators. The programs at AVTEC support the Quality Schools Initiative by delivering quality programs, working collaboratively with industry, communities and students to offer relevant programs and preparing students for employment.

***Mt. Edgecumbe High School***

Mt. Edgecumbe High School provides a quality secondary education program in a residential setting for approximately 285 students from more than 100 Alaska communities. Admissions preference is given to students who have no or limited access to secondary education in their local communities or who would particularly benefit from placement in a residential setting.

In FY98, Mt. Edgecumbe will continue to implement the Quality Schools Initiative through requiring high academic standards for students, professional standards for educators and expanding the parent and community partnership in the educational program.

***Vocational Rehabilitation***

The mission of the Division of Vocational Rehabilitation is to assist individuals with disabilities to overcome barriers to employment and encourage independence and integration into their community. The

Division provides a wide range of vocational rehabilitation services, independent living services, support and assistance in employment, technology and referrals. In addition, the Division adjudicates claims on behalf of the Social Security Administration for applicants for disability benefits and referral for services and is the agency responsible for executive branch compliance with the Americans with Disabilities Act.

***Libraries, Archives and Museums***

The Alaska State Library provides a wide range of services including a Historical Collection of papers and materials important to the state's history, providing up-to-date information for state agencies and the legislature, the state documents depository for all material published or printed by state agencies, library development through consulting services to public libraries, school libraries, and other academic and special libraries, grants to public libraries, the Talking Book Center in Anchorage serving the needs of disabled Alaskans, and the Statewide Library Electronic Doorway (SLED) that provides managed Internet access to over 40 communities across the state.

Archives and Records Management provides three services: Archives - identifies, preserves and makes available state and territorial government records of permanent value; Records - assists state agencies in files management, records retention and disposition and storage; and Central Microfilm - provides microfilming services for state agencies.

The Alaska State Museums includes the State Museum in Juneau and the Sheldon Jackson Museum in Sitka. The Museum strives to preserve Alaska's cultural and historical heritage through direct professional services to over 60 museums and historical societies statewide. Extensive outreach is conducted annually to share the Museum collection with all Alaska's citizens.

Statewide services include (1) professional consulting in artifact preservation, collection management, educational programming, exhibit design and museum management; (2) direct financial support through a competitive grant-in-aid program; (3) providing resource materials and referral services directly to all museums; and (4) temporary exhibits, loan of artifacts, traveling exhibits, learning kits, technical papers and other publications.

*Alaska Commission on Postsecondary Education*

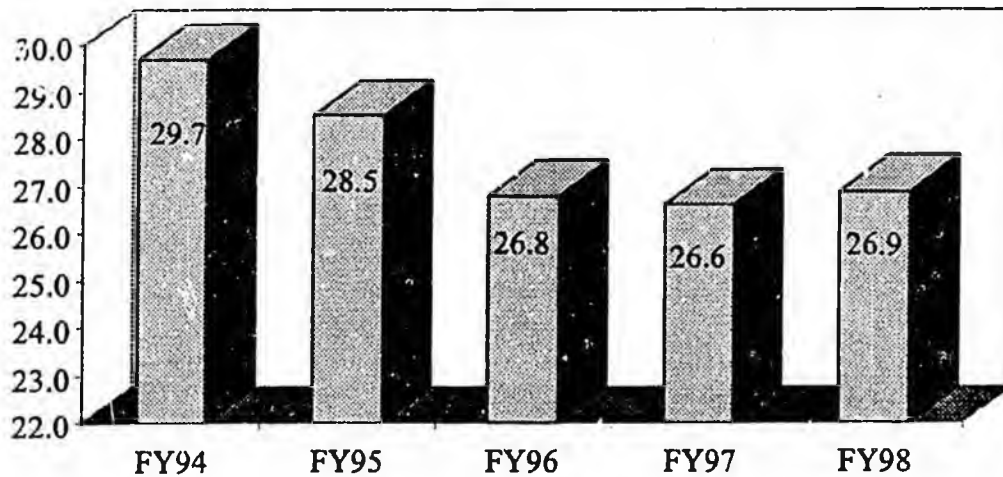
The Alaska Commission on Postsecondary Education (ACPE) is a 14 member commission. The Commission's purpose is to assure and inform all Alaskans of opportunities to pursue postsecondary education both in and outside Alaska, to administer student financial aid programs designed to remove economic barriers to those educational opportunities; to protect the consumer rights of Alaska students in pursuit of an education beyond high school, and to license and regulate postsecondary educational institutions in Alaska. The Commission also administers the Alaska Student Loan Program.

In addition, the Commission serves as Alaska's agency for coordinating activities in the Western Interstate Commission on Higher Education (WICHE) and administers the contract with the University of Washington for second, third and fourth year students enrolled in the WAMI Medical Education Program.

**Department of Education  
Agency Operations  
Five-Year General Fund Comparison**

	FY94	FY95	FY96	FY97	FY98	FY94/98
	Actual	Actual	Actual	Authorized	Governor	Change
Teaching & Learning Support	3,611.1	3,485.2	3,308.4	4,062.0	4,190.5	579.4
Executive Administration	3,031.3	2,567.0	2,224.3	1,521.8	1,747.2	-1,284.1
School Finance	1,436.4	1,108.4	1,074.1	779.2	570.9	-865.5
Alyeska Central School	112.5	182.1	149.5	117.1	116.9	4.4
Professional Teaching Practices Commission	187.3	170.0	186.8	189.0	190.7	3.4
Alaska State Council on the Arts	1,042.1	827.2	565.0	460.9	462.4	-579.7
Kotzebue Technical Center Grant	848.7	814.0	734.0	634.0	634.0	-214.7
Alaska Vocational Technical Center	4,507.7	4,446.2	4,466.5	4,471.9	4,671.4	163.7
Mt. Edgecumbe Boarding School	2,266.3	2,211.1	2,330.3	2,315.2	2,321.9	55.6
Vocational Rehabilitation	4,566.4	4,756.5	4,303.9	4,598.2	4,534.9	-31.5
Libraries, Archives & Museums	5,764.1	5,747.5	5,520.3	5,782.2	5,837.4	73.3
Alaska Commission on Postsecondary Education	2,349.3	2,150.6	1,923.9	1,666.1	1,596.4	-752.9
<b>Total</b>	<b>29,723.2</b>	<b>28,465.8</b>	<b>26,787.0</b>	<b>26,597.6</b>	<b>26,874.6</b>	<b>-2,848.6</b>

**Department of Education: Agency Operations**  
(General Funds in millions)

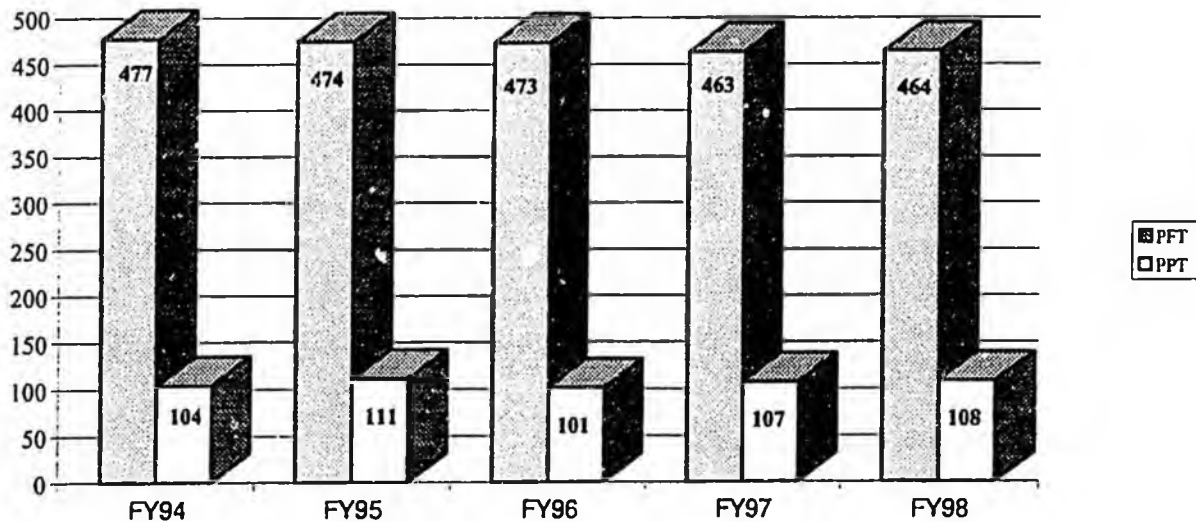


# FY98 Budget Overview

## Department of Education Five-Year Position Comparison

	FY94		FY95		FY96		FY97		FY98		Variance	
	PFT	PPT	PFT	PPT	PFT	PPT	PFT	PPT	PFT	PPT	PFT	PPT
Teaching & Learning Support	60	1	61	2	54	0	63	1	69	3	9	2
Executive Administration	44	4	37	5	40	2	34	1	39	1	-5	-3
School Finance	12	0	18	1	24	2	21	5	14	0	2	0
Alyeska Central School	24	24	23	25	21	26	21	26	21	26	-3	2
Professional Teaching Practices Commission	2	0	2	0	2	0	2	0	2	0	0	0
Alaska State Council on the Arts	3	2	3	2	3	2	4	0	4	1	1	-1
Alaska Vocational Technical Center	26	36	26	36	28	33	24	37	21	46	-5	10
Mt. Edgecumbe	17	26	17	26	15	24	14	26	14	26	-3	0
Vocational Rehabilitation	116	0	115	2	115	4	113	2	117	0	1	0
Alaska State Library & Archives	56	5	56	2	52	0	52	0	52	0	-4	-5
Alaska State Museum	17	5	15	7	14	7	16	5	16	5	-1	0
Alaska Commission on Postsecondary Education	100	1	101	3	105	1	99	4	95	0	-5	-1
<b>Total</b>	<b>477</b>	<b>104</b>	<b>474</b>	<b>111</b>	<b>473</b>	<b>101</b>	<b>463</b>	<b>107</b>	<b>464</b>	<b>108</b>	<b>-13</b>	<b>4</b>

Department of Education: Full and Part Time Positions



## Formula Programs

**FY98 Budget Overview**

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**Formula Programs**

The following information is a brief summary of the formula programs within the Department of Education that provide funding to school districts. The schedule on pages 42 and 43 of this overview provides a listing of the estimated allocation for these programs by school district.

**Foundation Program**

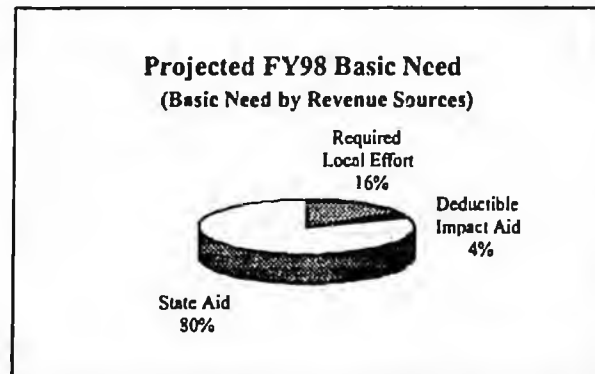
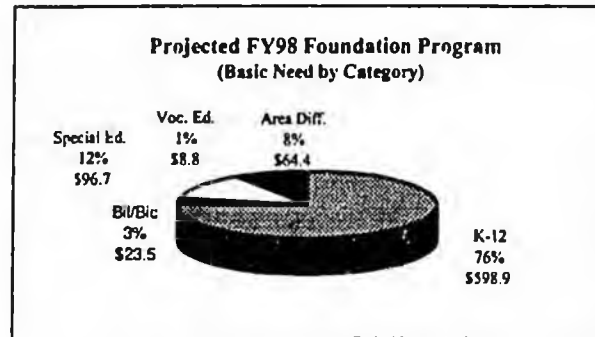
The Foundation Program provides the primary state financial support for the 53 school districts, Mt. Edgecumbe Boarding School and Alyeska Central School, the state's correspondence study program. In FY98, about \$660 million will be distributed to the school districts, according to "Basic Need", as determined by AS 14.17.021, less required local contributions and deductions for eligible Impact Aid. Alaska Statutes 14.17.170 require that foundation payments be distributed to school districts for the first nine months of the fiscal year based on the total funding received during the preceding fiscal year. The last three months of payments are adjusted to provide each district with a revised entitlement based on current year student count data.

The FY98 budget request includes a general fund increase of \$12,381,400 to fully fund projected enrollment and offset the loss of one-time Public School Fund revenues.

The schedule on page 37 of this overview identifies the changes in the Foundation Program from the FY97 authorized to the FY98 foundation projection.

The actual funds needed for this program may vary depending upon the actual FY98 student counts, local contributions, and federal impact aid receipts.

The following charts illustrate the projected FY98 Foundation Program Basic Need by Category and Revenue Source. Please refer to the Appendix to this overview entitled *A Review: The Alaska School Foundation Funding Program, January 1997*, for more information about the Foundation funding formula.





## FY98 Budget Overview

### FY98 Foundation Program Changes

Basic Need = Instructional Units x Area Cost Differential x \$61,000

State Aid = Basic Need -(Local Effort) - (90% or 96% Eligible PL 81-874 Deduct)

	FY97-Authorized	FY98-Projection	Difference
ADM	126,591.89	128,119.89	1,528.00
<b><u>Basic Need:</u></b>			
K-12 Units	9,692.16	9,818.08	125.92
Bil/Bic Units	335.70	385.54	49.84
Spec. Ed. Units	1,576.84	1,600.33	23.49
Voc. Ed. Units	141.26	145.30	4.04
Projected Instructional Adjusted Units	11,745.96 12,771.82	11,949.25 13,004.75	203.29 232.93
Basic Need @ \$61,000/per Instr. Unit \1	\$776,971.2	\$791,123.6	\$14,152.4
Required Local	(123,061.2)	(128,118.1)	(5,056.9)
90% or 96% Eligible PL 81-874 Deduct	(30,097.4)	(30,888.6)	(791.2)
REAA Supplemental	-	1,277.0	1,277.0
State Aid	623,812.5	633,393.8	9,581.3
Impact Aid \2	20,791.0	20,791.0	
Adjustments \3	5,236.3	5,402.6	166.3
<b>Total Need</b>	<b>649,839.8</b>	<b>659,587.4</b>	<b>9,747.6</b>
<b><u>Revenues:</u></b>			
Public School Fund	11,855.9	9,222.1	(2,633.8)
GF \4	617,192.9	629,574.3	12,381.4
Impact Aid Pass thru	20,791.0	20,791.0	-
<b>Full Funding</b>	<b>649,839.8</b>	<b>659,587.4</b>	<b>9,747.6</b>

\1 Alyeska Central School @ 65%.

\2 Estimates Impact Aid Pass thru for operation of schools on military installations in Anchorage, Fairbanks and Kodiak.

\3 Adjustments-Include \$68.8 for Risk Management property insurance for school buildings occupied on "use" permit by the school districts, \$3,736.3 for on-base military contracts, and \$1,597.5 prior year adjustments.

\4 The general fund increase includes \$2,633.8 to offset the drop in the Public School Fund revenue and \$9,747.6 for enrollment increases.

### ***Additional District Support***

The FY98 funding of \$3,445,900 will provide named recipient grants to single site school districts that consist of one funding community with an Average Daily Membership (ADM) of 900 or less to cover perceived shortfalls in the existing foundation formula.

### ***Cigarette Tax Distribution***

Alaska Statutes 43.50.140 provides that the proceeds derived from the payment of taxes, fees, penalties and license fees received by the Department of Revenue shall be paid into a state fund entitled "School Fund."

Funds shall be used exclusively for rehabilitation, construction and repair of the state's school facilities, and for the cost of insurance on school facilities. The funds are distributed in direct proportion to the number of students enrolled in the participating city/borough school districts. Cigarette tax funds are offset against reimbursement for school bond debt in accordance with AS 14.11.100(b).

The FY98 request includes a decrease of \$81,600 based on estimates of available revenues prepared by the Department of Revenue.

### ***Tuition Students***

Tuition payments are made to individual school districts to compensate for the loss of revenue caused by children living in mission

homes or other nonprofit institutions and for children whose custody has been placed outside of their home district by the court. The program provides revenue in excess of basic need comparable to excess local contributions. Administrative regulation 4 AAC 09.030 provides that the tuition rate shall be based upon the amount expended annually from local funds for current operation and capital outlay for the prior year divided by the average daily membership (ADM). Approximately 860 students are being served statewide under this program.

### ***Boarding Home Grants***

Boarding Home grants are paid to school districts serving high school students who cannot attend a school facility offering a high school program where they reside. Boarding care costs and transportation to and from the boarding home are paid for by the Boarding Home grants. These funds are paid on a reimbursement basis to provider districts. In the current year, approximately 40 students are being served through this program.

### ***Youth in Detention***

This program provides \$800,000 in grant funds to school districts for the additional cost of providing educational programs to incarcerated youth in facilities such as the Johnson Youth Center, McLaughlin Youth Center, Fairbanks Youth Center and the Bethel Youth Facility. Approximately 220 students are served annually.

***Schools for the Handicapped***

This program provides \$3,767,400 for support services to special education students who cannot be served adequately in the mainstream classroom environment. This funding is allocated to the following programs:

***Special Education Service Agency (SESA)***

Funding is provided to SESA in accordance with AS 14.30.600-660 for outreach services to school districts that serve low incidence severely disabled students. The FY98 request of \$2,029,000 for SESA includes an increase of \$46,100 based on the statutory formula of 2% of special education foundation funding or \$85 per special education student, whichever is greater.

***Alaska Youth Initiative (AYI)***

AYI is a cooperative program of the Departments of Education and Health and Social Services and is designed to prevent out-of-state institutionalization of Alaska's troubled youth by providing comprehensive services in Alaska. In FY98, \$637,000 is allocated for AYI. This program serves approximately 130 students annually.

***Providence Heights School***

The FY98 request includes \$145,000 for the Anchorage School District to operate an educational program for approximately 50 students at Providence Heights School who are patients of the Alaska Psychiatric Hospital.

***Alaska State School for the Deaf***

The Alaska State School for the Deaf is currently operated by the Anchorage School District and provides services for students who are not able to receive an adequate program in their home district. The school district receives foundation funds for the students enrolled. The FY98 request of \$956,400 includes a grant to the district of \$319,000 and \$637,400 for a reimbursable services agreement with the Department of Health and Social Services to pay for the residential program for students from outside of Anchorage who attend the school.

***Pupil Transportation***

In accordance with AS 14.09.010, the Department may provide for the transportation of students. Subject to availability of funds, the Department reimburses school districts for the cost of all approved regular routes, special education routes and other conveyance routes. In addition, the Department may provide transportation for children attending non-public schools, where the distances and routes traveled are comparable to those traveled by public school students and integrate non-public student transportation into existing systems where feasible.

The FY98 request of \$35,195,200 represents full funding for reimbursable pupil transportation costs.

### ***Child Nutrition Programs***

This program distributes federal funds for reimbursement of meals served to eligible children and adults in approved agencies. The federal funds earned by sponsors for reimbursable meals or milk served in participating schools, child or adult day care facilities, residential child care institutions, homeless shelters, or camps help subsidize the meal costs incurred by the sponsor.

The FY98 funding level is \$22,000,000. The administration of this program is transferred from the School Finance BRU to the Teaching and Learning Support BRU.

### ***Community Schools***

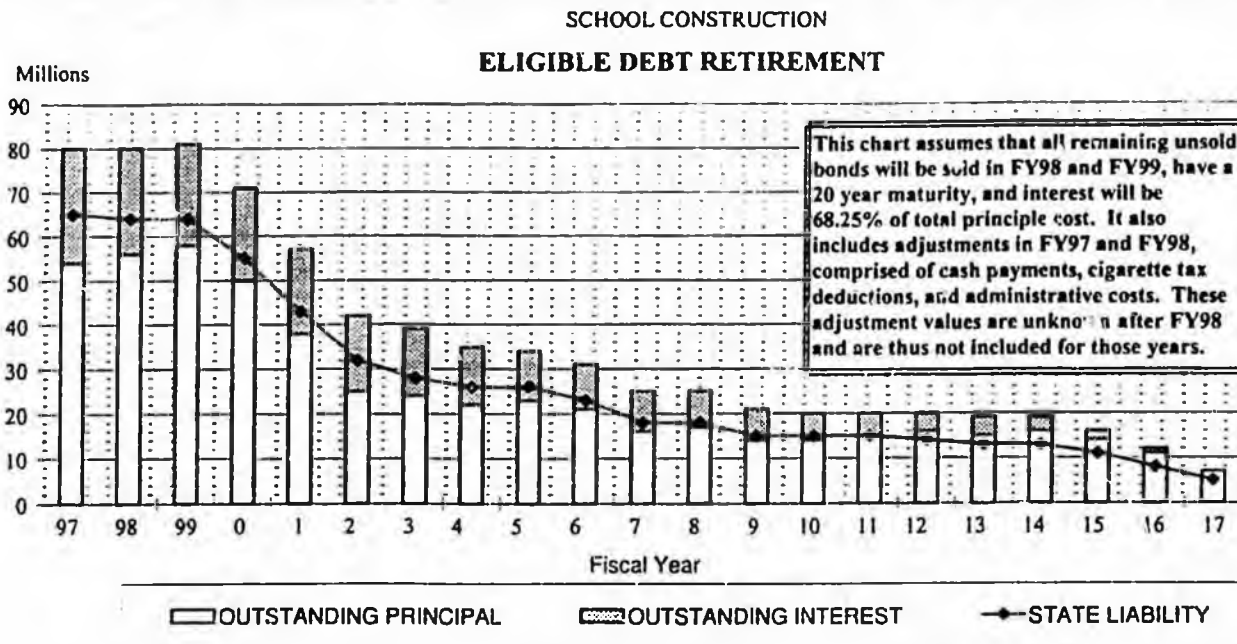
Through grants to local school districts, the Department provides funding to make school facilities available for community use, when they are not needed for regular school activities. In many communities, the school is the center of local activities, providing a place for both youth and adults to attend instructional classes. For many rural communities, the school is the only facility available for these activities to occur.

AS 14.36.030 provides for an annual grant to school districts operating a community school program of one-half of one percent of public school foundation support or \$10,000, whichever is greater. The statute also allows for proration of grants if the appropriation is insufficient to fully fund the program. Full funding of Community Schools would require an appropriation of over \$3,000,000. The FY98 request includes \$500,000 for the Community Schools program.

### ***School Debt Reimbursement***

The FY98 request of \$62,288,400 for this program will provide reimbursement for school construction debt that is financed by approved municipal bond sales and locally generated revenue. Upon the sale of the bonds, the municipality submits to the Department of Education information which is used to generate an annual budget for the debt service payment pursuant to AS 14.11.100.

The FY98 request is based on notification from eligible school districts, as of October 15, 1996, of voter approval on new bonds issued under the debt retirement program and expectation of debt service related to those, as well as continuation of existing debt. The following chart and schedule project the level of reimbursement under the current program to fiscal year 2017 using specific assumptions. These projections are updated annually based on information provided by school districts.



**State Liability Including Unsold Bonds Assumptions**

- All remaining unsold bonds will have a 20 year maturity.
- All remaining unsold bonds will be sold in FY98 and FY99.
- Interest will be 68.25% of the total principle cost.

FISCAL YEAR	PROJECTED LIABILITY	ADJUSTMENTS	PROJECTED FUNDING
FY97	65,249,340	-1,965,640	63,283,700
FY98	64,089,481	-1,801,081	62,288,400
FY99	63,780,626		63,780,626
FY00	55,478,341		55,478,341
FY01	43,463,114		43,463,114
FY02	31,640,721		31,640,721
FY03	28,382,793		28,382,793
FY04	25,994,755		25,994,755
FY05	25,793,112		25,793,112
FY06	22,693,918		22,693,918
FY07	18,134,564		18,134,564
FY08	17,705,338		17,705,338
FY09	14,944,906		14,944,906
FY10	14,746,780		14,746,780
FY11	14,573,135		14,573,135
FY12	14,459,770		14,459,770
FY13	13,482,155		13,482,155
FY14	12,798,212		12,798,212
FY15	11,134,083		11,134,083
FY16	8,179,740		8,179,740
FY17	5,283,567		5,283,567

NOTE: The FY97 and 98 liability numbers are based on school district notification of anticipated debt. The adjustments column includes cash payments, cigarette tax deductions, and administrative costs. The adjustment for these items is not known after FY98 and has not been included in this schedule.

December 15, 1996, Governor's FY98 Budget Request  
**ALASKA DEPARTMENT OF EDUCATION**  
**PROJECTED FY98 STATE PROGRAM ALLOCATIONS**  
 Projected allocations are subject to adjustment based on individual program requirements.

	Total Foundation	Additional District Support	Cigarette Tax Distribution	Tuition	Boarding Home	Youth In Detention	Schools for the Handicapped	Pupil Trans.	Community Schools	Debt Retirement	PROJECTED FY98 TOTALS
ALASKA GATEWAY	5,250,257	0	0	0	0	0	0	461,483	4,048	0	5,715,788
ALEUTIAN REGION	706,639	61,610	0	0	0	0	0	0	1,601	0	769,850
ALEUTIANS EAST	3,736,207	0	13,879	0	0	0	0	65,761	2,997	39,671	3,858,515
ANCHORAGE	184,402,510	0	1,017,548	881,148	0	399,677	464,000	10,897,003	145,121	21,871,482	220,078,489
ANNETTE ISLANDS	1,600,553	161,040	0	0	0	0	0	22,671	1,601	0	1,785,866
BERING STRAIT	17,162,573	0	0	0	0	0	0	37,568	13,588	0	17,213,728
BRISTOL BAY	1,884,665	0	12,382	0	0	0	0	217,455	1,601	343,657	2,459,760
CHATHAM	2,683,802	0	0	0	0	0	0	13,142	2,203	0	2,699,148
CHUGACH	1,872,397	0	0	0	0	0	0	0	1,601	0	1,873,998
COPPER RIVER	5,995,153	0	0	0	0	0	0	547,650	4,300	0	6,547,103
CORDOVA	2,716,894	166,530	17,635	0	0	0	0	52,958	2,150	0	2,956,166
CRAIG	2,371,072	179,950	15,204	1,408	0	0	0	21,095	1,870	0	2,590,599
DELTA/GREELY	4,681,434	0	0	0	0	0	0	858,735	3,661	0	5,543,830
DENALI	2,931,468	0	14,314	0	0	0	0	294,516	2,419	0	3,242,717
DILLINGHAM	3,741,308	207,390	18,981	9,013	0	0	0	330,526	3,074	0	4,310,292
FAIRBANKS	66,604,010	0	355,280	284,144	0	189,447	0	5,458,551	53,144	8,495,743	81,440,319
GALENA	1,720,646	171,410	9,473	802	0	0	0	38,366	1,601	55,391	1,997,689
HAINES	2,186,523	0	15,616	11,579	0	0	0	167,584	1,815	0	2,383,117
HOONAH	2,038,521	128,100	11,861	18,985	0	0	0	45,802	1,601	229,034	2,473,904
HYDABURG	977,362	98,210	8,333	0	0	0	0	2,683	1,601	0	1,088,190
IDITAROD	5,277,640	0	0	0	27,966	0	0	71,577	4,401	0	5,381,584
JUNEAU	20,725,831	0	126,515	86,992	0	78,363	0	1,365,978	17,497	2,973,987	25,375,163
KAKE	1,324,890	140,910	9,951	0	0	0	0	26,894	1,601	0	1,504,246
KASHUNAMIUT	2,121,185	151,940	0	0	0	0	0	3,119	1,601	0	2,280,845
KENAI	44,764,794	0	231,770	200,688	22,562	0	0	3,377,357	35,399	8,846,961	57,479,531
KETCHIKAN	9,438,683	0	67,864	31,637	0	0	0	926,617	7,810	1,288,507	11,761,118
KLAWOCK	1,530,359	155,550	10,993	0	0	0	0	7,298	1,601	0	1,705,801
KODIAK	13,281,056	0	68,889	32,526	20,432	0	0	733,832	11,003	1,566,596	15,714,334
KUSPUK	5,577,174	0	0	0	0	0	0	133,030	4,345	0	5,714,550
LAKE AND PENINSULA	6,778,065	0	16,984	0	0	0	0	99,080	5,437	434,642	7,334,208
LOWER KUSKOKWIM	39,595,060	0	0	0	0	132,513	0	272,221	30,679	0	40,030,473

December 15, 1996, Governor's FY98 Budget Request  
**ALASKA DEPARTMENT OF EDUCATION**  
**PROJECTED FY98 STATE PROGRAM ALLOCATIONS**  
 Projected allocations are subject to adjustment based on individual program requirements.

	Total Foundation	Additional District Support	Cigarette Tax Distribution	Tuition	Boarding Home	Youth in Detention	Schools for the Handicapped	Pupil Trans.	Community Schools	Debt Retirement	PROJECTED FY98 TOTALS
LOWER YUKON	14,977,190	0	0	0	0	0	0	0	11,091	0	14,988,281
MAT-SU	58,008,515	0	268,975	30,256	0	0	0	6,004,672	44,970	5,126,347	69,483,735
NENANA	1,487,031	152,500	9,690	0	0	0	0	90,988	1,601	0	1,741,810
NOME	4,956,453	280,590	21,233	14,681	0	0	0	213,460	3,675	0	5,490,092
NORTH SLOPE	11,951,605	0	47,019	0	0	0	0	340,752	8,742	5,550,860	17,898,978
NORTHWEST ARCTIC	18,099,143	0	49,370	0	21,970	0	0	0	14,097	0	18,184,580
PELICAN	563,594	51,240	6,868	0	0	0	0	0	1,601	0	623,303
PETERSBURG	3,264,527	212,880	22,801	2,819	0	0	0	124,769	2,584	662,174	4,291,554
RIBILOF	2,039,134	0	0	0	19,487	0	0	0	1,611	0	2,060,232
SITKA	6,291,941	0	45,137	17,150	0	0	0	381,917	5,338	641,347	7,382,830
SKAGWAY	734,653	112,850	9,039	0	0	0	0	4,138	1,601	0	862,281
SOUTHEAST	3,165,691	0	0	0	0	0	0	171,098	0	0	3,336,789
SOUTHWEST	7,439,476	0	0	0	39,277	0	0	96,616	5,412	0	7,580,781
ST. MARY'S	1,433,744	145,790	9,039	0	0	0	0	0	1,601	0	1,590,174
TANANA	1,185,734	117,120	8,171	13,686	0	0	0	18,847	1,601	0	1,345,159
UNALASKA	1,808,944	192,150	13,814	0	0	0	0	172,210	1,601	1,019,577	3,208,297
VALDEZ	3,412,771	267,180	25,753	0	0	0	0	302,687	2,711	1,678,782	5,689,884
WRANGELL	2,459,957	148,840	18,264	12,516	0	0	0	138,026	2,102	953,756	3,733,461
YAKUTAT	1,320,398	139,080	9,755	0	0	0	0	57,079	1,601	89,886	1,617,799
YUKON FLATS	6,379,085	0	0	0	0	0	0	68,634	4,417	0	6,452,135
YUKON/KOYUKUK	6,725,649	0	0	0	34,200	0	0	117,076	5,648	0	6,882,573
YUPIIT	4,279,034	0	0	0	0	0	0	0	3,416	0	4,282,450
ALYESKA CORRES.	4,022,889	0	0	0	0	0	0	0	0	0	4,022,889
Mc. EDGECUMBE	1,708,000	0	0	0	0	0	0	0	0	0	1,708,000
OTHER	26,193,511	0	0	82,170	0	0	3,303,400	341,679	0	420,000	30,340,760
TOTALS	11 \$659,587,400	12 \$3,445,860	13 \$2,608,400	14 \$1,731,200	15 \$185,894	\$800,000	\$3,767,400	\$35,195,197	\$500,000	\$62,288,400	\$770,109,751

- 11 OTHER INCLUDES CONTRACTUAL OBLIGATIONS AND OTHER ADJUSTMENTS.
- 12 OTHER INCLUDES CONTRACTS FOR HYDER STUDENTS ATTENDING SCHOOL IN CANADA.
- 13 OTHER INCLUDES ALLOCATIONS TO SPECIAL EDUCATION SERVICE AGENCY, ALASKA YOUTH INITIATIVE, ALASKA SCHOOL FOR THE DEAF RESIDENTIAL PROGRAM.
- 14 OTHER INCLUDES ESTIMATES TO COVER ADDITIONAL COSTS DUE TO ADDITIONAL ROUTES, POPULATION SHIFTS AND NEW CONTRACTS.
- 15 OTHER INCLUDES ESTIMATED DEBT REIMBURSEMENT PROGRAM OVERHEAD.



**Department of Education  
Formula Fund History - General Funds  
(millions)**

<b>Fiscal Year</b>	<b>Foundation Program</b>	<b>School Debt</b>	<b>Pupil Transportation</b>
79 Actual	193.4	22.3	16.2
80 Actual	245.2	24.1	18.6
81 Actual	265.1	38.4	17.0
82 Actual	345.4	39.5	20.1
83 Actual	407.3	49.7	20.4
84 Actual	428.8	93.7	22.3
85 Actual	454.8	95.0	24.6
86 Actual	472.3	106.3	23.1
87 Actual	380.6	115.8	21.4
88 Actual	409.0	109.5	21.1
89 Actual	426.4	109.0	24.6
90 Actual	462.8	108.9	24.5
91 Actual	498.8	116.7	24.5
92 Actual	532.9	127.7	27.3
93 Actual	567.4	125.4	28.4
94 Actual	581.2	99.8	29.4
95 Actual	595.8	103.3	31.6
96 Actual	613.5	79.4	32.8
97 Authorized	617.2	68.6	32.8
98 Governor	629.6	62.3	35.2



# Appendices

**A REVIEW**

**THE ALASKA SCHOOL FOUNDATION FUNDING  
PROGRAM**

**JANUARY 1997**

**THE FOUNDATION PROGRAM** is based on the "instructional unit" method of funding.

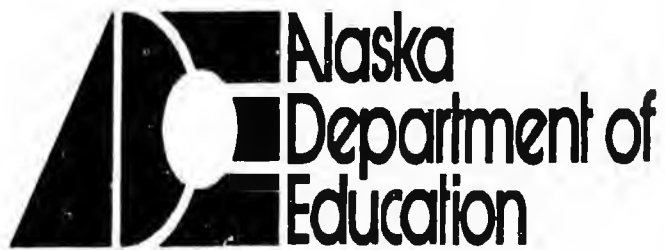
**TERMS AND CONCEPTS** printed on page 2, when used with the two mathematical formulas below, provide for understanding the foundation law.

**THE FORMULA USED TO CALCULATE BASIC NEED:**

**BASIC NEED = (INSTRUCTIONAL UNITS) x (AREA COST DIFFERENTIAL) x (\$61,000)**

**THE FORMULA USED TO CALCULATE STATE FOUNDATION AID:**

**STATE FOUNDATION AID = (BASIC NEED) - (LOCAL EFFORT) - (IMPACT AID)**



## TERMS AND CONCEPTS:

**ADM (AVERAGE DAILY MEMBERSHIP)** - The average of the number of students enrolled in a school district or specific school program (vocational education, bilingual education, special education) over a specified fall or spring student count period. The more students a district has in Average Daily Membership, the more instructional units the district generates increasing the funding it receives through the foundation program.

**AREA COST DIFFERENTIAL** - A factor multiplied by a school district's instructional units to adjust for costs associated with geographic conditions, sparsity and location of various school districts. Factors vary between 1.0 and 1.46, depending usually on remoteness of the district.

**BASIC NEED** - An amount of money determined by multiplying the area cost differential by the number of a school district's allowable instructional units times the instructional unit value, set by the legislature. The foundation program sets the instructional unit value at \$61,000.

**INSTRUCTIONAL UNIT**- A number represented by a group of students identified by grade level and the student profile dependent on whether the students are enrolled in vocational, special or bilingual education programs.

**INSTRUCTIONAL UNIT VALUE**- The amount under the foundation formula is \$61,000 per instructional unit and is established by law.

**TITLE VIII**- Impact aid to education, provides federal funds to school districts for children of parents living and/or working on federal property as an "in lieu of local tax revenue." Under the foundation program 10 percent (96% of REAAs) of each school district's eligible impact aid receipts, is subtracted from the district's basic need.

**REQUIRED LOCAL EFFORT**- Under the law, city and borough school districts are required to contribute the lesser amount of:

- 1) the equivalent amount generated by a four mill tax levy based on the full and true value of the taxable real and personal property in the school district in the second preceding year (two years prior); or
- 2) 35 percent of a school district's basic need for the preceding school year.

In addition to the required local effort, school districts are allowed to contribute the greater of an equivalent of 2.0 mills or \$14,030 per adjusted unit to hold disparities in funding per instructional unit among school districts to no more than 25 percent. The amount of local effort, either in the 4 mill equivalent or 35 percent basic need, is subtracted from a school district's basic need. Since Regional Education Attendance Areas do not have authority to collect taxes, there is no deduction for the local contribution portion of basic need in these districts.

**STATE FOUNDATION AID**- The amount of state money school districts are entitled to receive under the Public School Foundation Program, after local and federal shares are deducted.

## OTHER ISSUES

**ALASKA'S PUBLIC SCHOOL FOUNDATION PROGRAM** - AS 14.17 enables the state to meet fiscal equalization criteria outlined in the federal impact aid law, commonly known as the "disparity test." Alaska must meet the guidelines in order to recognize approximately \$30 million in Title VIII funds within the FY96 state foundation plan as general revenues.

**TITLE VIII DISPARITY TEST**- The Title VIII disparity test measures the disparity in local school district revenues. The test takes into consideration designated state and local revenues. Under guidelines of the disparity test, the range of revenues may not vary more than 25 percent between the school district that raises the lowest amount of revenue per instructional unit and the school district that raises the greatest amount. Since federal regulations allow states to eliminate five percent of the weighted instructional units at the top of the scale and five percent at the bottom, Alaska eliminates both of its oil rich schools districts, Valdez and North Slope Borough, which contribute considerably more than 25 percent beyond the lowest amount. Since REAAs are not authorized to raise local taxes, five percent of the units at the bottom of the scale can be from any REAA. The disparity test uses \$61,000 per instructional unit as the base.

**CENTRALIZED CORRESPONDENCE SCHOOL**- The law provides a formula for computing funds for the state Centralized Correspondence School. Instructional units are computed under the same formula used by elementary schools with more than 200 students and multiplied by 0.65.

**DECLINING ENROLLMENT**- The law contains language that protects districts from losing more than 10 percent of the prior year's K-12 instructional units by phasing in the reduction over four years.

**DISTRIBUTION PROCEDURES**- The Department of Education will make payment of foundation aid through monthly payments to school districts. The payments for the first nine months of each fiscal year will be based on actual instructional units for the prior school year. Payments for the last three months will be adjusted by current year instructional units. Any overpayments or underpayments made during the first nine months will be adjusted in the final three payments of the fiscal year. The first counting period will be during a 20-day period ending on the fourth Friday in each October. An optional 20-day count period ending the second Friday of February may be used to calculate foundation funding, if the February counting period yields more instructional units.

**FUND BALANCE LIMITATION**- The law prohibits districts from accumulating an unreserved fund balance of more than 10 percent of their operating expenditures and other uses for the year. The Department of Education must deduct the amount exceeding 10 percent from a school district's succeeding year's foundation entitlement.

**FULL AND TRUE VALUE**- The Department of Community and Regional Affairs will determine the full value of the taxable real and personal property in each city and borough school district for the purpose of calculating a school district's required local effort.

**GATHERING/REPORTING STUDENT DATA**- The statute requires districts to report to the Department of Education by October 15 of each school year an estimate of its student population for the next school year. The Department of Education will use the estimates to determine the amount of state foundation aid to seek from the Legislature for the following school year.

## TABLE OF INSTRUCTIONAL UNITS

### COMBINED, ELEMENTARY & SECONDARY INSTRUCTIONAL UNITS

Instructional units for funding communities with fewer than 200 students in grades K-6 or fewer than 200 students in grades 7-12 are determined by the formula:

ADM	UNITS
1-10	2
11-20	$2 + \frac{(ADM - 10)}{5}$
21-60	$4 + \frac{(ADM - 20)}{8}$
61-120	$9 + \frac{(ADM - 60)}{12}$
121-525	$14 + \frac{(ADM - 120)}{15}$

Elementary instructional units for funding communities with more than 200 students in grades K-6 are determined by the formula:

$$\text{UNITS} = 15 + \frac{(ADM - 200)}{17}$$

Secondary instructional units for funding communities with more than 200 students in grades 7-12 are determined by the formula:

$$\text{UNITS} = 18 + \frac{(ADM - 200)}{13}$$

Kindergarten students who attend less than four hours a day are counted as 0.5 ADM.

District correspondence or other students who do not regularly attend school on a daily basis are counted in the appropriate grade level of the funding community with the highest ADM in the district.

### VOCATIONAL EDUCATION

FTE\* X WEIGHTING FACTOR X .05 = VOCATIONAL EDUCATION UNIT - 280 students in 7 period day or 240 students in 6 period day = 1 Unit  
**MINIMUM FUNDING:** Any funding community in which a vocational education course, approved by the Department of Education, is operated receives a minimum of .10 instructional units for vocational education, or each school district in which such a course is operated receives a minimum of 1.00 units whichever is greater.

#### FACTOR PROGRAM

.5 **CATEGORY 1** contains 16 programs: health, consumer and homemaking, horticulture, commercial art, clothing and textiles, general marketing, food production, renewable and natural resources, forestry, agriculture services and supplies, transportation and travel, wildlife management, business management, child care management and surveying.

.5 **CATEGORY 2** contains 7 programs: aircraft mechanics, communication technologies, commercial photography, agriculture mechanics, accounting and related, small engine mechanic and automotive body repair.

#### FACTOR PROGRAM

.5 **CATEGORY 3** contains 9 programs: agricultural production, welding, industrial education, woodworking, automobile mechanics, electrical technician, drafting, fisheries and diesel engine mechanics.

.5 **CATEGORY 4** contains 3 programs: graphics, secretarial and word processing, and construction trades.

\* Full Time Equivalent

### SPECIAL EDUCATION

#### NUMBER OF STUDENTS X WEIGHTING FACTOR = SPECIAL EDUCATION UNITS

**MINIMUM FUNDING:** Any funding community in which a special education program, approved by the Department of Education, is operated receives a minimum of 0.25 instructional units for special education, or any school district in which such a program is operated receives a minimum of 1.00 such units, whichever is greater.

#### FACTOR PROGRAM

.025 **GIFTED AND TALENTED** - 40 Students = 1 Unit  
 .056 **RESOURCES** - 18 Students = 1 Unit

#### FACTOR PROGRAM

0.1 **SELF-CONTAINED** - 10 Students = 1 Unit  
 .333 **INTENSIVE/HOSPITAL HOMEBOUND** - 3 Students = 1 Unit

### BILINGUAL EDUCATION

#### WEIGHTING FACTOR\* X STUDENT COUNT X .042 = BILINGUAL EDUCATION UNITS

**MINIMUM FUNDING:** Any funding community in which a bilingual program, approved by the Department of Education, is operated receives a minimum of 0.10 instructional units for bilingual education, or each school district in which such a program is operated receives a minimum of 1.00 such units, whichever is greater.

#### FACTOR PROGRAM

1 **CATEGORY A:** Students who speak a language other than English exclusively. 24 Students = 1 Unit  
 1 **CATEGORY B:** Students who speak mostly a language other than English, but also speak some English. 24 Students = 1 Unit  
 .2 **CATEGORY C:** Students who speak a language other than English and English with equal ease. 119 Students = 1 Unit

#### FACTOR PROGRAM

.2 **CATEGORY D:** Students who speak mostly English but also speak a language other than English. 119 Students = 1 Unit  
 .1 **CATEGORY E:** Students who speak English exclusively but whose manner of speaking reflects the grammatical structure of another language. 238 Students = 1 Unit

\*Language dominance category weighting factor.

Alaska Department of Education  
**Projected FY98 Foundation Program  
Entitlement**

Prepared December 15, 1996

DECEMBER 15, 1996 GOVERNOR'S FY98 BUDGET REQUEST  
ALASKA DEPARTMENT OF EDUCATION  
PROJECTED FY98 FOUNDATION PROGRAM ENTITLEMENTS

The enrollment and units are based on the FY98 projections received from various districts.

	BASIC NEED \$81,000	REQUIRED LOCAL	ELIGIBLE PL81-874	PL81-874 PERCENT	DEDUCTIBLE	REAA	Total
					PL81-874 @ 90% or 96%	State Aid	Foundation Entitlement
ALASKA GATEWAY	5,569,810	0	380,529	100.00%	365,308	45,655	5,250,257
ALEUTIAN REGION	755,180	0	57,011	100.00%	54,731	6,190	706,639
ALEUTIANS EAST	4,343,810	370,183	509,562	51.77%	237,420	0	3,736,207
ANCHORAGE	242,239,540	53,180,262	8,314,618	62.23%	4,656,768	0	184,402,510
ANNETTE ISLANDS	2,555,280	0	1,016,335	100.00%	975,682	20,945	1,600,553
BERING STRAIT	20,313,000	0	3,455,132	100.00%	3,316,927	166,500	17,162,573
BRISTOL BAY	2,772,450	750,055	240,580	63.61%	137,730	0	1,884,665
CHATHAM	3,282,410	0	651,576	100.00%	625,513	26,905	2,683,802
CHUGACH	1,978,400	0	125,211	100.00%	120,203	16,200	1,872,397
COPPER RIVER	6,023,140	0	80,580	100.00%	77,357	49,370	5,995,153
CORDOVA	3,336,480	684,727	18,032	86.75%	14,859	0	2,716,894
CRAIG	2,698,640	314,683	16,690	85.78%	12,885	0	2,371,072
DELTA/GREELY	5,496,710	0	896,178	100.00%	860,331	45,055	4,681,434
DENALI	3,408,680	463,258	27,613	56.15%	13,954	0	2,931,468
DILLINGHAM	4,482,280	540,754	335,087	66.39%	200,218	0	3,721,308
FAIRBANKS	85,570,780	15,516,494	6,593,515	57.30%	3,400,276	0	66,604,010
GALENA	1,850,740	70,828	314,774	20.82%	59,266	0	1,720,646
HAINES	2,820,640	625,818	18,985	48.57%	8,299	0	2,186,523
HOONAH	2,184,410	88,804	238,998	21.89%	47,085	0	2,038,521
HYDABURG	1,002,840	23,593	17,039	12.29%	1,885	0	977,362
IDITAROD	5,787,680	0	580,708	100.00%	557,480	47,440	5,277,640
JUNEAU	29,107,980	8,373,230	16,954	58.45%	8,919	0	20,725,831
KAKE	1,453,020	69,645	281,923	23.05%	58,485	0	1,324,890
KASHUNAMUT	2,362,530	0	271,573	100.00%	260,710	19,365	2,121,185
KENAI	59,661,660	14,856,804	83,078	53.58%	40,062	0	44,764,794
KETCHIKAN	13,803,680	4,360,176	8,986	59.73%	4,831	0	9,438,683
KLAWOCK	1,718,980	63,975	274,629	56.43%	124,646	0	1,530,359
KODIAK	17,488,090	3,510,986	1,081,508	71.51%	696,048	0	13,281,056
KUSPUK	6,060,960	0	555,694	100.00%	533,466	49,680	5,577,174
LAKE AND PENINSUL,	7,251,070	272,532	1,028,381	21.66%	260,473	0	6,778,065
LOWER KUSKOKWIM	43,665,020	0	4,612,365	100.00%	4,427,870	357,910	39,595,060
LOWER YUKON	17,976,090	0	3,277,339	100.00%	3,146,245	147,345	14,977,190
MAT-SU	67,373,890	9,359,433	14,639	45.10%	5,942	0	58,008,515
NENANA	1,555,500	68,120	2,826	89.20%	2,349	0	1,487,031
NOME	5,587,600	614,838	43,424	41.73%	16,309	0	4,956,453
NORTH SLOPE	18,179,220	5,740,375	2,648,619	20.44%	487,240	0	11,951,605
NORTHWEST ARCTIC	19,850,620	1,052,284	2,240,789	34.67%	689,193	0	18,089,143
PELICAN	625,860	62,266	0	100.00%	0	0	563,594
PETERSBURG	4,173,010	900,986	15,861	52.52%	7,497	0	3,264,527
PRIIBILOF	2,377,170	0	372,418	100.00%	357,521	19,485	2,039,134
SITKA	8,706,530	2,333,207	158,779	56.95%	81,382	0	6,291,941
SKAGWAY	1,131,550	396,897	0	64.12%	0	0	734,653
SOUTHEAST	3,578,870	0	460,952	100.00%	442,514	29,335	3,165,691
SOUTHWEST	8,403,970	0	1,076,436	100.00%	1,033,379	68,885	7,439,476
ST. MARY'S	1,500,600	17,795	122,527	44.49%	49,061	0	1,433,744
TANANA	1,238,910	23,600	178,213	18.44%	29,576	0	1,185,734
UNALASKA	2,737,680	928,550	363	56.79%	186	0	1,808,944
VALDEZ	5,263,690	1,831,617	43,787	48.98%	19,302	0	3,412,771
WRANGELL	2,995,710	534,957	1,812	48.78%	796	0	2,459,957
YAKUTAT	1,462,170	128,408	39,086	37.99%	13,364	0	1,320,398
YUKON FLATS	6,928,990	0	631,979	100.00%	606,700	56,795	6,379,085
YUKON/KOYUKUK	7,623,170	0	1,000,006	100.00%	960,006	62,485	6,725,649
YUPIIT	5,067,880	0	864,985	100.00%	830,386	41,540	4,279,034
ALYESKA CORRES.*	4,022,889	0	0	100.00%	0	0	4,022,889
MR. EDGE CUMBE	1,708,000	0	0	100.00%	0	0	1,708,000
<b>TOTALS</b>	<b>\$791,123,579</b>	<b>\$128,118,140</b>	<b>\$45,299,784</b>		<b>\$30,888,635</b>	<b>\$1,277,085</b>	<b>\$633,393,889</b>

Impact Aid flow through	20,791,030
Military contracts and insurance	3,736,300
Estimated prior year adjustments	1,666,300
<b>EST. FY98 FOUNDATION ENTITLEMENT</b>	<b>\$659,587,489</b>

\* State correspondence program basic need is adjusted by 65%  
in accordance with AS 14.17.022.

**DECEMBER 15, 1986 GOVERNOR'S FY88 BUDGET REQUEST  
ALASKA DEPARTMENT OF EDUCATION  
PROJECTED FY88 FOUNDATION PROGRAM ENTITLEMENTS**

The enrollment and units are based on the FY88 projections received from school districts.

	PROJ. FY88 ADM	K-12 UNITS	BIL./ BIC.	SPEC. ED.	VOC. ED.	FY88 PROJ. INSTR. UNITS	AREA DIFF.	ADJUSTED FY88 INSTR. UNITS
ALASKA GATEWAY	568.00	66.83	1.00	7.84	1.06	76.73	1.19	91.31
ALEUTIAN REGION	33.00	6.45	1.00	1.00	1.00	9.45	1.31	12.38
ALEUTIANS EAST	369.00	45.51	1.00	6.85	1.00	54.36	1.31	71.21
ANCHORAGE	46,790.50	3,148.45	117.81	670.01	34.87	3,971.14	1.00	3,971.14
ANNETTE ISLANDS	390.00	32.00	1.00	6.67	1.00	40.67	1.03	41.89
BERING STRAIT	1,781.36	202.11	15.83	19.29	2.34	239.57	1.39	333.00
BRISTOL BAY	321.00	29.80	1.00	3.99	1.00	35.79	1.27	45.45
CHATHAM	332.00	46.47	1.00	3.77	1.00	52.24	1.03	53.81
CHUGACH	160.00	22.21	1.00	1.21	1.00	28.42	1.14	32.40
COPPER RIVER	759.50	77.14	1.00	7.47	1.00	86.61	1.14	98.74
CORDOVA	530.00	40.96	1.00	7.20	1.00	50.16	1.11	55.68
CRAIG	447.00	35.80	1.00	5.15	1.00	42.95	1.03	44.24
DELTA/GREELY	839.00	64.12	2.17	10.19	1.20	77.68	1.16	90.11
DENALI	395.00	41.30	0.00	3.13	1.00	45.43	1.23	55.88
DILLINGHAM	580.00	44.67	1.96	10.23	1.00	57.86	1.27	73.48
FAIRBANKS	16,350.50	1,121.36	9.54	200.74	16.42	1,348.06	1.04	1,401.98
GALENA	180.00	18.00	1.00	3.34	1.00	23.34	1.30	30.34
HAINES	442.00	36.80	1.00	5.24	1.00	44.04	1.05	46.24
HOONAH	274.00	24.27	1.00	6.89	1.00	33.16	1.08	35.61
HYDABURG	107.50	12.96	1.00	1.00	1.00	15.96	1.03	16.44
IDITAROD	436.00	62.06	1.19	6.77	1.32	71.34	1.33	94.88
JUNEAU	5,599.17	381.91	6.97	83.32	4.98	477.18	1.00	477.18
KAKE	190.00	18.67	1.00	2.46	1.00	23.13	1.03	23.82
KASHUNAMIUT	269.00	23.93	1.68	2.51	1.00	29.12	1.33	38.73
KENAI	10,579.00	830.32	17.39	116.04	14.31	978.06	1.00	978.06
KETCHIKAN	2,832.00	196.39	1.70	24.04	4.16	226.29	1.00	226.29
KLAWOCK	220.00	20.67	1.00	4.69	1.00	27.36	1.03	28.18
KODIAK	2,811.00	225.61	7.85	26.16	3.40	263.02	1.09	286.69
KUSPUK	517.00	67.45	1.00	5.26	1.00	74.71	1.33	99.36
LAKE AND PENN.	510.00	82.46	1.00	6.28	1.00	90.74	1.31	118.87
LOWER KUSKOKWIM	3,521.50	353.48	107.32	39.13	4.17	504.10	1.42	715.82
LOWER YUKON	1,845.00	195.76	12.03	18.95	1.55	218.29	1.35	294.69
MAT-SU	12,605.00	931.86	9.91	151.53	11.19	1,104.49	1.00	1,104.49
NENANA	170.00	17.33	1.00	1.92	1.00	21.25	1.20	25.50
NOME	771.00	57.10	1.15	9.11	1.00	68.36	1.34	91.60
NORTH SLOPE	2,037.00	178.74	11.13	14.40	1.26	205.53	1.45	298.02
NORTHWEST ARCTIC	2,044.00	195.44	4.93	22.41	1.65	224.43	1.45	325.42
PELICAN	40.00	6.50	1.00	1.00	1.00	9.50	1.08	10.26
PETERSBURG	782.00	58.13	1.00	8.26	1.00	68.41	1.00	68.41
PRIBILOF	211.00	24.90	1.03	3.05	1.00	29.98	1.30	38.97
SITKA	1,750.00	123.91	1.00	15.98	1.94	142.73	1.00	142.73
SKAGWAY	130.00	14.67	1.00	1.00	1.00	17.67	1.05	18.55
SOUTHEAST \1	264.00	51.67	0.00	3.74	1.00	56.41	1.04	58.67
SOUTHWEST	738.00	88.62	9.69	5.86	1.00	105.17	1.31	137.77
ST. MARY'S	140.00	15.33	0.83	1.76	1.00	18.92	1.30	24.60
TANANA	100.00	12.33	1.00	1.29	1.00	15.62	1.30	20.31
UNALASKA	375.00	31.00	1.00	2.34	1.00	35.34	1.27	44.88
VALDEZ	900.00	65.85	1.00	9.89	1.00	77.74	1.11	86.29
WRANGELL	525.00	40.70	1.00	6.41	1.00	49.11	1.00	49.11
YAKUTAT	174.00	17.60	1.00	2.59	1.00	22.19	1.08	23.97
YUKON FLATS	462.00	67.51	2.16	7.03	1.10	77.80	1.46	113.59
YUKON/KOYUKUK	552.00	77.78	4.46	8.64	2.38	93.26	1.34	124.97
YUPIIT	416.00	45.73	7.81	4.38	1.00	58.92	1.41	83.08
ALYESKA CORRES.	1,669.86	101.46	0.00	0.00	0.00	101.46	1.00	101.46
MI. EDGE CUMBE	285.00	25.00	1.00	1.00	1.00	28.00	1.00	28.00
<b>TOTALS</b>	<b>128,119.89</b>	<b>9,818.08</b>	<b>385.54</b>	<b>1,600.33</b>	<b>145.30</b>	<b>11,949.25</b>		<b>13,004.75</b>

\1 includes hh units

**ALASKA COMMISSION ON  
POSTSECONDARY EDUCATION**

**and the**

**ALASKA STUDENT LOAN CORPORATION**

**FY 98 Budget Overview**

**Presented: January 1997**

**Diane Barrans  
Executive Director**

**Charlene Morrison  
Finance Officer**

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~ Introduction ~

In the Alaska Commission on Postsecondary Education's (ACPE) FY97 budget overview, management emphasized the need for this agency to improve and expand its service to Alaskans in a variety of ways. The following will provide a briefing on progress made to date on these initiatives. However, as important as we believe these individual services to be, the common thread that binds these activities together is that, in combination, they are aimed at improving the Alaska Student Loan Corporation's (ASLC) efficiency and financial bottom-line.

With funding at the relatively flat level requested for FY 98, ACPE will be able to continue with these activities, while also identifying ways to amplify them. These activities include:

- ◆ *Improved front end counseling of borrowers.* ACPE has broadened and improved the information that is distributed and available to customers as part of the application process and at the onset of the repayment cycle. *FY 98 Objective:* *Staff are working to insure that information now available in print will be available electronically within the next fiscal year.*
- ◆ *Emphasize frequent contact with delinquent borrowers.* Due diligence efforts have, through automation of delinquent borrower rosters and delinquency notices, increased contact with delinquent borrowers more than threefold in the past 18 months. This unit, under new leadership, has greatly increased staff efficiency and the level of communication with delinquent borrowers. *FY 98 Objective:* *Identify technological enhancements that will expand the capacity of existing staff to contact more borrowers on a regular basis.*
- ◆ *Increase partnership with institutions to improve default management.* With the development and implementation of the Program Participation Agreement and Administrator's Compliance Handbook (scheduled for completion in March 1997), a partnership will be in place with institutions that is unprecedented for the ASLP. Over time, this relationship will become a key factor in reducing loan fund losses due to defaults. *FY 98 Objective:* *Continue to refine, delinquent borrower data that is provided directly to institutions for use in their default management activities.*
- ◆ *Emphasize and improve collaboration and communication.* The Institutional Relations (IR) staff, a newly reorganized unit at ACPE, in concert with the Division of Student Financial Aid, are responsible for insuring that uniform and consistent information is provided to: potential borrowers, school counselors, parents and school administrators. *FY 98 Objective:* *Develop relationships with other state agencies to maximize the use of information gathered by the State.*
- ◆ *Raise standards of accountability for postsecondary institutions.* The Commission is systematically reviewing its regulation of institutions under AS 14.48. In its consumer protection role, the ACPE has promulgated regulations to require that institutions properly assess a potential student's ability to benefit from education or training programs it offers. *FY 98 Objective:* *Document the association of education/training with success in gaining employment at a*

*living wage in the job market. The challenge is to identify a means of tracking student outcomes in a cost effective and efficient way.*

- ◆ *Marketing ACPE services and successes. ACPE has expanded its communications through: periodic news releases, monthly/quarterly reports and newsletters geared toward keeping policy makers, and the public apprised of agency activities and events; and, beginning construction on ACPE's web site. FY 98 Objective: Increase the application of electronic technology to streamline and expedite information sharing and administra-*

*tive functions of the program. Communicating throughout Alaska regarding the enhanced services will be a top priority for management.*

- ◆ *Expand financial aid training. Training and information is now available through formal, scheduled training sessions at ACPE offices or one-on-one at high schools, college fairs, and postsecondary institutions throughout Alaska. FY 98 Objective: Research and/or develop ways of broadening ACPE outreach to the smallest Alaskan community through technologies such as video production or the Internet.*

In short, it is the Commission's objectives to strengthen its financial base by working smarter, educating our customers, who are all Alaskans, and continuing to recommend legislative and regulatory change that will assist staff in accomplishing these objectives.

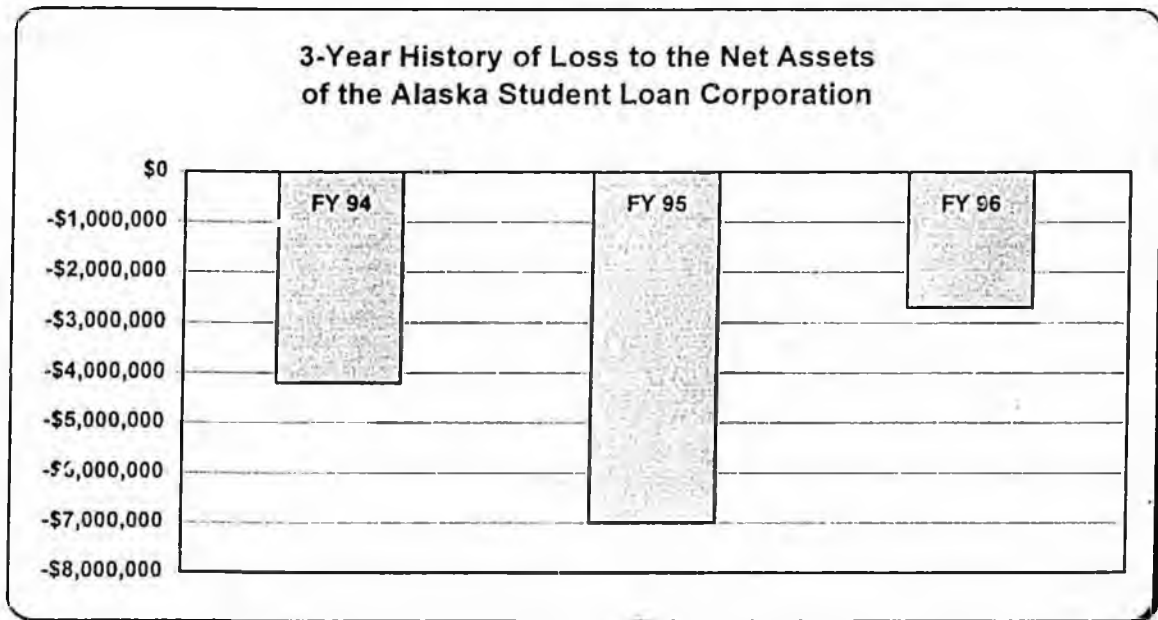
~ Alaska Student Loan Program ~

**Current Financial Outlook**

While some improvements have been made to the Loan Program in recent years, the Corporation continues to experience anticipated student loan related losses. In FY 96 and FY 95, those losses totaled \$5.3 million and \$10.5 million, respectively. When offset by annual revenues, the Corporation's net losses in FY 96 and FY 95 were \$2.7 million and \$6.9 million, respectively. Clearly positive changes are being made to reduce the drain on the loan fund. The Corporation's largest expense, except for payments on outstanding bonds, continues to be the provision for loan loss.

So long as there is unrestricted access to the loan fund with no collateralization, credit assessment, or other form of guarantee, it is unlikely the provision for loan loss can be further reduced significantly. In the simplest terms this means that the net assets (primarily outstanding student loans) contributed by the State of Alaska to the Corporation, and totaling \$306.7 million, will continue to erode. In the 9 years since the Corporation's creation, average net losses have been in excess of \$5.2 million a year. Such losses (\$47.3 million through FY 96) have reduced the Corporation's fund equity to \$259.4 million.

Figure 8



A number of changes, both legislative and regulatory, have been made to offset current losses and reduce the potential for future losses.

- ◆ Beginning with FY 96, the interest rate for new loans is tied to the rate the Corporation pays on its

outstanding bonds plus the cost of administration (limited to 2.5 percent). Yet interest only accrues on the borrower's balance once he/she leaves school, resulting in an interest-free period that can extend for years.

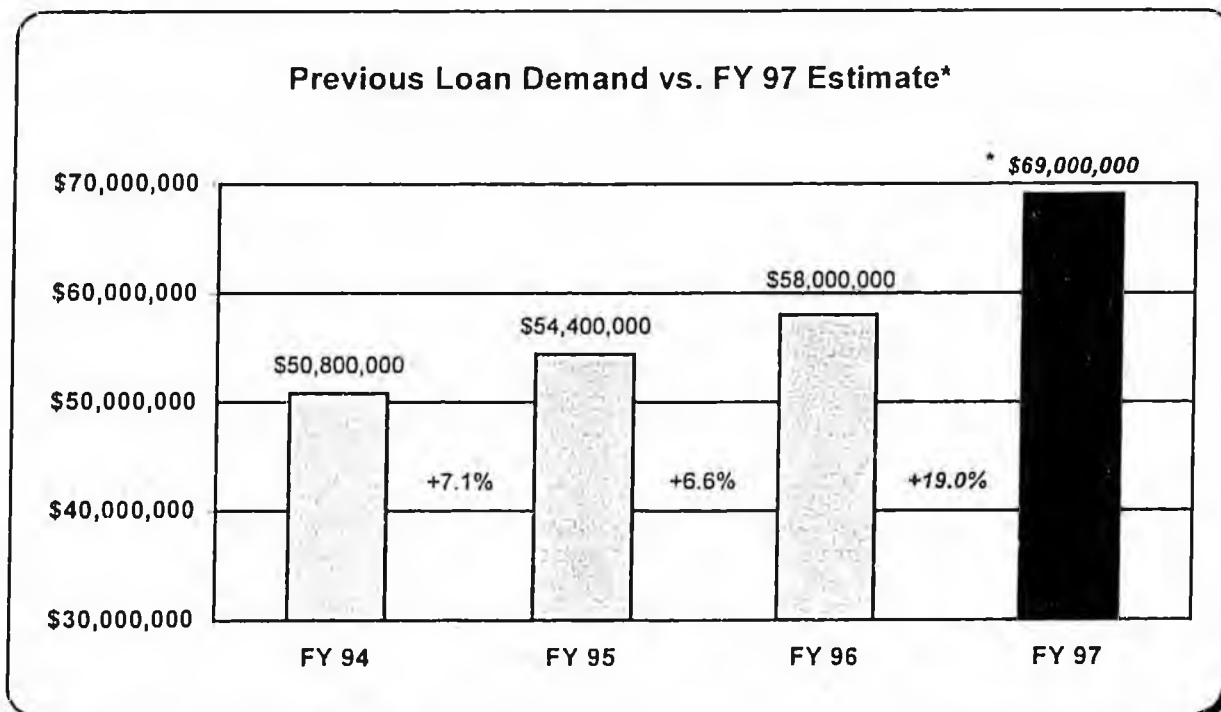
- ◆ Borrowers now pay origination fees, currently at the maximum rate allowed of 5 percent, to be used as an offset to losses due to bankruptcy, default, and death of borrowers. However, historical information indicates that approximately 12 percent of all loans originated are never repaid.
- ◆ Effective with loans entering repayment in FY 97, loan staff will track student default activity at each participating institution and will be identifying those institutions with extremely high rates of student default. In a multi-year process, loan staff will work with those institutions to reduce default rates to below 20 percent in order for that institution to continue to participate in the loan programs.

halt the erosion of the ASLC's fund equity. Because the Corporation has pledged student loans previously contributed by the state and new loans made with bond proceeds, it can continue to issue additional debt and, barring any catastrophic event, continue to meet loan demand through the year 2000.

Because loan demand is expected to jump by as much as 19 percent or more by the end of FY 97 -- due to this year's statutory increase in annual loan limits -- it is vital that additional improvements be made to the program. Discarding any discussion of significant capitalization to restore the health of the Loan Fund, either in part or in whole, the other options for increasing the viability of the fund are either: 1) require loan applicants to meet a credit test; or 2) modify the terms of the loans so the borrower is assessed interest on the loan from the time it is disbursed.

The cumulative effect of these changes, however, is not anticipated to altogether

Figure 9



In FY 98, agency staff will continue to work with Corporation financial advisors to develop scenarios and proposals to provide to the Board, this Administration, and the Legislature. Our focus is to continue efforts that will further improve the health of the Loan Fund while, at the same time, ensuring that access to education funding remains as broad as possible.

### Legislative Proposals

Below are the substantive legislative proposals that the Commission anticipates supporting in the 1997 legislative session:

- ◆ Minimize default risk and enhance Corporation credit status through implementation of front end applicant credit assessment to screen out chronic defaulters or require a credit-worthy cosigner;
- ◆ Reduce default losses to the Loan Fund by increasing collection tools by expanding intervention authority to include all occupations/professions licensed by the State;

- ◆ Reduce default losses to the Loan Fund by providing for administrative wage garnishment for defaulters; and
- ◆ Decrease expenses of the Corporation by developing a fee schedule for Regulation of Institutions (AS 14.48) that provides offset or pays for that function.

Other recommended changes relate to elimination of some archaic language and/or general clean-up and clarification of existing law.

The Commission has made considerable progress in the past three years: losses to the Corporation have been reduced (but not eliminated); customer service has been improved and collection efforts strengthened; and Alaskans are now better informed about the challenges facing this State institution. However, continued diligence on the part of management and staff, and legislative and financial support from policy makers, will be critical components in succeeding in making whole the ailing student financial assistance programs on which residents have come to depend.

~ FY 96 Alaska Student Loan Program Characteristics ~

Figure 10

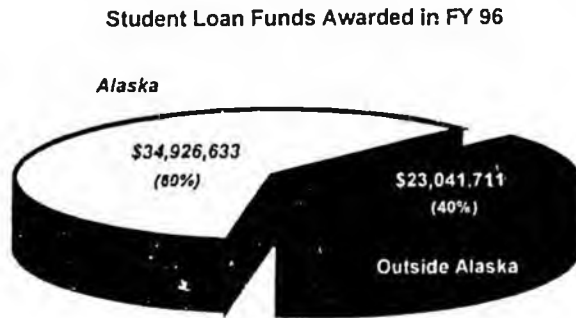


Figure 11

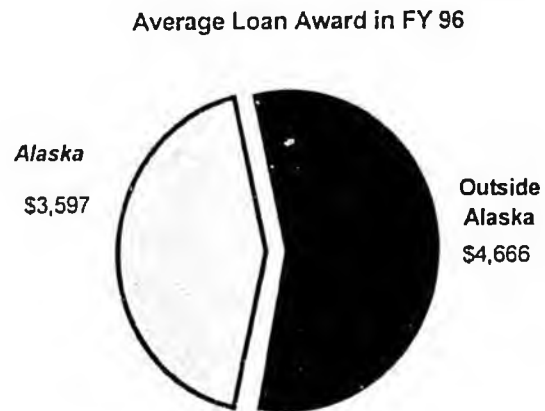
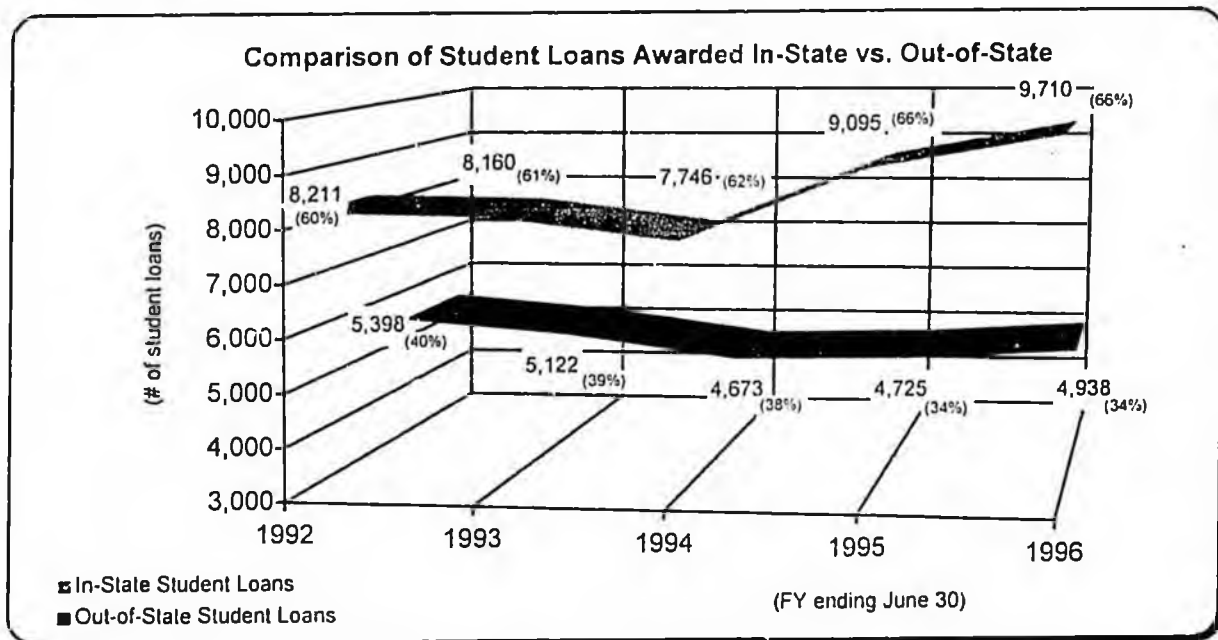


Figure 12

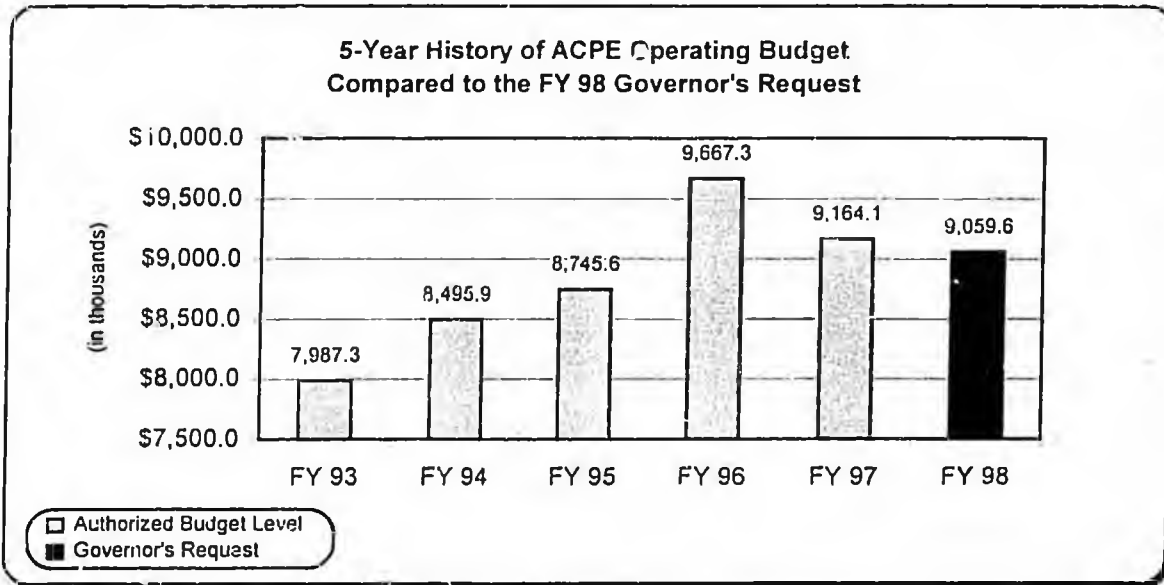


~ Agency Budget Summary ~

Operating Budget	FY 97 Final Authorized	FY 98 Request	% Change
<i>Line Items</i>			
Personal Services	4,825.2	4,769.7	-1.2%
Travel	192.5	195.4	1.5%
Contractual Services	3,632.5	3,557.5	-2.1%
Commodities	108.5	121.1	11.6%
Equipment	5.8	89.9	1,550.0%
Grants	399.6	326.0	-18.4%
<b>Total</b>	<b>9,164.1</b>	<b>9,059.6</b>	<b>-1.1%</b>
<i>Positions</i>			
PFT	98.0	95.0	-3.1%
PPT	4.0	0.0	-100.0%
<i>Funding</i>			
1002 Federal Funds	276.4	180.0	-34.9%
1003 General Fund Match	163.5	163.5	0.0%
1004 General Fund	1,502.6	1,432.9	-4.6%
1022 Corporate Receipts	7,150.2	7,283.2	1.9%
1061 CIP Receipts	71.4	0.0	-100.0%

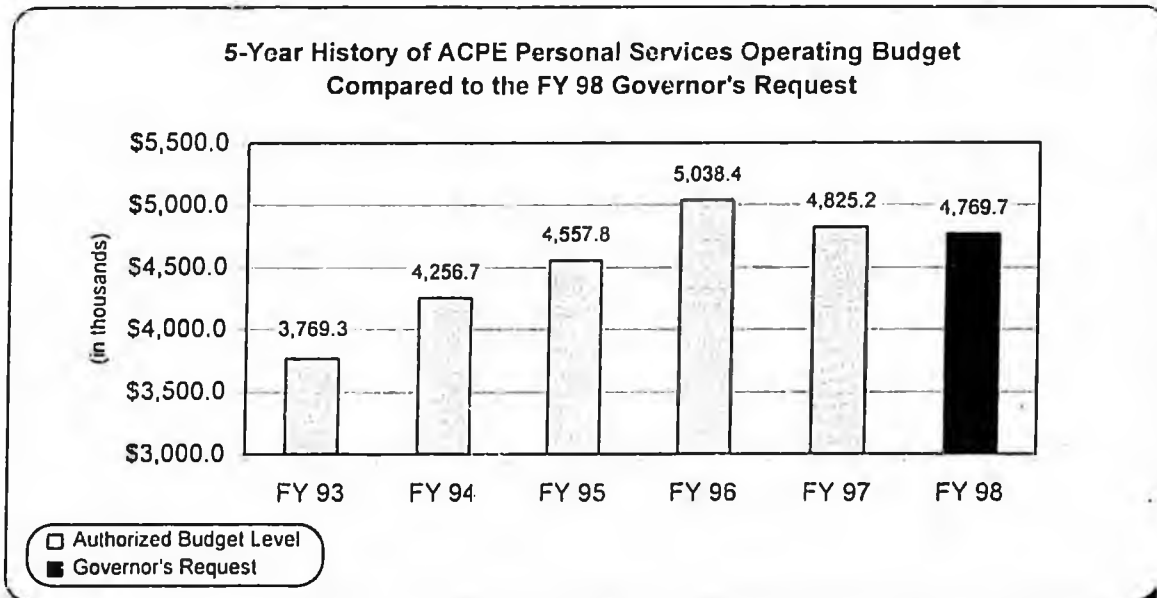
Capital Budget	FY 97 Final Authorized	FY 98 Request	% Change
<i>Line Items</i>			
Equipment	196.5	90.0	-54.2%
<b>Total</b>	<b>196.5</b>	<b>90.0</b>	<b>-54.2%</b>
<i>Positions</i>			
PFT	0.0	0.0	0.0%
PPT	0.0	0.0	0.0%
<i>Funding</i>			
1061 CIP Receipts	196.5	90.0	-54.2%

Figure 1



A review of ACPE budget levels for the past five years shows that program administrative costs have grown as the program has grown. The proposed budgetary level for FY 98 is 3.5 percent higher than in FY 95, but is down 6 percent from FY 96. The increase in expenditures in FY 96 and FY 97 were primarily attributable to the costs of development and installation of a new loan servicing system.

Figure 2



A comparison of personal services costs to overall operating costs shows a 4.6 percent increase in the three-year period from FY 95 to FY 98, or slightly more than 1.5 percent per year. In FY 98, ACPE will be eliminating four permanent part-time positions and three permanent full-time positions. With the development of automated, system-supported activities, management expects to improve efficiency and eliminate some manual processes. At the same time, however, it will be necessary to scrutinize human resource needs to insure that the level of service to our publics remains at an acceptable level.

~ Student Loan Operations ~

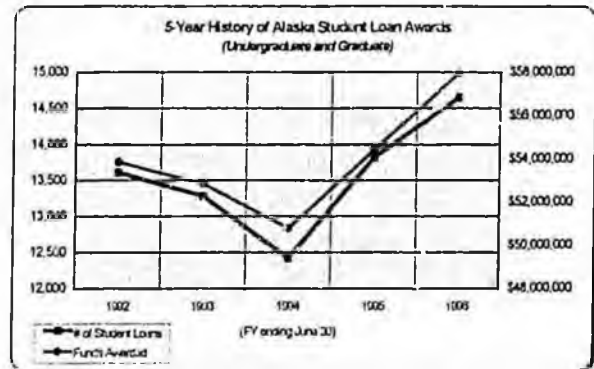
Synopsis

This component is the largest of the ACPE's five, containing the Student Financial Aid, Finance, and Information Support Services sections. The goals of this component are: 1) to service the outstanding loan portfolio in a manner which maximizes repayment to the Student Loan fund and protects the financial integrity of the Alaska Student Loan Corporation (ASLC), 2) to identify and implement program efficiencies through improved management, processes, and technology to ensure the self-sustainability and marketability of the Alaska Student Loan Programs (ASLP) through the 21st century, 3) to provide low cost financing to the ASLP, 4) to disburse low-cost loans to eligible Alaskans enabling them to pursue postsecondary education and training, and 5) to serve and value our customers, including students, parents, policy makers, bondholders, professional colleagues and coworkers.

The **Student Financial Aid** section is organized into six units: loan originations, loan operations, customer service, due diligence, records, and special programs.

**Loan originations** initiates the lending process. Loan originations staff develop and distribute applications statewide to both individuals and institutions. They enter, review for completeness and eligibility, and resolve errors in submitted applications. They also generate and distribute notification of awards, loan warrants, and disbursement receipts to track funds distributed to borrowers or returned for cancellation.

Figure 3



**Loan operations** processes payment options, deferment requests, bankruptcy declarations, loan schedule modifications, and forgiveness benefits for eligible borrowers. This unit also distributes truth-in-lending disclosure statements, re-directs returned mail, monitors memorial scholarship loans, responds to credit inquiries, determines eligibility for and application of forgiveness benefits, and administers and tracks borrower bankruptcy activity.

Distribution of FY 96 Operations Activity

Returned Mail Pieces	20,452
TIL Disclosures Sent	20,468
Deferments Processed	3,622
Paid-in-Full Processed	7,595
Credit Reports	2,399
Forgiveness Processed	2,133
Repayment Schedule Revisions	1,659
Bankruptcy Tracking	1,515

**Customer service** responds to telephonic and written requests for account assistance and to general public inquiries regarding student financial aid programs. In the Juneau and Anchorage offices, this unit also provides assistance to local walk-in customers.

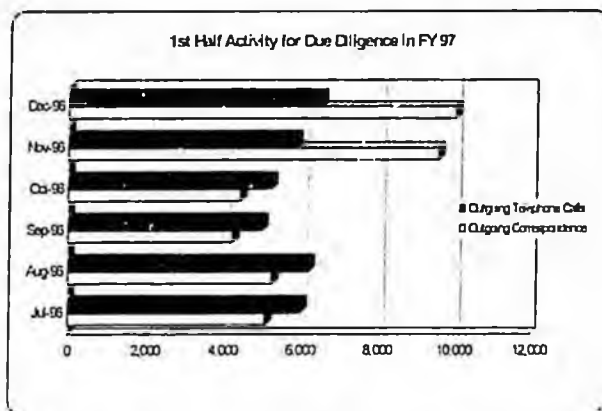
Figure 4

Telephone Inquiries Received by Customer Service  
FY 96 vs. FY 95



*Due diligence*, using on-line delinquency rosters, systematically contact borrowers who are past due in monthly payments. Accounts are clustered according to their delinquency status (30, 60, 90 days past due in payments) and due diligence staff work with these borrowers, educating them about the negative impacts of remaining delinquent or defaulting and offer alternative payment plans as appropriate, to avert borrower default. Additionally, staff send delinquency notices by mail on a daily basis. This unit is also responsible for communicating with institutions about borrower default levels to assist them in default management programs that are institution-based.

Figure 5

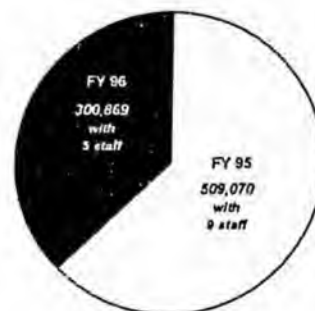


*Records* maintains an archived history of each account's activity and agency files. Through the work of this unit, ACPE employees have access to complete loan histories within minutes of a request,

allowing them to respond promptly to borrowers' questions. This unit is also responsible for safeguarding the ACPE's most valuable asset, the loan promissory notes.

Figure 6

Images Processed by Records Staff  
FY 96 vs. FY 95



The *special programs* unit administers the ACPE's smaller, more specialized financial aid programs, specifically: the Alaska Teacher Scholarship Loan Program; the A.W. "Winn" Brindle Memorial Scholarship Loan Program; the Alaska State Educational Incentive Grant Program; the WICHE Western Regional Graduate Program; and the WAMI Medical Education Program.

The Finance section manages the extensive financial activities of both the ACPE and the ASLC. Finance staff process, summarize, report, and analyze data related to the following critical functions:

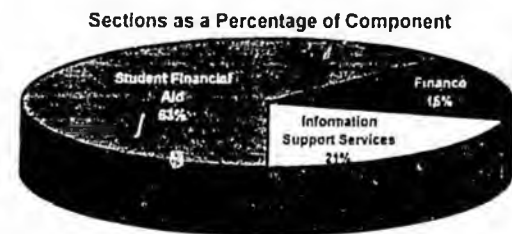
- ◆ tracking the flow of all funds;
- ◆ investing funds to maximize earnings while complying with federal regulations and bond covenants and while meeting operational needs;
- ◆ preparing annual agency operating, capital, and lending budgets;
- ◆ overseeing all procurement activities;

- ◆ coordinating the student loan disbursement process;
- ◆ processing all loan payments received in the Juneau and Anchorage offices; and
- ◆ administering funds for State and Federal financial aid programs available through the ACPE.

In addition to these functions, the finance division prepares all of the information and performs the analyses necessary for the ASLC to carry out its bonding activities. Finance staff prepare the Corporation's quarterly and annual financial statements, Official Statements, and cash flow analysis data, and respond to ad hoc information requests from the commission, corporation board, rating agencies, bond insurers, investment providers, and the legislature.

The Information Support Services (ISS) section provides data processing support to the agency and all of its operations. ISS manages two local area networks – one in Juneau and one in Anchorage – that support the agency's PC-based systems. These networks are connected through the State-maintained wide area network. ISS also manages the mainframe-based student loan servicing system that supports all aspects of the lending process from origination to final payoff.

Figure 7



## ~ Component Operating Budget ~

Student Loan Operations	FY 97 Final Authorized	FY 98 Request	% Change
<i>Line Items</i>			
Personal Services	4,039.3	3,964.7	-1.9%
Travel	63.1	65.1	3.8%
Contractual Services	2,132.0	2,051.5	-3.8%
Commodities	93.5	102.5	9.6%
Equipment	0.0	79.2	
<b>Total</b>	<b>6,327.9</b>	<b>6,263.0</b>	<b>-1.0%</b>
<i>Positions</i>			
PFT	86.0	82.0	-4.7%
PPT	4.0	0.0	-100.0%
<i>Funding</i>			
1022 Corporate Receipts	6,256.5	6,263.0	0.1%
1061 CIP Receipts	71.4	0.0	-100.0%

**Changes From FY 97 to FY 98**

The Commission approved cost of living (COLA) increases to the salary schedule due to the passage of SB1003 in the last legislative session. The COLA is budgeted at 1.5 percent in FY 98. In addition, the Office of Management and Budget allocated increased authority for a health premium increase in FY 98.

Due to operational efficiencies, the Commission deleted three full-time permanent positions from this component.

Due to the completion of the student loan system conversion project, the four positions funded with the capital project budget are deleted.

Two positions, a secretary and a project coordinator, are transferred from student loan operations to program administration. These transfers realign staff who provide support to the institutional relations function within the Agency which only indirectly relates to student loan operations. Supporting funds for these positions are also transferred.

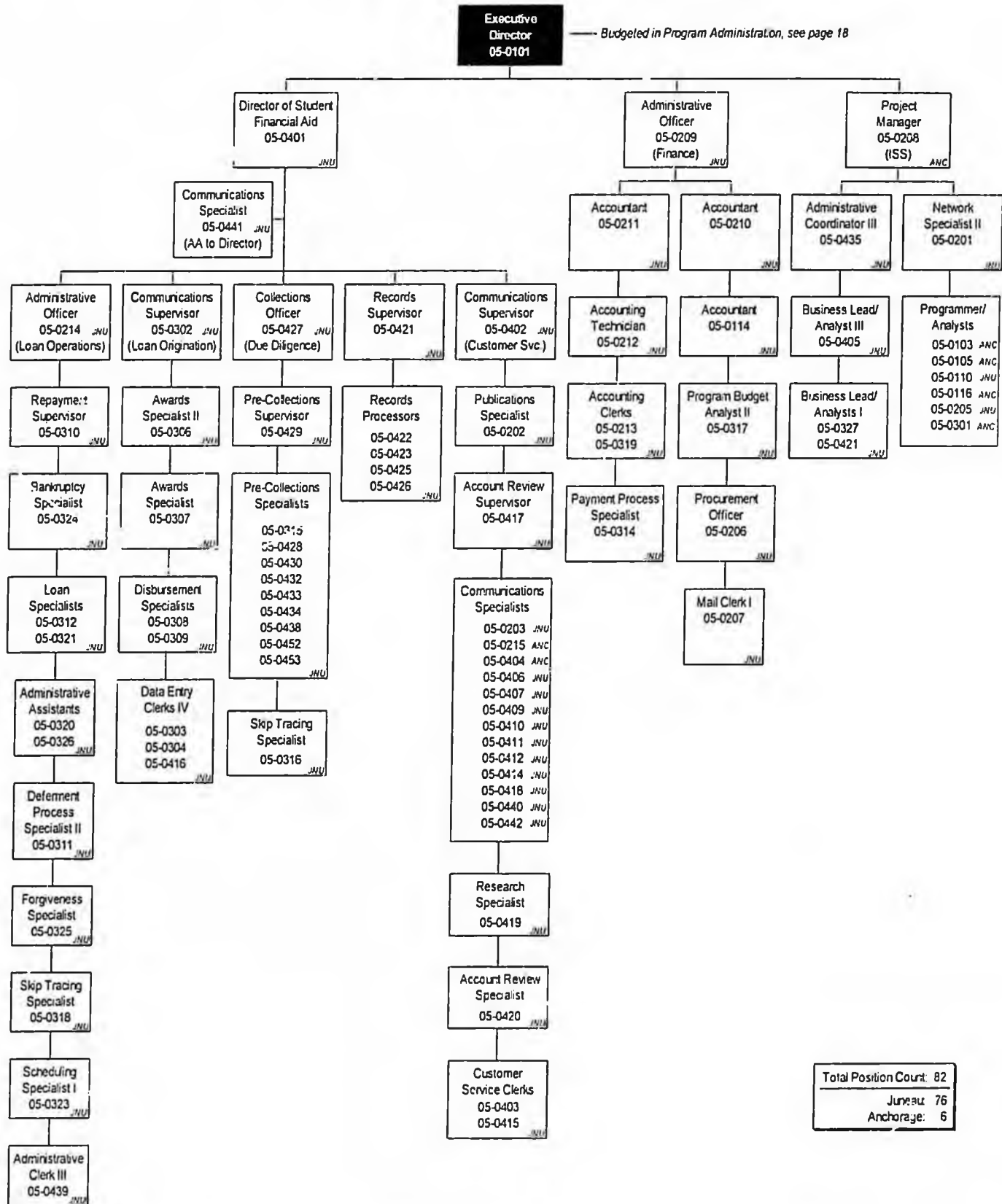
One position, an analyst/programmer, is transferred to student loan operations from program administration to support the new loan servicing system. The costs of this position are offset by the deleted positions above, therefore, no supporting funds are transferred from program administration.

Contractual, supply, and equipment funds are transferred from student loan operations to program administration. These funds are associated with an anticipated reduction in third-party contractual costs related to the federal student status clearinghouse. Seven positions are deleted and one position is transferred out from student loan operations in FY 98, reducing the need for supply and equipment funds in this component.

An increment to the equipment line is requested to assist with the purchase of a

financial analysis software package for the finance section. This software will allow staff to project cash flow related to the student loan portfolio. These projections will help determine the effects of various changes to the student loan program and forecast both the immediate and future effects of changes on the Corporation's financial stability. This tool will aid staff in making recommendations to the Commission and the Corporation for statutory changes to the Alaska Student Loan Program. The estimated cost of this package is \$50,000.

~ Student Loan Operations  
Proposed FY 98 Organization Chart ~



## ~ Program Administration ~

**Synopsis**

This component houses the Executive Director's Office, the Personnel Office, and the Institutional Relations section. The goals of this component are: 1) to administer and provide policy direction for programs administered by the Commission and funded by the Corporation, identifying and achieving efficiencies through improved management, processes and technology; 2) to review and oversee postsecondary programs and institutions operating in the state, with the exception of the University of Alaska system, to ensure compliance with AS 14.48 and 20 AAC 17, relating to regulation of institutions; 3) to emphasize quality in education and training programs to ensure value for Alaskans in their pursuit of lifelong learning; and 4) to provide Alaskans with information about the educational opportunities available in Alaska and about the financial aid programs available to assist in accessing those opportunities.

The Executive Director's Office provides overall administration and policy direction to the Commission programs and staff and to exercise review and oversight of postsecondary programs and institutions operating in the state, except those exempted by state statute, such as the University of Alaska.

The Personnel Office provides human resources support to all units of the Commission and is responsible for assisting in developing and implementing recruitment and screening techniques to appropriately staff the agency. This staff also identifies staff training needs and coordinates that activity.

The Institutional Relations section is organized into four units: institutional authorization; Alaska State Approving Agency; institutional liaison; and institutional audit and school compliance.

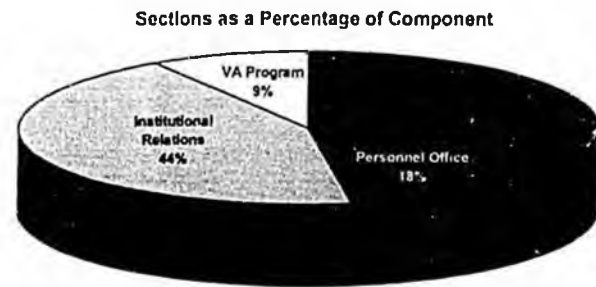
The *institutional authorization* (IA) unit facilitates the authorization and regulation of 69 postsecondary institutions in the state of Alaska. Based upon a list of responsibilities established for the ACPE in statute, IA staff strive to provide consumer protection services to Alaska's students. The IA coordinator works closely with administrators of the institutions to assure ethical business practices, fair advertising, and appropriate health and safety practices.

The *Alaska State Approving Agency* (SAA) is a federal veterans affairs program which provides review and oversight of educational institutions and training sites to determine if state educational programs qualify for attendance by veterans utilizing their G.I. Bill benefits. This program is funded entirely through federal receipts.

The *institutional liaison* is a coordinator position whose responsibility it is to maintain a network of key contacts with student financial aid customers throughout Alaska. This network includes financial aid staff at institutions participating in Alaska's education loan programs, education counselors at high schools, employment centers, parent groups, and various other interested organizations. This position was originally full-time, but was merged in FY 97 to include SAA coordination.

The *institutional audit and school compliance* unit staff provide a variety of compliance audit and program review services to the agency, schools participating in the Alaska Student Loan Program, and schools authorized to operate by ACPE. Because the majority of authorized institutions are located in the greater Anchorage and surrounding area, all audit/compliance staff and functions are centralized in Anchorage to increase efficiency.

Figure 13



## ~ Component Operating Budget ~

Program Administration	FY 97 Final Authorized	FY 98 Request	% Change
<i>Line Items</i>			
Personal Services	785.9	805.0	2.4%
Travel	129.4	130.3	0.7%
Contractual Services	109.0	155.6	42.7%
Commodities	15.0	18.6	24.0%
Equipment	5.8	10.7	84.5%
<b>Total</b>	<b>1,045.1</b>	<b>1,120.2</b>	<b>7.2%</b>
<i>Positions</i>			
PFT	12.0	13.0	8.3%
PPT	0.0	0.0	0.0%
<i>Funding</i>			
1002 Federal Receipts	151.4	100.0	-34.0%
1022 Corporate Receipts	893.7	1,020.2	14.2%

**Changes From FY 97 to FY 98**

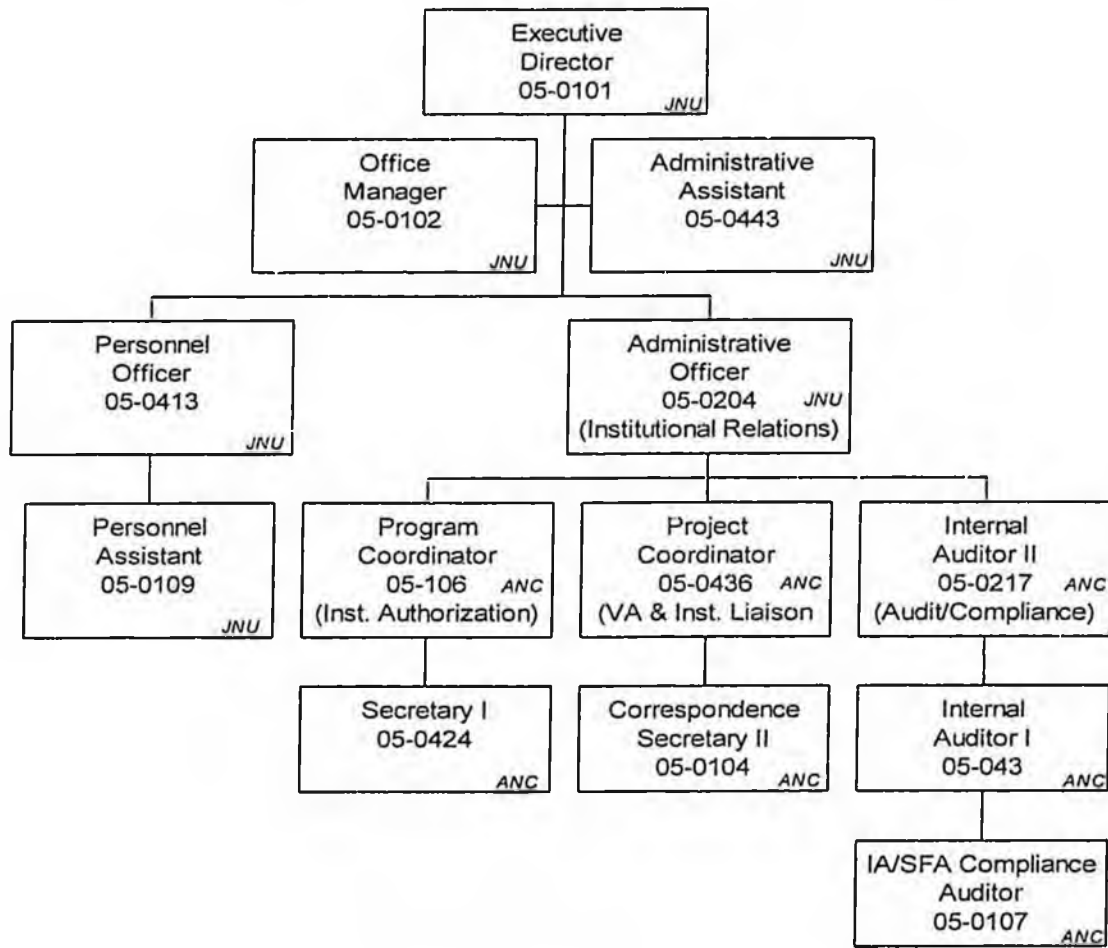
The Commission approved cost of living (COLA) increases to the salary schedule due to the passage of SB1003 in the last legislative session. The COLA is budgeted at 1.5 percent in FY 98. In addition, the Office of Management and Budget allocated increased authority for a health premium increase in FY 98.

Two positions, a secretary and a project coordinator, are transferred to program administration from student loan operations. The positions do not directly function in student loan operations and are realigned as support staff for the institutional relations function within the Commission. Supporting funds for these positions are also transferred.

One position, an analyst/programmer, is transferred from program administration to student loan operations to support the new loan servicing system. The costs of this position are offset by position deletions within student loan operations, therefore, no supporting funds are transferred from program administration.

Contractual, supply, and equipment funds are transferred to program administration from student loan operations. These funds are to be used for the following: a job evaluation study to determine the role, relationship and value of each position to the business needs of the agency; to supplement supply budgets for the rising costs of paper and printer toner; and the purchase of recording and transcribing equipment.

~ Program Administration  
Proposed FY 98 Organization Chart ~



Total Position Count:	13
Juneau:	6
Anchorage:	7

~ WAMI Medical Education ~

**Synopsis**

The WAMI program provides guaranteed access to a medical school for residents of Alaska. The University of Washington, School of Medicine, which focuses on producing family practice doctors, acts as the regional medical school for Washington, Alaska, Montana and Idaho by reserving a predetermined number of class places each year. After admission, Alaska students attend the University of Alaska, Anchorage, for the first year of medical school. Then students attend the second through fourth year in Seattle, with the option of clinical clerkships during this time at clinics in towns in the WAMI states.

The Alaska clinical sites are supported by WAMI funding as Alaska is a participant in the WAMI program. Alaska currently

contracts with the University of Washington and pays for thirty (30) places, ten (10) in each of the 2nd, 3rd and 4th years of study.

**Issues**

With the phase-out of the WICHE Professional Student Exchange Program, the WAMI Program remains the primary vehicle through which Alaska residents gain access to a medical education program.

**Changes from FY 97 to FY 98**

An increment of \$41,400 is requested to cover a contractual increase in support fees for the University of Washington, School of Medicine.

~ Component Operating Budget ~

WAMI Medical Education	FY 97 Final Authorized	FY 98 Request	% Change
<i>Line Items</i>			
Contractual Services	1,309.0	1,350.4	3.2%
<i>Total</i>	1,309.0	1,350.4	3.2%
<i>Positions</i>			
PFT	0.0	0.0	0.0%
PPT	0.0	0.0	0.0%
<i>Funding</i>			
1004 General Fund	1,309.0	1,350.4	3.2%

~ WICHE Student Exchange Program ~

**Synopsis**

The Commission serves as Alaska's agency for coordinating activities in the 15-state Western Interstate Commission on Higher Education (WICHE) through cooperative agreements with other states in the region. The goal of this component is to provide undergraduate and graduate educational access and information to Alaskan students studying or wishing to study in fields for which there are no programs operating in Alaska or which are offered to residents of member states in order to maximize the benefits of regional educational resources.

The component administers various WICHE programs in Alaska: 1) The Western Undergraduate Exchange (WUE); 2) The Professional Student

Exchange Program (PSEP); and 3) The Western Regional Graduate Program (WRGP). The current total participation level for Alaska is about 800 students a year.

**Changes from FY 97 to FY 98**

FY 97 funding pays WICHE compact membership dues and funds six continuing PSEP students. These six students will complete their final year of program support in FY 97, and new students have not been funded in the last four years. Therefore, FY 98 funding is reduced by (\$111,100) and the remaining contractual funds will pay WICHE compact membership dues only. This membership provides access for Alaskans to the other two exchange programs.

~ Component Operating Budget ~

WICHE Student Exchange Program	FY 97 Final Authorized	FY 98 Request	% Change
<b>Line Items</b>			
Contractual Services	82.5	82.5	0.0%
Grants	111.1	0.0	-100.0%
<b>Total</b>	<b>193.6</b>	<b>82.5</b>	<b>-57.4%</b>
<b>Positions</b>			
PFT	0.0	0.0	0.0%
PPT	0.0	0.0	0.0%
<b>Funding</b>			
1004 General Fund	193.6	82.5	-57.4%

~ Federal Student Aid ~

**Synopsis**

This component administers the State Student Educational Incentive Grant (SEIG) program. The goal of SEIG program is to administer federal student financial aid programs to provide the greatest benefit to Alaskan students. This program provides need-based grants of up to \$1,500 per year to eligible low-income students enrolled in full-time undergraduate programs at in-state and out-of-state postsecondary institutions.

the only needs-based student aid program administered by the State.

The FY 98 funding level for this component will allow the Commission to award need-based grants to approximately 162 of the 1,562 eligible applicants.

**Issues**

The state must commit maintenance of effort (MOE) funds of approximately one-to-one in order to qualify for federal funding; therefore, the budget authority for this program is funded with both federal and state funds. This program is

**Changes from FY 97 to FY 98**

FY 97 actual federal funding of \$49,800 for the SEIG program was 50.5 percent lower than the actual funding level in FY 96 of \$100,600. The Commission anticipates an increase over FY 97 actual federal funding for FY 98 and has budgeted at a level consistent with anticipated actual receipts. That will satisfy the MOE requirement of funding at a level at least equal to the prior three-year average.

~ Component Operating Budget ~

Federal Student Aid	FY 97 Final Authorized	FY 98 Request	% Change
<i>Line Items</i>			
Grants	288.5	243.5	-15.6%
<i>Total</i>	288.5	243.5	-15.6%
<i>Positions</i>			
PFT	0.0	0.0	0.0%
PPT	0.0	0.0	0.0%
<i>Funding</i>			
1002 Federal Receipts	125.0	80.0	-36.0%
1003 General Fund Match	163.5	163.5	0.0%

**Appendix A**

### *Alaska Commission on Postsecondary Education*

<i>Member</i>	<i>Seat</i>
Mark Begich, Chair	General Public
Bobette Bush, Vice Chair	Community College
Senator Johnny Ellis	Alaska State Senate
Representative Con Bunde	Alaska House of Representatives
Dr. Milton Byrd	Proprietary Education
Mary Jane Fate	UA Board of Regents
Eric Forrer	UA Board of Regents
Rosa Foster	General Public
Dr. Alice Galvin	Alaska Human Resource Investment Council
Dr. Lydia L. Hays	Private Higher Education
Dr. Roger Jarvis	State Board of Education
Charles H. Parr	General Public
Scott A. Sterling	General Public
Vacant	Student

### *Alaska Student Loan Corporation*

Mark Begich, Chair	Alaska Commission on Postsecondary Education
Eric Forrer, Vice Chair	Alaska Commission on Postsecondary Education
Mark Boyer	Commissioner of Administration
Wilson Condon [Designee: Ross Kinney]	Commissioner of Revenue
Willie Hensley [Designee: Guy Bell]	Commissioner of Commerce and Economic Development

## ~ Mission Statement ~

The Alaska Commission on Postsecondary Education and the Alaska Student Loan Corporation support the development of economically viable, lifelong learners and citizens by providing educational loans to postsecondary students and authorizing the operation of postsecondary institutions.

### Alaska Commission on Postsecondary Education

Statutory responsibilities and duties:

#### *Offer Student Financial Aid by*

- ◆ originating and servicing, for the Alaska Student Loan Corporation, full-time, half-time, teacher scholarship, and family education loans ~
- ◆ originating and servicing Memorial Scholarship loans ~
- ◆ disbursing state and federal grants to low income students ~
- ◆ arranging participation in both the WICHE Professional Exchange and WAMI Medical programs ~

#### *Protect the Consumer by*

- ◆ monitoring school advertising and contracts with students ~
- ◆ handling customer complaints ~
- ◆ assuring loan/tuition refunds and student teach-outs when schools close ~
- ◆ gathering information on funding available to residents of Alaska and disseminating the information to reasonably assure that qualified residents are aware of financial resources available to those attending or seeking to attend postsecondary institutions ~

### *Authorize Postsecondary Institutions within Alaska by*

- ◆ approving institutions for Alaska student loans and Veterans Affairs funding ~
- ◆ providing biennial review and re-authorization for approximately 69 postsecondary institutions or programs ~
- ◆ regulating program and degree offerings ~

### Alaska Student Loan Corporation

Statutory responsibilities and duties:

*Borrow money to carry out the purpose of the Corporation and issue obligations as evidence of that borrowing.*

*Invest or reinvest money held by the Corporation.*

*Enter into agreements with the ACPE relating to the administration of the student loan fund.*

It is the Corporation's intention to maintain a mix between outstanding debt and repayments on loans held by the Corporation until new loan demand can be financed exclusively with loan repayments.

# Alaska Mental Health Trust Authority

Presentation to  
House Finance Committee

January 24, 1997

1

handout  
1/24/97

# Key Terms of Settlement

- Mental Health Trust Lands and associated state lands released for development
- Trust Authority free to use Trust resources to act as a catalyst for change
- Trust Authority funding recommendations considered in a single appropriation bill
- Trust Authority to aid in comprehensive planning for mental health

# Present Challenges

- Assure beneficiaries that they will get the benefit of their bargain
- Work with legislature to make the process succeed
- Encourage innovation and improvements for Alaska's mental health system
- Avoid reinstating the litigation

## Trust Land Management Report Card: FY97

### **INCOME**

- √ Increased Trust land revenues by over 250% from FY95 with receipts coming from activities associated with over 20% of the Trust land portfolio.
- √ Reduced cost of revenue dollar by 31.9%. It cost \$268,000 to produce \$580,500 in 1995, and \$558,000 to produce \$1,450,000 in 1996.

### **SETTLEMENT CLOSURE**

- √ Substantially completed conveyances to Trust: 5,000 parcels, 99 deeds, 1 million acres.
- √ Published regulations for management of Trust lands, with adoption expected in January 1997.

### **LAND**

- √ Actively managing over 130 existing land leases by inspecting sites, enforcing non-compliance and revising agreements as necessary to ensure consistency with Trust management principles.
- √ increased land lease rents from approximately \$170,000 due in 1996 to over \$500,000 in 1997 (over 200 percent increase).
- √ sold 25 subdivision parcels scattered throughout the state.

### **TIMBER**

- √ sold five million board feet of Trust land timber, worth approximately \$1 million, as the first in a series of timber sales at Icy Cape (received approx. \$500,000 in FY96).

### **MINERALS**

- √ managed over 1,500 valid existing mining claims on Trust land.
- √ Commenced Fort Knox gold production, with 100% of royalties paid to the Trust.
- √ Commenced mineral exploration which affect over 100,000 acres of Trust land.

### **COAL, OIL AND GAS**

- √ Facilitated the return of active coal mining to the Matanuska Valley at the Evan Jones mine.
- √ Completed successful Cook Inlet Basin lease sale: 7 tracts, 26,000 acres, \$550,000 bonus bids (\$20 per acre average).

### **OTHER**

- √ received the first donation of real estate to the Trust: 26 acres on the Kenai Peninsula.
- √ Broke the "log jam" of community development requests on Trust land.
  - Granted right-of-way at Thome Bay to Kasaan.
  - Approved sale of overburden dump site to City of Petersburg.
  - Granted rights-of-way necessary for Fort Knox project completion.
  - Processing road improvement rights-of-way in Wasilla, Wrangell, and other communities.
  - Facilitating waterfront re-development in downtown Juneau.

# Community Benefits

- Fairbanks Area: Fort Knox Mine
- Cordova/Yakutat: Johnson Creek Timber Sale
- Moose Pass: Tower Timber Sale
- Matanuska Valley: CIRI and Nerox Coal Leases
- Kenai and Wasilla Areas: Cook Inlet Reoffer Leases
- Juneau: Subport Development
- Petersburg: Rock Pit and Fill Site Lease
- Prince of Wales: Thorne Bay to Kasaan R/W
- Anchorage: School Site Exchange, closed Hiland Road Landfill

# Land Management: Costs and Revenues

	<i>Costs</i>	<i>Revenues</i>
FY95 (6 months)	\$268,000	\$380,000
FY96	\$558,000	\$1,450,000
FY97 budgeted	\$697,500	\$2,000,000
YTD	\$204,790	\$1,101,400

# What we said we would do

- Developing outcome measures and data integration
- Increasing funding for effective and cost-efficient programs
- Decreasing funding for ineffective or unnecessary programs or other costs
- Needs-based funding for services

## AMHTA Report Card: FY97

In its first full year of operations, the Trust Authority:

- ✓ established the Trust's mission and vision;
- ✓ established and adopted an Investment Policy Statement which guides the Trust in cash asset management activities;
- ✓ **adopted an annual payout rate of 3 percent** of the Trust's cash principal balance for funding programs in the Comprehensive Integrated Mental Health Program;
- ✓ **generated \$1.4 million through natural resource development**;
- ✓ provided leadership in developing the state's Comprehensive Integrated Mental Health Program through the adoption of guiding principles, funding strategies, and collaboration;
- ✓ Conducted an outcome measures Training Institute to begin building program accountability;
- ✓ recommended funding for the state's FY97 Comprehensive Integrated Mental Health Program and successfully negotiated its implementation;
- ✓ **committed nearly \$8 million in Trust income** for FY97 to support the state's Comprehensive Integrated Mental Health Program.
- ✓ established protocols for addressing future program funding requests;
- ✓ implemented strategies to ensure the development of better information for decision makers;
- ✓ defined the scope of Trust Authority regulations and implemented a work plan to prepare regulations;
- ✓ developed funding strategies for FY98; and,
- ✓ informed and educated the public, consumers, planning boards, and legislature about the purpose and activities of the Trust.

*For information about the Trust:*

*Alaska Mental Health Trust Authority*  
3601 C St. Suite 742  
Anchorage, AK 99503  
(907) 269-7960 phone  
(907) 269-7966 fax

*For information about Trust land:*

*Alaska Mental Health Trust Land Office*  
3601 C St., Suite 880  
Anchorage, AK 99503  
(907) 269-8656 phone  
(907) 269-8905 fax

# What we will do next

- Close Harborview Developmental Center
- Proceed with API 2000
- Outcome-oriented programs
- Integrated data collection

handout  
1/24/97

# Alaska Mental Health Trust Authority

## Annual Report



September 15, 1996

# Alaska Mental Health Trust Authority

## Vision and Mission

adopted 2/9/96

The Alaska Mental Health Trust Authority administers the Mental Health Trust established in perpetuity. It has a fiduciary responsibility to its beneficiaries to enhance and protect the Trust and to provide leadership in advocacy, planning, implementing, and funding of a Comprehensive Integrated Mental Health Program to improve the lives and circumstances of its beneficiaries.

### Members of the Alaska Mental Health Trust Authority

Nelson Page, Chair	<i>Anchorage</i>
Kay Burrows	<i>Anchorage</i>
Tom Hawkins	<i>Anchorage</i>
John Malone	<i>Bethel</i>
John Pugh	<i>Juneau</i>
Evelyn Tucker	<i>Anchorage</i>
Phil Younker	<i>Fairbanks</i>

### STAFF TO THE ALASKA MENTAL HEALTH TRUST AUTHORITY

Jeff Jessee	<i>Executive Director</i>
Mary Elizabeth Rider	<i>Planner</i>
Bill Herman	<i>Planner</i>
Gil Nelson	<i>Clerk</i>
Betty Sorensen	<i>Administrative Manager</i>

# Alaska Mental Health Trust Authority Annual Report

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## Executive Summary

## **Executive Summary**

### ***Purpose of the Annual Report***

Each year, the Alaska Mental Health Trust Authority writes a report to the Governor, legislature, the beneficiaries, and the public. In this, the Trust Authority's second year of operation, the Trustees are pleased to inform readers about the activities of the Trust Authority, the status of the Comprehensive Integrated Mental Health Program, and the separate appropriation that pays for services in the mental health program. This report features for the first time some comparative and descriptive information about the Trust's beneficiaries: information about age, ethnicity, education, gender, marital status, living circumstances, employment, income, and services needed and used. This information has assisted the Trustees in planning budget priorities for the coming fiscal year. The Trustees believe that Alaska's policy-makers will find this information of use as they consider the separate appropriation for the Comprehensive Integrated Mental Health Program for fiscal year 1998 (FY98).

### ***Overview of Trust Authority Activities***

The purposes of the Alaska Mental Health Trust Authority (Trust Authority or AMHTA) are to ensure the proper management of Trust assets, recommend the separate appropriation of general funds and spend Trust income to ensure the creation of a Comprehensive Integrated Mental Health Program to improve the lives and circumstances of the beneficiaries. The beneficiaries include Alaskans who experience:

- mental illness;
- mental retardation or similar disabilities;
- chronic alcoholism with psychosis; or,
- Alzheimer's disease or related dementia.

The Comprehensive Integrated Mental Health Program contains many services from institutions to community services, and includes prevention and family support as critical components of the total service array. The state's mental health program continues to require change to meet the needs of the Trust's beneficiaries and other Alaskans who require similar assistance.

## AMHTA Report Card

In its first full year of operations, the Trust Authority:

- √ established the Trust's mission and vision;
- √ established and adopted an Investment Policy Statement which guides the Trust in cash asset management activities;
- √ **adopted an annual payout rate of 3 percent** of the Trust's cash principal balance for funding programs in the Comprehensive Integrated Mental Health Program;
- √ **generated \$1.4 million through natural resource development;**
- √ provided leadership in developing the state's Comprehensive Integrated Mental Health Program through the adoption of guiding principles, funding strategies, and collaboration;
- √ recommended funding for the state's FY97 Comprehensive Integrated Mental Health Program and successfully negotiated its implementation;
- √ **committed nearly \$8 million in Trust income** for FY97 to support the state's Comprehensive Integrated Mental Health Program.
- √ established protocols for addressing future program funding requests;
- √ implemented strategies to ensure the development of better information for decision makers;
- √ defined the scope of Trust Authority regulations and implemented a work plan to prepare regulations;
- √ developed funding strategies for FY98; and,
- √ informed and educated the public, consumers, planning boards, and legislature about the purpose and activities of the Trust.

Four Governor-appointed boards plan services for the Trust's beneficiaries: the Alaska Mental Health Board (AMHB), Governor's Council on Disabilities and Special Education (Governor's Council), Alaska Commission on Aging (ACoA), and the Governor's Advisory Board on Alcoholism and Drug Abuse (ABADA). The Trust Authority spearheads the efforts of these planning boards in ensuring the creation of an adequate mental health program. To do this effectively, the Trust must work to ensure that providers, administrators, and consumers are generally in agreement about the problems, the number of people affected, the impact of these problems on beneficiaries, and solutions. Significant effort has been spent during the last year clarifying the Trust's role in relation to state administrative agencies, the planning boards, and consumers of services.

### ***Managing Trust Assets***

The Trustees have contracted with the Alaska Permanent Fund Corporation for the management of the cash principal of the Trust. The Trust earns a pro rata share of the total earnings of the Permanent Fund. To ensure consistent contributions from the Trust to support the mental health program, the Trustees adopted an annual payout rate of 3 percent of the Trust's cash principal balance. This net income is then available in subsequent fiscal years to fund mental health program expenses.

The Trustees have contracted with the Department of Natural Resources for the management of the Trust land. The portion of the revenue from the land which is attributable to income is also available in subsequent fiscal years to support the mental health program. The Trust Land Office has significantly increased Trust revenues from the land and is preparing a long term development plan for these assets. In addition, the Trust Land Office has released proposed Trust land management regulations for public comment.

This asset management structure will ensure a steady and increasing funding source for mental health services in perpetuity. The Trustees will further refine and integrate the management of these assets to maximize the return for the beneficiaries.

### ***Developing the Comprehensive Integrated Mental Health Program***

Good planning and decision-making begin with good information. The Trustees have learned a great deal about the beneficiaries and the mental health program over the last year but believe that more must be done to provide the quality of information needed for the difficult decisions that lie ahead.

Most of the planning boards rely on national prevalence data, sometimes without much adaptation for Alaska's unique problems and conditions. Information on service utilization is primarily from the public sector, increasing the difficulty of determining how public and private services can be integrated. Different data systems are uncoordinated and often cannot provide even an unduplicated count of who is being served. Most importantly to the Trustees, more focus must be placed on identifying and measuring the consumers outcomes attained because of publicly funded services.

Improvements in these information systems are in progress. The Department of Health and Social Services is developing a comprehensive data integration system. The planning boards and other departments are moving toward more reliable data gathering and reporting methods. In addition to supporting many of these efforts with Trust income, the Trustees will conduct a training institute in fall 1996 to focus attention on the need to develop consumer outcome measures for program planning and evaluation.

The Trustees continue to work in conjunction with the Department of Health and Social Services as it develops a Comprehensive Integrated Mental Health Plan. This document, titled In Unison, will provide policy direction for future mental health program development and budget recommendations.

## ***Funding the Mental Health Program***

### **FY97 Mental Health Program Funding**

For FY97 the Trustees allocated nearly \$8 million in Trust income to support the state's mental health program. These funds leveraged an additional \$2.4 million in GF/MH funding and \$1.5 million in Alaska Housing Finance Corporation receipts. The results from this partnering include:

- continued phase-out of Harborview Developmental Center as a residential facility for beneficiaries;
- support for key prevention programs such as Healthy Families Alaska;
- funding mini-grants for essential beneficiary services such as eyeglasses, hearing aids and dental care;
- increased direct services such as respite care, vocational services, emergency care for chronic alcoholics, treatment for people with dual diagnoses, care coordination for seniors, psychiatric nursing services for prisoners, and infant learning;
- Trust funding for innovative systems change such as a case management system for seriously emotionally disturbed youth, improvements in management information systems, and quality assurance monitoring;
- capital funding for facility renovation and construction, including a new adult day care center in Chugiak to be built with Trust income;
- funding for housing accessibility modifications; and
- development of integrated transportation systems to better utilize vans and other beneficiary transportation systems.

### **FY98 Mental Health Program Funding**

The Trustees have reviewed budget recommendations from the four planning boards and the Departments which serve the beneficiaries. Despite a projected population increase of 2 percent and inflation rate of 3.5 percent, the Trustees recommend General Fund/Mental Health (GF/MH) operating budget increases of approximately 4.4 percent. The Trustees believe that by carefully targeting these funds and Trust income, the overall quantity, quality and efficiency of services to the beneficiaries can be increased. The Trustees have already allocated nearly \$1 million of Trust income to enable the state to complete the phase-out of the Harborview Developmental Center in FY98 without increasing the need for GF/MH funds for that purpose.

In addition, the Trustees recommend a GF/MH capital budget of approximately \$4.7 million and the use of \$4.5 million of Alaska Housing Finance Corporation receipts to be matched by \$2.3 million in Trust income. This capital funding package is necessary to maintain the mental health program infrastructure and further management information system development.

The Trustees will supplement this report as they allocate additional Trust income for FY98.

## **Overview of the Trust**

### ***Vision and Mission***

The Alaska Mental Health Trust Authority administers the Mental Health Trust established in perpetuity. It has a fiduciary responsibility to its beneficiaries to enhance and protect the Trust and to provide leadership in advocacy, planning, implementing, and funding of a Comprehensive Integrated Mental Health Program to improve the lives and circumstances of its beneficiaries.

### ***Background***

The seven Trustees of the Alaska Mental Health Trust Authority manage the Alaska Mental Health Trust for its beneficiaries. The Trust was established before statehood by the Alaska Mental Health Enabling Act of 1956.

The purpose of the Enabling Act in 1956 was to authorize the Territory to bring home Alaskans with mental disabilities who had been sent Outside and to ensure the creation of a Comprehensive Integrated Mental Health Program for all Alaskans. The beneficiaries of the Trust include Alaskans who experience:

- mental illness;
- mental retardation or similar disabilities;
- chronic alcoholism with psychosis; or,
- Alzheimer's disease or related dementia.

The Comprehensive Integrated Mental Health Program contains many services from institutions to community services, and includes prevention and family support as critical components of the total service array.

### ***Settlement Framework***

The state originally selected 1,000,000 acres of federal land for the Trust. But breaches of the state's fiduciary duty and mismanagement resulted in the best half of that land being removed from the Trust for parks, local governments and private ownership. A lawsuit, Weiss v. State, was filed and in 1985 the Alaska Supreme Court ordered that the Trust be restored.

In 1994 the lawsuit was settled. The Trust was recreated with:

- 500,000 acres of remaining original Trust land;
- 500,000 acres of replacement land; and a
- \$200 million cash endowment.

The Trustees were appointed to ensure proper asset management and to ensure the creation of a Comprehensive Integrated Mental Health Program. To accomplish this goal, other significant changes to the state's planning and budgeting process were made and include:

- A Comprehensive Integrated Mental Health Program planning process led by the Department of Health and Social Services in conjunction with the Trust Authority;
- Trust Authority coordination and review of budget recommendations developed by the four planning boards;
- A separate appropriation bill based upon the recommendations of the Trust Authority for state general fund support of the operating and capital expenses of the mental health program; and,
- Spending of Trust income by the Trustees to help ensure a Comprehensive Integrated Mental Health Program.

### ***Duties of the Trust Authority***

*Enhance and Protect the Trust.* Trustees have a fiduciary obligation to ensure that the Trust's assets are managed in a way that will provide funding for services to beneficiaries in perpetuity.

*Spend Trust Income.* Income from Trust land and financial investments pays for services in the Comprehensive Integrated Mental Health Program; to adjust the principal of the Trust for inflation; and to pay for the cost of managing the Trust's assets and for the Trust Authority.

*Provide leadership in advocacy, planning, implementing, and funding of a Comprehensive Integrated Mental Health Program.* The Trust Authority coordinates with state agencies about programs that affect beneficiaries. Trustees consider recommendations from four Governor-appointed boards and commissions in funding services to beneficiaries from Trust income, and in recommending the state's General Fund/Mental Health budget in their Annual Report. The Trust Authority's recommendations are brought forward as a separate appropriation bill before the legislature. Trustees, members of the four ensure boards, consumers, and providers work with the administration and legislature to ensure adequate funding for the Comprehensive Integrated Mental Health Program through this separate appropriation and the expenditures of Trust income by the Trustees.

**The Year In Review**

## ***The Year in Review***

### ***FY96 Trust Activities***

Significant accomplishments of FY96 include establishing a vision and mission; planning the Comprehensive Integrated Mental Health Program in conjunction with the Department of Health and Social Services; conducting successful budget negotiations for the FY97 Comprehensive Integrated Mental Health Program; establishing protocols for addressing future program funding requests; defining the scope of Trust Authority regulations; using Trust income to supplement the FY96 budget; informing and educating the public about the Trust and Trust Authority activities; and managing the Trust's cash and land assets including the adoption of an Investment Policy Statement.

#### Establishing a Mission and Vision

In February 1996, Trustees established the Trust's vision and mission:

*The Alaska Mental Health Trust Authority administers the Mental Health Trust established in perpetuity. It has a fiduciary responsibility to its beneficiaries to enhance and protect the Trust and to provide leadership in advocacy, planning, implementing, and funding of a Comprehensive Integrated Mental Health Program to improve the lives and circumstances of its beneficiaries.*

#### Managing Trust Assets

To manage Trust cash assets, the Trust Authority contracts with the Alaska Permanent Fund Corporation (APFC). The APFC invests the Trust principal, and re-invests a portion of the Trust's income to inflation-proof Trust assets. The Trustees contracted with the Alaska Permanent Fund Corporation to manage the \$200 million cash principal along with the Permanent Fund. The Trust earns its pro rata share of Permanent Fund income and pays its share of expenses. Further discussion of Trust fund management follows on p. 9.

To manage the land assets, the Trust Authority contracts with the state's Department of Natural Resources. A separate Mental Health Trust Land Office manages 1 million acres of land, assuring that the land is maintained, improved, and generates revenue for the Trust. The Trust Land Office consults with Trustees on lands activities such as timber, real estate, minerals and coal, oil and gas development. Trustees must approve exchanges of Mental Health Trust land. The Mental Health Trust Lands Office is fully funded with Trust income. In future years, revenue from Trust lands is expected to provide an increasingly important contribution to Trust income and principal. Further discussion of natural resource management follows on p. 12.

### Planning the Comprehensive Integrated Mental Health Program

The Department of Health and Social Services is charged by statute to write a plan describing the Comprehensive Integrated Mental Health Program in conjunction with the Alaska Mental Health Trust Authority. Trustees funded half of a two-year position to write a plan documenting the existing system and proposing changes to the program. Trustees and Trust Authority staff work closely with the Department in coordinating data collection, and ensuring that the Department's plan complements the plans of the four planning boards.

### Negotiating FY97 funding for the Comprehensive Integrated Mental Health Program

To recommend a base level of state general fund support for the mental health program, the Trustees considered historical state spending, reviewed recommendations made by the ACoA, AMHB, ABADA, and Governor's Council, and considered input from the Departments of Health and Social Services, Corrections and Administration. The Trustees recommended a continuation of the state's past base level of general fund/mental health (GF/MH) funding of \$110 million for FY97.

The Trustees proposed funding strategies to further the state's efforts toward de-institutionalization and provide community based services as close to beneficiaries' homes as possible. It focuses on early intervention and increasing the ability of beneficiaries to remain as independent as possible, thereby reducing the demand for expensive services.

Recommendations by the four planning boards identified a substantial unmet need far past the Trust's funding capacity. The Trust Authority proposed operating budget increments of about \$4.9 million in GF/MH funding and the expenditure of \$1.9 million in Trust income: a total of \$6.8 million. The Trustees recommended nearly \$7 million in capital investments, including nearly \$2 million from the Trust.

The Governor submitted a mental health operating budget which included some of the Trustee's recommendations for funding program improvements but also contained reductions in some core mental health services. Members of the legislature retained one reduction in service, but worked closely with the Trustees and the administration to respond to the needs of Trust beneficiaries. The legislature and Governor increased the state's GF/MH contribution to meet the operating expenses of the mental health program by over \$2.3 million, and the capital costs associated with the mental health program by almost \$1.8 million in Alaska Housing Finance Corporation funds and \$75 thousand GF/MH funds. To assist the Governor and legislature in their decisions to commit increased state funds in a time of declining oil revenues, the Trustees committed over \$7.9 million in Trust income to the comprehensive mental health program in both operating and capital expenses. In total, the state's operating budget for the mental health program increased by over \$6 million. The capital budget is \$5.8 million, two-thirds of which are Trust funds. Two tables describing the mental health budget follow on pages 7 and 8.

### Establishing protocols for addressing program funding requests

The Trustees adopted and implemented policies and procedures for making funding recommendations and responding to funding requests. The Trust has five ways to recommend GF/MH funding and to obligate Trust Income. These are the Request for Recommendations process resulting in the separate Mental Health Appropriation Bill; Small Projects funding; Emergency Requests; Special Issues funding; and projects that result from negotiations with the Governor and legislature.

### Defining the scope of Trust Authority Regulations

The Trust Authority is responsible for promulgating regulations relating to the Comprehensive Integrated Mental Health Program and to spending Trust funds. Regulations must address, but are not limited to:

- definitions of mental health disorders and services;
- procedures by which an aggrieved person or group who believe they have not received services that should be provided from the Trust may apply to the Authority for redress;
- allowing and encouraging entities providing trust funded services to integrate those services with other community human services funded by other sources;
- administrative adjudication procedures, including but not limited to the acceptance of applications for integration of services, investigations, hearings and the issuance of administrative orders;
- establishing a process for long range planning for expenditures from the mental health trust income account;
- criteria for determining the nature and extent of necessary services and related expenses to be funded from the trust;
- mechanism for charitable contributions to the Trust; and
- provisions for the administration of grants and contracts made with Trust income.

### Mental Health Program operating expenses FY96

In early 1996, the Trustees were made aware of a funding deficit in a program that provides substantial services to children who have autism. Due to changes in federal funding, the Alaska program's funding was reduced substantially. To ensure that services continued uninterrupted in the last quarter of FY96, the Trust guaranteed just over \$27,000 to the program, matched by \$10,000 from the Division of Mental Health and Developmental Disabilities.

With intensive, individualized, and focused intervention, autistic children ages two to five may have their autism substantially reduced or eliminated. This allows children to participate more fully in their communities and schools at significantly reduced costs to the education and human service systems. Services are provided by volunteers with professional oversight, for which families pay \$200 per month.

### Informing and educating the public

To learn about the needs of beneficiaries and inform them about the Trust's role and activities, the Trustees conduct Town Meetings in each community in which they meet. The Trust Authority has published two information sheets about the purpose of the Trust and budget process, occasional flyers describing the status of the budget, and a calendar of meetings relevant to the Department, four boards, and Trust Authority.

### ***FY97 Trust Strategies***

In July 1996, the Trustees set the following objectives for their work in FY97.

- Increase the Trust Authority's leadership role in developing the Comprehensive Integrated Mental Health Program.
- Better define the scope of the Comprehensive Integrated Mental Health Program. Identify the current public costs of the system and where funding allocations could be changed to improve program effectiveness and efficiency.
- Ensure that beneficiaries have access to necessary integrated services--regardless of their location and across service systems.
- With the four planning boards and administrative agencies, identify and understand outcomes for beneficiaries and other consumers of services.
- To obtain adequate baseline data about the number of beneficiaries who use or require services in FY97.
- Complete and adopt Trust Authority program regulations by July 1997.
- Increase and enhance communications between the Trust and beneficiaries.
- Put in place agreements and procedures defining roles in tracking Trust fund expenditures in state programs with program administrators.
- Successfully establish and implement a budget that improves the state's Comprehensive Integrated Mental Health Program.
- Maintain a successful integrated strategic plan for cash and land management.
- Coordinate with the AMHB and DHSS to assist in current planning for acute and long term care for people with mental illness in the Alaska Psychiatric Institute (API).

The Trustees established a budget with the Governor and legislature to fund the FY97 Comprehensive Integrated Mental Health Program. A summary of the Trustee's recommendations for improving the mental health program and the final budget outcomes follow. The mental health program is reviewed on page 30. A forecast of the numbers of people who need services, including descriptions of beneficiaries' service use and life circumstances, is found on pages 16 and following.

Operating increments FY97

Dept.	BRU/ Component	Service	AMHTA Recs. 10/31/95	Final MHTAAR	Final GF/MH
DOA	Senior Services	Care Coordination/ Purchased Services for Seniors	\$900.0	\$0.0	\$250.0
DOA	Senior Services	Increased Respite for Seniors	200.0	0.0	0.0
DOA	HCB Services	Training on ADRD		40.0	
DOA	HCB Services	Data Management Project for ADRD		217.0	
DOC	Statewide Operations	Prison Mental Health Psychiatric Residency Program	30.0	0.0	0.0
DOC	Statewide Operations	Psychiatric Nurse Assistants for Women Offenders	80.0	0.0	80.0
DOC	Statewide Operations	Needs assessment for MIS		50.0	
DHSS	State Health Services	Healthy Families Program	250.0MH	150.0	0.0
DHSS	Health Grants	Infant Learning Program Grants	740.0	0.0	150.0
DHSS	Health Grants	Pediatric neurodevelopmental assessments & genetic services		70.0	
DHSS	ADA Grants	MH/Chronic Alcoholism Dual Diagnosis Treatment	368.0	0.0	100.0
DHSS	ADA Grants	Emergency Care for Chronic Alcoholics	254.6	0.0	110.0
DHSS	ABADA	Capital needs assessment project		50.0	
DHSS	Psych Emerg Services	Mental Health Crisis Respite	750.0	0.0	250.0
DHSS	Psych Emerg Services	Diversion from Hospitalization	0.0	0.0	150.0
DHSS	Services to CMI	12 Sourdough residents to community placement	385.0MH	0.0	385.0
DHSS	Desig Eval & Treatment	MH Voluntary/Involuntary Inpatient Care	750.0	0.0	0.0
DHSS	SED Youth	Case management project for youth		150.0	
DHSS	Gen. CMHC	Quality assurance monitoring for adult mental health services		60.5	
DHSS	DPA Admin	Case Mgmt for SSI Benefit Re-determination		25.0	
DHSS	ADA Admin	Case Mgmt for SSI Benefit Re-determination		50.0	
DHSS	DD Cmty Grants	Partial restoration of Governor's HDC 2nd year decrement (-585.0)	0.0	0.0	305.0
DHSS	DD Cmty Grants	8 HDC residents to community placement	310.0MH	0.0	310.0
DHSS	DD Cmty Grants	DD Respite services	425.0	0.0	250.0
DHSS	DD Cmty Grants	1 time respite for infants & toddlers		150.0	
DHSS	DD Cmty Grants	DD Vocational services	500.0	150.0	0.0
DHSS	Inst & Admin	API Equipment	0.0	37.5	0.0
DHSS	Inst & Admin	Feasibility study for API		50.0	
DHSS	Inst & Admin	Onetime Harborview offset for ongoing program increments elsewhere	0.0	1,250.0	0.0
DHSS	Inst & Admin	Onetime Harborview flow through for community placement of residents	0.0	695.0	0.0
DHSS	Medical Assistance	Essential Medicaid services for beneficiaries (glasses, hearing aids, dental care, & occupational therapy)	1,000.0MH	0.0	0.0
DOR	AMHTA	Mini-grants to Trust beneficiaries		1,000.0	
			GF/MH	\$4,997.6	\$4,295.0
Mental Health Trust Authority Authorized Receipts (MHTAAR or MH)				\$1,945.0MH	\$2,340.0

NOTE: This table does not reflect cuts to GF/MH base made by Governor and Legislature.

Capital expenditures FY97

Dept.	Description	AMHTA Recs. 10/31/95	Final MHTAAR	Final GF/MH	Final AHFC
DOA	Construction of new Adult Daycare Facility in Chugiak	933.2	919.0	0.0	0.0
DOA	Planning for remodel of new Adult Daycare Facility in Palmer	60.0	81.0	0.0	0.0
DOA	ADRD Remodel/Renovation in Sitka, Fairbanks, Palmer, Juneau Pioneer Homes	271.9MH 271.9	271.9	0.0	271.9
DOC	Plan for coordinated services & MIS development		100.0		
DHSS /DOA	Remodel/Renovation competitive grants	250.0MH	250.0	0.0	0.0
DHSS	Vehicles for Coordinated Transportation Services	500.0MH 500.0	500.0	0.0	0.0
DHSS	Data Integration Project	75.0MH 75.0	75.0	75.0	0.0
DHSS	ADA Mandated upgrades -Mental Health Facilities	300.0	0.0	0.0	0.0
DHSS	Moving/Renovation of MH clinic in Aniak	125.0MH	125.0	0.0	0.0
DHSS	Clinic addition/renovation in Ketchikan	212.0MH	212.0	0.0	0.0
DHSS	Program modifications of agency & state DD facilities	200.0	0.0	0.0	0.0
DHSS	Crisis Respite of MH clinics - Replacement/Renovation	500.0	200.0	0.0	0.0
DHSS	ADA Mandated upgrades - Alcohol/Drug Facilities	300.0	0.0	0.0	0.0
DHSS	Emergency Services (Detox) Modifications	150.0MH	150.0	0.0	0.0
DHSS	Remodel/Renovation of existing alcohol/drug facilities	750.0	300.0	0.0	0.0
DHSS	Construction new/replacement alcohol/drug facilities	1,000.0	0.0	0.0	0.0
DHSS	MIS upgrade for Division of ADA		200.0		
DHSS	Adaptive equipment for people with developmental disabilities	150.0MH 150.0	0.0	0.0	0.0
DHSS	Beneficiary special needs housing (home improvements/modifications for accessibility)	250.0MH 250.0	250.0	0.0	250.0
DHSS	Adult special needs housing	0.0	0.0	0.0	1,250.0
Mental Health Trust Authority Authorized Receipts (MHTAAR or MH)		1,833.9	3,633.9		
GF/MH		5,290.1		75.0	
Alaska Housing Finance Corporation					1,771.9

## ***Trust Fund Investment and Income***

The Trustees may use net income from Trust land and financial investments to: financially assist in implementing the Comprehensive Integrated Mental Health Program; to adjust the cash principal of the Trust for inflation; and to pay for the cost of managing the Trust's assets and the Trust Authority.

### **Investment Strategies: Cash Assets**

The Alaska Mental Health Trust Authority has the fiduciary obligation to ensure that the cash assets of the Trust are managed in a way that will ensure funding for services to current and future beneficiaries.

The Trust Authority has three investment pools with APFC to manage Trust cash assets. The *Principal Account*, which was an existing account, includes the original settlement amount and inflation proofing based on the United States Consumer Price Index. The *Net Income Investment Account* holds the fiscal year earnings for payout following final APFC account audits. Payments are made based on the Trust's Spending Policy outlined in the Investment Policy Statement attached in the appendix. Because the Trust Authority cannot spend funds placed in the Principal Account, Trustees established the *Principal Reserve Account* to meet future inflation proofing and spending needs when the current fiscal year earnings do not meet spending policy requirements.

The Trust Authority has contracted with the Alaska Permanent Fund Corporation (APFC) to manage Trust cash assets. The APFC commingles the Trust investments of the Principal, Principal Reserve and Net Income Investment Accounts with APFC funds for investment purposes, and receives a pro rata share of the Permanent Fund earnings, and pays a pro rata share of APFC expenses.

The Trustees have determined that the projected levels of variability of returns, projected asset class allocation (APFC Resolution 96-4 as adopted) and liquidity are within the Trust Authority's desired risk tolerance, time horizon and needed investment return as outlined in the Investment Policy Statement (IPS).

### **Investment Policy Statement**

During FY96, the Trustees established an Investment Policy Statement to assist the Trustees in effectively supervising, monitoring and evaluating the investment of the AMHTA's principal and principal reserve assets in the Mental Health Trust fund. This Investment Policy Statement was formulated by the Trustees after considering the financial implications of a wide range of policies, and describes the prudent investment process that the Trust Authority deems appropriate.

### Spending Policy

In adopting a spending policy within the IPS the Trustees outlined four objectives:

1. Follow a spending policy based upon realized return.
2. Maintain the purchasing power of the fund (inflation proofing).
3. Apply a smoothing rule to mitigate the effects of short-term market volatility on spending.
4. Maintain a constant funding support ratio by providing a steady reliable income stream from the Trust cash principal and land income to ensure the implementation of a Comprehensive Integrated Mental Health Program for the beneficiaries.

Investment returns may vary dramatically from year to year. If Trustees were to spend the annual net investment return of the fund after inflation proofing, the spending amount would fluctuate significantly. Therefore the Trustees have adopted an equilibrium (fixed percentage) spending policy based upon the year end value of the fund.

The targeted annual disbursement rate for the Trust fund is three percent (3%) of the aggregate cash principal and principal reserve account balance as reported by the APFC's Annual Audit Report at the close of the fiscal year. This three percent disbursement, plus 100 percent of the same fiscal year revenue from Trust lands allocated as income, constitutes the available funds for use by the Trustees in subsequent fiscal years to ensure the implementation of a Comprehensive Integrated Mental Health Program.

The AMHTA may adopt an equilibrium spending rate based upon an average of several years (three to five) of the fund's market value. The Trust does not have enough history yet to implement this policy.

### Assets, earnings, and expenditures: FY95 and FY96

In FY95, the \$200 million cash principal of the settlement earned the 6 month Treasury Bill rate through the Department of Revenue's (DOR) General Investment Pool. This allowed the Trust funds to earn a fixed return with no risk to cash principal until the Trustees were appointed to assume full responsibility for Trust management. The Trustees transferred the \$200 million to the APFC into the Mental Health Trust Principal account. In FY95, the Trust earned approximately \$6,786,900 in interest and \$388,200 for Trust land fees, rents, royalties, and sales. Of the revenues generated from Trust lands, \$29,500 was allocated as cash principal based on state law and Trust Authority policy. The Trustees established inflation-proofing as the first priority for use of the Trust income and transferred \$3,533,000 to the APFC Mental Health Trust Principal account to adjust for FY95 inflation. Trust income also paid \$155,000 for the Trust Authority FY95 administrative budget. At the beginning of FY96, the AMHTA accounts had a balance of:

DOR Income Account	\$3,457,678.00
DOR Principal Account	29,503.00
APFC Principal	\$200,000,000.00
APFC FY95 Inflation Proofing	3,533,000.00

In FY96, the Trust principal earned, while in DOR, approximately \$364,000 in interest. The Trust Land Office generated approximately \$1,460,000 for Trust land fees, rents, royalties and sales. Of the Trust land revenues, \$667,500 for Trust land timber and gravel sales were allocated as principal. The total earnings of Mental Health Trust funds with APFC are now approximately \$23,949,000.

Trust income obligated for FY96 included allocations for Trust Authority administration of \$745,808; DNR Mental Health Trust Land Office of \$560,000; and for an emergency grant to the Center for Psychosocial Development's Autism Intensive Early Intervention Program (IEI), of \$27,202. The total allocations of Trust income for FY96 were \$1,333,010.

Based on the unmet needs faced by the beneficiaries, the current spending policy and strategic asset allocation objectives adopted by the Trustees, there are no unused or unallocated Trust funds that will be unnecessary to meet the projected operating and capital expenses of the Comprehensive Integrated Mental Health Plan.

#### Assets, earnings, and expenditures: FY97

For FY97, the Trustees have obligated a total of \$9,639,900 of Trust income. Of those funds, \$3,633,900 pays for capital expenses associated with the Comprehensive Integrated Mental Health Program; \$4,295,000 is for operating expenses associated with the mental health program; \$70,000 pays for small projects; \$50,000 funds the Training Institute on consumer outcomes; \$697,500 operates the Mental Health Trust Land Office; and \$893,500 funds Trust Authority administration.

#### Future assets, earnings, and expenditures

In fiscal years 1998 through 2000, the Trust Authority expects to achieve an annual rate of 8.36 percent return on Trust cash assets invested with the APFC before adjustments for inflation and expenses. This expectation is based on APFC's strategic asset allocation as described in APFC Resolution 96-4. The Trust also expects an average increase of about 18 percent per annum in revenue generated from Trust land fees, rents, royalties and sales.

From FY97, expenditures for future years are projected to be consistent with the Trust Authority's Investment Policy Statement. The Trust Authority's administrative budget will remain at approximately \$900,000 with a 1 to 2 percent increase per year. The Trust Land Office anticipates a significant increase in FY98 based on expenditures related to the asset management plan. The Trustees expect to complete and approve this plan in FY97. In FY99 and beyond, Trust Land Office operating costs should remain relatively constant, subject to inflation or to address unanticipated opportunities.

## ***Natural Resources Development***

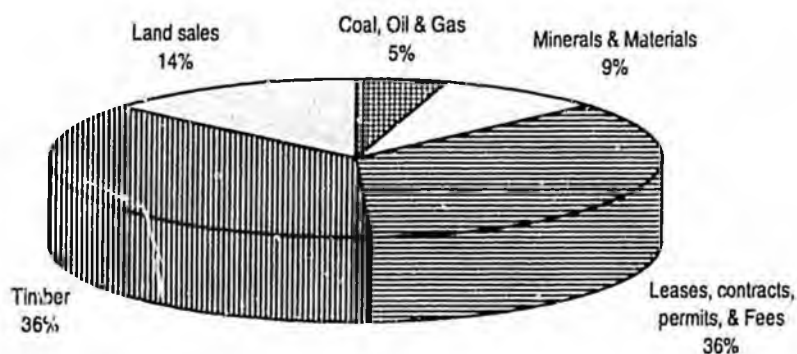
The Alaska Mental Health Trust settlement legislation requires that the Department of Natural Resources (DNR) manage Alaska Mental Health Trust land under contract to and on behalf of the Alaska Mental Health Trust Authority. In 1995, the Mental Health Trust Land Office was established within DNR. The Trust Land Office is responsible for management of Trust land in a manner that is consistent with provisions of law applicable to other state land, unless doing so proves inconsistent with Trust management principles set forth by the Alaska Mental Health Enabling Act.

When making management decisions regarding Trust Land, the Trust Land Office considers, at a minimum, these Trust management principles:

- undivided loyalty to the Trust and its beneficiaries;
- maximization of long term revenues from Trust land;
- protection and enhancement of the long term productivity of Trust land;
- avoidance of secondary and cumulative negative impacts on Trust land;
- encouragement of a diversity of revenue-producing uses on Trust land; and
- management of Trust land in a prudent, efficient and accountable manner.

In addition to the Trust management principles outlined above, Trust Land Office activities are guided by an annual contract negotiated with the Trust Authority. The contract sets specific goals and objectives to be accomplished by the Trust Land Office and identifies the costs of achieving those goals.

Revenues from FY96 Trust Lands



### FY96 accomplishments

The key goal for 1996 was to generate over \$1 million in revenue for the Trust at a cost of no more than \$700,000. The Trust Land Office exceeded this goal by generating approximately \$1.4 million in revenues at a cost just under \$560,000. The principal sources of 1996 revenue were timber sales, land leases and mining claims as described in the figure above. Other accomplishments are summarized below:

### **Trust Land Management Report Card**

#### *INCOME*

- √ Increased Trust land revenues by over 250% from FY95 with receipts coming from activities associated with over 20% of the Trust land portfolio.

#### *SETTLEMENT CLOSURE*

- √ completed final preparations for the conveyance of approximately one million acres to the Alaska Mental Health Trust Authority.
- √ published regulations for management of Trust lands, with adoption expected by January 1997.

#### *LAND*

- √ actively managed over 130 existing land leases by inspecting sites, enforcing non-compliance and revising agreements as necessary to ensure consistency with Trust management principles.
- √ increased land lease rents from approximately \$170,000 due in 1996 to over \$500,000 in 1997 (over 200 percent increase).
- √ initiated a school site land exchange with the Municipality of Anchorage.
- √ sold 25 subdivision parcels scattered throughout the state.

#### *TIMBER*

- √ sold five million board feet of Trust land timber, worth approximately \$1 million, as the first in a series of timber sales at Icy Cape (received approx. \$500,000 in FY96).
- √ completed an assessment of Trust land statewide timber resources for use in developing long-term timber management strategies.
- √ sold 324,000 board feet of Trust land timber at Moose Pass.

#### *MINERALS*

- √ managed over 1,500 valid existing mining claims on Trust land.
- √ approved mineral policies and initiated a program to encourage mineral exploration interest in Trust land.
- √ monitored Fort Knox developments and prepared for commencement of gold production and associated royalty payments.
- √ issued three mineral exploration licenses which affect over 20,000 acres of Trust land.

#### *COAL, OIL AND GAS*

- √ leased 1,600 acres of Trust oil and gas resources involving three leases in the Cook Inlet region.
- √ facilitated the assignment of two coal leases containing Trust land and the issuance of a coal mine permit in the Matanuska Valley.
- √ prepared to offer for lease in December 1996 approximately 70,000 acres of Trust land in the Cook Inlet Basin.

#### *OTHER*

- √ ensured that applicants for use of Trust land pay the actual cost of processing the use applications.
- √ completed a full set of color, GIS Trust Land maps to identify Trust land locations and opportunities.
- √ developed and implemented standard form documents to be used in Trust land transactions, including lease, sale, assignment, license and rights-of-way documents.
- √ received the first donation of real estate to the Trust: 26 acres on the Kenai Peninsula.

### FY97 goals

Primary FY97 Trust Land Office goals are to adopt regulations by January 1997; increase revenues by 38 percent to \$2 million with operating costs of less than \$700,000; and to develop a long-term asset management plan with the Trustees. Revenue increases will be related primarily to the new waterfront lease in Juneau and gold royalties associated with the Fort Knox mine. The Trust Land Office will place emphasis on developing new opportunities associated with timber, oil, gas and mineral resources, as well as actively managing existing permits, leases and contracts. Adoption of regulations is necessary to facilitate increased revenue production.

### Beyond FY97

Beginning in FY98, the Trust Land Office intends to manage Trust land in accordance with the adopted regulations and the long-term asset management plan. Revenues are expected to increase by an average of about 18 percent through 2001. While operating costs will increase in FY98 and likely remain stable through 2001, the Trust Land Office expects to make significant investments in the development of new revenue-generating activities consistent with the asset management plan approved by the Trust Authority. Examples of investments are real estate subdivision costs, minerals marketing costs and increased timber sale planning.

**Context For Planning**

## ***Context for Implementing the Comprehensive Integrated Mental Health Program***

### ***Overview***

The Department of Health and Social Services, in conjunction with the Trust Authority, is responsible for writing a plan that describes the Comprehensive Integrated Mental Health Program. The Comprehensive Integrated Mental Health Program includes more than traditional mental health services. It includes services for people who have mental illnesses, developmental disabilities, alcoholism, Alzheimer's disease and related dementia, and services for children, youth, adults, and seniors with mental disorders. The mental health program also includes but is not limited to 24-hour emergency services; screening and evaluation services required for involuntary commitment; inpatient care; crisis stabilization; a variety of treatment, case management, daily structure and support, residential, vocational, outpatient screening, and diagnostic services; prevention and education services; and the administrative costs of providing services.

According to statute, the Comprehensive Integrated Mental Health Program must give priority in service delivery to persons who, as a result of a severe and pervasive disorder, may require or are at risk of hospitalization; or experience such major impairment of self-care, self-direction, or social and economic functioning that they require continuing or intensive services. The Comprehensive Integrated Mental Health Program includes services to non-beneficiaries.

### ***Guidelines for Establishing Services***

To establish service priorities for the Comprehensive Integrated Mental Health Program, the Trust Authority and four boards each follow their own principles and guidelines. Each board or commission has general principles in common with the others. The boards base service priorities on all or a combination of several of these:

- state plans for services;
- documented need from providers and advocates;
- documented need from beneficiaries, from testimony and waiting lists;
- whether services meet that board's desired outcomes and service principles;
- whether the service has been funded historically in the GF/MH base;
- whether the service enhances the level of care received by beneficiaries in their community; and
- whether eligibility for the service or benefit is based on criteria other than Trust beneficiary status.

The Trust Authority's guidelines are derived from the settlement statute, which states in part:

*...provision of services shall be based on the principle that services paid for from the trust are provided to recipients as close to the recipient's home and family as practical with due consideration of demographics, mental health service requirements, use of mental health services, economic feasibility, and capital expenditures required for provision of minimum levels of service...AS 47.30.046(b)(5)*

### Guiding Principles

In February 1996, the Trust Authority adopted guiding principles for the Comprehensive Integrated Mental Health Program, the plan that describes the program, and Trust funding. These principles serve as a guide for recommending program changes and funding, and will be reviewed annually. The guiding principles are:

<i>CREATING THE COMPREHENSIVE PLAN</i>	
<u>Agent for change</u>	The plan is for use as an agent for change.
<u>Inclusion</u>	Planning needs to be an inclusive process—including inviting many people to participate in the process.
<u>Common principles</u>	The plan should use principles shared by Boards and administration, such as providing services close to home, etc.
<u>Outcome-oriented</u>	The plan should be oriented to consumer functional outcomes rather than defined by detail/process.
<u>Data</u>	There must be accurate data for planning use. The purpose of this data is to assist in creating & evaluating the comprehensive plan.
<u>Measurable</u>	The plan must have benchmarks and be measurable.
<u>A blueprint</u>	The plan should be a working document and used as a blueprint to work from, toward funding, priority, concepts of service rather than too many specifics.
<i>COMPREHENSIVE PROGRAM</i>	
<u>Innovation</u>	An integrated Mental Health Program must be innovative, imaginative, and forward thinking.
<u>Integration</u>	Integrating services and resources where efficiency, effectiveness, and access are enhanced is a priority.
<u>Early intervention and prevention</u>	The mental health program may include services for populations broader than the beneficiary groups without expanding beneficiary group definitions. It could include prevention or early intervention services for persons at risk of becoming beneficiaries. The Trust considers prevention of these conditions, where possible, to be part of its mandate.
<u>Education</u>	Educate the public and beneficiaries regarding the needs of the beneficiaries, resources available to meet those needs, and strategies for prevention.
<u>Targeted resource use</u>	We should target time-limited resource use at appropriate level at time of need in order to prevent higher level long term use of resources.
<u>Customer driven services</u>	The program is for beneficiaries, not services, and is of value to individuals/ families/ groups of beneficiaries.
<u>Parity</u>	Program outcomes address service system parity.
<i>FUNDING SYSTEM</i>	
<u>Time-limited</u>	We maximize Trust income for time-limited short term operating and capital funds, using general fund-mental health for ongoing funding.
<u>Change agent</u>	Trust income is used for Comprehensive Integrated Mental Health Program change.
<u>Funding is customer-driven</u>	The funding system provides consumers with a choice of services and providers. Program funding should follow customers.
<u>Cost sharing</u>	Beneficiaries should share the costs of services.

## ***Forecast of the Number of Persons Requiring Services***

### **Defining the beneficiaries of the Trust**

Alaska Statute 47.30.056 defines the four groups of people considered Trust beneficiaries, usually described as people with mental illness, developmental disabilities, Alzheimer's disease and related dementia (ARD), and chronic alcoholics with psychosis. To further define these populations, the Trust asked the relevant planning boards to explain how they each define the beneficiary groups for which they plan.

Each board defines the group for which they plan slightly differently, which results in significantly different counts of beneficiaries and the services they use.

Each board defines the group for which they plan slightly differently, which results in significantly different counts of beneficiaries and the services they use. For example, one board defines the group of Trust beneficiaries for which it plans by medical diagnosis as identified by providers in treatment, and further screens them by behaviors they must exhibit. Individuals with similar needs but who have different diagnoses are not considered to be Trust beneficiaries. Another board uses a functional definition to identify and describe beneficiaries and their needs, and does not consider diagnosis significant. Tables describing the differences between the Trust's statutory descriptions of the beneficiaries and the boards' descriptions and interpretations follow in the appendix.

To identify the number of beneficiaries, three of the four boards use variations on national prevalence data. The Advisory Board on Alcoholism and Drug Abuse provided national data, but is refining that information to ensure its relevance to Alaska. This information about chronic alcoholics with psychosis is particularly suspect because the federal agencies proposing the prevalence rate use indicators that are different from those of the state's Advisory Board on Alcoholism.

Alaska-specific prevalence data are difficult to identify, however, and each board uses a combination of the national data compared with use of some services by the people they define as Trust beneficiaries. Each board and the state departments and divisions which administer the services state that the information they have available is less than accurate. Prevalence data is not necessarily an indicator of service need, however. Some individuals do not need publicly funded services because they have private supports. Conversely, some require assistance but do not seek out help from which they could benefit. Alaska's alcoholics, for example, do not identify substance abuse treatment as a need in proportion to federal prevalence estimates.

If the prevalence data were correct, then almost 69,000 Alaskans would have been beneficiaries of the Alaska Mental Health Trust in 1995—fully 11 percent of the state's population.<sup>1</sup>

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<sup>1</sup> Williams, J.G. (1996). Alaska Population Overview: 1995 estimates. State of Alaska, Department of Labor: Juneau.

## Prevalence Estimates of Trust Beneficiaries

<i>Beneficiary group</i>	<i>age group</i>	<i>FY95 prevalence</i>	<i>Totals</i>
People w/ mental illness	3-18	9,322 <sup>2</sup>	
	19+	19,645 <sup>3</sup>	
<i>subtotal</i>			28,967
People w/ DD <sup>4</sup>	birth-2	626 <sup>5</sup> -3,500	
	3-21	3,165-3,500 <sup>6</sup>	
	22-64	6,527	
	65+	468	
<i>subtotal</i>			10,786
Chronic alcoholics with psychosis	adults	26,280 <sup>7</sup>	
<i>subtotal</i>			26,280
People with ADRD	65-74	757 <sup>8</sup>	
	75-84	1,184	
	85+	840	
<i>subtotal</i>			2,781
<b>Total</b>			<b>68,814</b>

<sup>2</sup> The Alaska Mental Health Board used both draft federal Substance Abuse and Mental Health Services Administration (SAMHSA) national estimates and state DMHDD estimates of prevalence of serious emotional disturbance among children.

<sup>3</sup> AMHB used draft SAMHSA prevalence estimates to determine the number of Alaskan adults who are beneficiaries of the Trust. AMHB applied that estimate to the non-military population of the state, and considers 93% of the resulting population to be Trust beneficiaries based on a sample of community mental health center client bases. The number of adults with mental illness that AMHB does not consider to be Trust beneficiaries is 1,479. Using the same process, AMHB considers 702 children and youth with severe emotional disturbance to be outside of Trust beneficiary status.

<sup>4</sup> The actual prevalence rate of children with developmental disabilities may be much higher than the national average. Approximately 2,400 births per year of babies with fetal alcohol-related neurological deficits (State Division of Alcoholism and Drug Abuse, according to Governor's Council report). As many as 19,570 Alaska children experience health problems requiring special care (Dick, S.E., 1992, An Estimate of the Number of Children with Special Health Care Needs in the State of Alaska, University of Illinois: Chicago). According to the Division of Public Health, Section of Maternal, Child and Family Health, roughly 3,500 infants and toddlers require early intervention services to prevent or ameliorate disabilities, reducing the need for more intrusive and extensive supports, not 626 as national prevalence rates would imply.

<sup>5</sup> Gollay, E. (1981). Summary report on the implications of modifying the definition of a developmental disability. U.S. Department of Health, Education, and Welfare.

<sup>6</sup> 3,500 children with developmental disabilities received services through the public education system in FY95. Department of Education, Annual Data Reports Part 1: 1994-95 School Year, Juneau, Alaska, as reported by the Governor's Council. 12,815 children with disabling conditions were served solely within the educational system, comprising 6.83% of the population of all children and youth ages 3 through 21.

<sup>7</sup> Grant, B.F. et al (1992). Prevalence of DSM-IV alcohol abuse and dependency. NIAAA Epidemiological Bulletin (35). According to the federal National Institute on Alcoholism and Alcohol Abuse, 4.38% of Americans are considered to be alcohol dependent using criteria similar to that of ABADA's definition of a chronic alcoholic with psychosis. The national criteria are slightly more generous than the ABADA's definition of a chronic alcoholic with psychosis, so the percentage could be considered slightly higher than actual prevalence. At the same time, the percentage could be considered conservative. It is based on national demographics which are not entirely relevant to the state of Alaska, which has a lower African American population base and a significantly higher population of Alaska Natives. Statistically, Alaska Native people have higher addiction rates. ABADA staff believe that the 4.38% prevalence rate is fairly accurate, although they will be adjusting the rate in the next few months to test accuracy.

<sup>8</sup> Estimates derived from Evans, D.A. et al. (1990) Estimated prevalence of Alzheimer's Disease in the United States. The Milbank Quarterly v.68(2):267-290, as cited by ACoA.

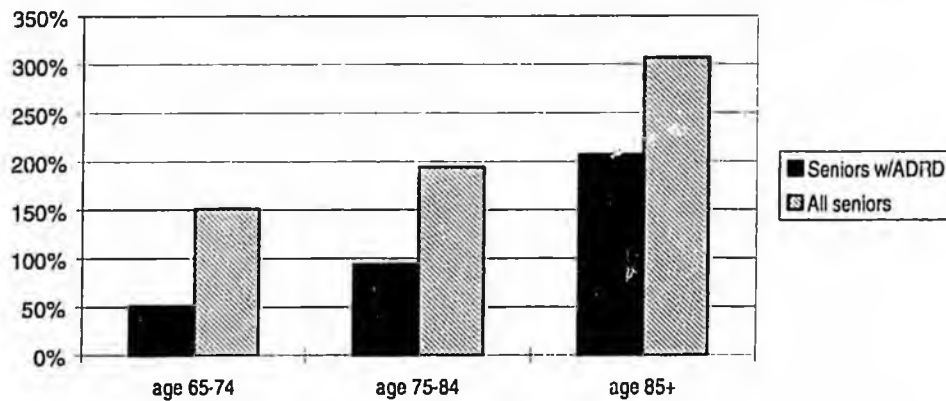
The Trustees intend to continue to persuade the system to develop more accurate, consistent, and comprehensive information. Some planning and funding issues, however, rise from existing information. For example, when prevalence data are overlaid with estimates of senior population growth in the next fifteen years, it can be seen that the demand for services for people with Alzheimer's disease and related dementia (ADRD) will increase significantly. The following table describes projected growth of the numbers of older Alaskans and Alaskans with ADRD based on Department of Labor population statistics and the national prevalence data estimates for ADRD.

**Population increase 1995 to 2010  
Estimated percent**

	All seniors	Seniors w/ADRD
age 65-74	151%	51%
age 75-84	194%	94%
age 85+	307%	207%
total 65+	172%	116%

Presented graphically, the same information shows a substantial impending growth.

**Alaska's senior population and people with ADRD: Growth projections 1995 to 2010**



Use of Services by Trust Beneficiaries

<i>Trust beneficiaries served in FY95</i>	<i>Service type</i>	<i>People with mental illness</i>	<i>People with developmental disabilities</i>	<i>Chronic alcoholics with psychosis</i>	<i>People with Alzheimer's disease and related dementia</i>
<i>Children</i>	residential care	153			
	foster care	241	30		
	AK Youth Initiative	126			
	psychiatric hospital care	120			
	Dept. of Education	711	3,500		
	CMHCs	2,605			
	Infant Learning Program		1,291		
	DD services		762		
<i>Adults</i>	corrections	1,531		1,346	
	CMHCs	5,289			
	Hospital DET	113			
	API	826			
	DD services		768		
	Harborview Dev. Ctr.		36		20
	substance abuse treatment			1,289	
	home & community based senior services				557
Pioneer Home services				488	

It would appear simple to compare the prevalence estimates of beneficiaries to the number of people using services. Unfortunately these numbers cannot yet be compared effectively. Some issues that came forward as the four boards grappled with identifying the numbers of people for whom they plan and consumers' needs for services included: types of information the boards collect, the information that is available, accuracy of data, and duplication of information.

First and foremost is the types of information the four boards collect. Some boards collect information about service use from entitlement programs, such as education, vocational rehabilitation, and financial assistance, for which beneficiary status is not a requirement. Others do not collect similar kinds of information, or the information for that group does not currently exist. Establishing service parity among beneficiary groups based on this information becomes difficult at best.

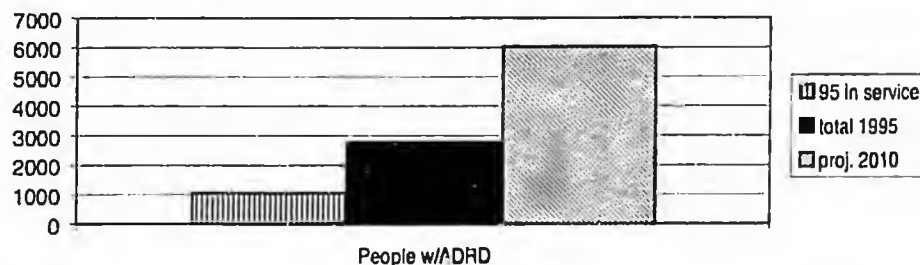
Public funding for services carries with it some demand by the state to collect information about the people who receive these services. However, while the state funds a substantial number of services to thousands of Trust beneficiaries, many people receive services and supports outside the state system. Other important providers of services are Indian Health Services/tribal health providers, the military, and private, for profit providers. Information on the number of people served by these systems and the kinds of services provided has rarely been available to the four boards.

Data inaccuracy stems from a variety of problems. State divisions have no or few mandates to capture comprehensive information, particularly about programs not funded by the state. Even when state divisions mandate data for funding, programs rely on direct service and line staff to collect information. Such staff may be reluctant to diagnose or label the people whom they assist, or do not identify data collection as an important part of their job. Aggregation of data is highly technical, requiring specialized staff with well-considered relational databases. Many of the state's databases were developed when computer sophistication was less than it is now, and require substantial upgrades. Other state sources of information are counted by hand or on spreadsheets, allowing many possibilities for error.

The departments and divisions administering funding have different reporting requirements, and have rarely coordinated with each other enough for the boards to identify an unduplicated count of people receiving services across more than one service category. Indeed, providers sometimes have participated in data efforts unwillingly, contributing to data inaccuracy or lack of data. Even when unduplicated counts within divisions or programs exist, they usually do not include information that assists in planning or projecting service needs over time.

Existing prevalence and service use information does, however, reveal some utilization issues. Individuals become beneficiaries due to genetics, accidents, abuse, illness, organic brain syndromes, or as a result of addiction. Their use of services depends very much on the type of disorders they have and the services that are available to them. When we consider the projected growth of Alaska's population of senior citizens and of people with Alzheimer's disease and related dementia, and compare that with service use in FY95, we see a dramatic increased need coming quickly.

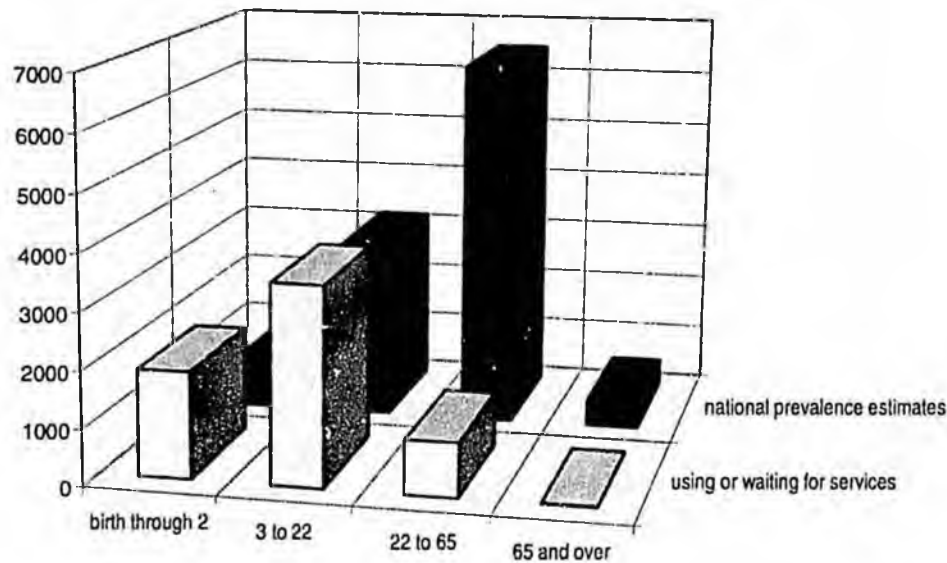
ADRD population v. service availability



Since fewer than half of people with ADRD receive services now, it is clear that Alaskans with ADRD will have an unprecedented need for services when their numbers triple in the next 12 years.

Comparing national prevalence data for people with DD and the numbers of people with developmental disabilities using or seeking services beyond the mental health program, it is clear that the national prevalence statistics undercounts children with developmental disabilities in Alaska. At the same time, adults with developmental disabilities appear significantly underserved.

**Alaskans with developmental disabilities:  
Comparing prevalence estimates v. service use in FY95**

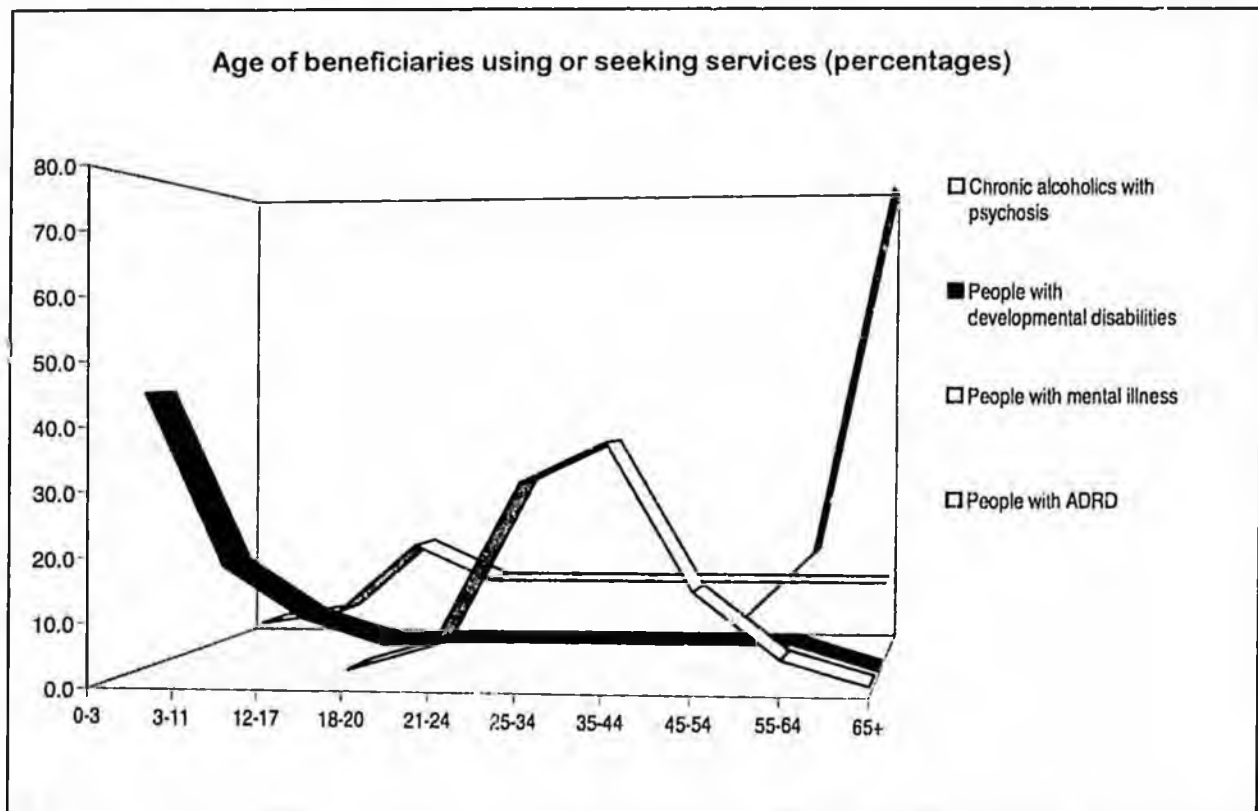


It is not clear whether adults with developmental disabilities seek or use fewer services because they do not require additional assistance following intervention in their youth, if their families and communities are able to provide minimal or adequate supports, or if they do not expect state-funded supports. It is possible that applying the national prevalence rate of 1.8 percent of the state's population of adults may overestimate the number of adults with developmental disabilities.

The Trustees are assisting the Department of Health and Social Services by funding a study of options for the replacement of the Alaska Psychiatric Institute. This study will examine and compare the costs of operating institutional beds and community services for the target populations.

## Demographics: The Lives and Circumstances of Trust Beneficiaries

Information about the Trust's beneficiaries is received by the four boards from a variety of sources, mostly provider surveys and self-reporting by consumers. The available information is of limited use because it cannot be generalized statewide. This section offers some approximate information about the lives and circumstances of the Trust's beneficiaries based on reports from the Alaska Mental Health Board (AMHB), Alaska Commission on Aging (ACoA), Advisory Board on Alcoholism and Drug Abuse (ABADA), and Governor's Council on Disabilities and Special Education (Governor's Council). The senior service system has not historically tracked the life circumstances of people with ADRD; therefore, information about this group is largely excluded from the following pictorial discussion of demographics. The true demographics of the Trust's beneficiaries could change dramatically if information about private use of services were available. Trust beneficiaries with higher levels of income could use privately funded services rather than publicly funded services. Their service use is not reflected in this report, and requires further research.

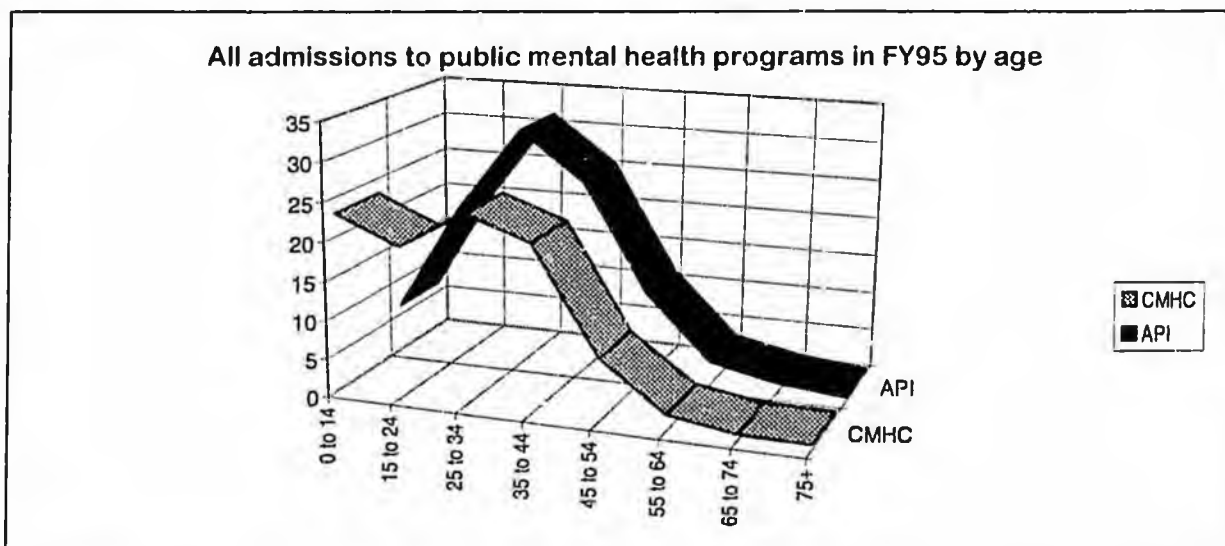


Trust beneficiaries require services at different times in their lives, depending on their disabling conditions. Information about service use by age reflects the onset of disabling conditions, help-seeking behavior, and service availability. For example, Alzheimer's disease and related dementia affect adults exclusively.

Developmental disabilities are identified before an individual reaches age 22, usually when the people who experience them are quite young. The parents of infants and toddlers with disabilities and delays seek services aggressively. These children receive significant support through the public education system, and either require, receive, or seek fewer services as they age.

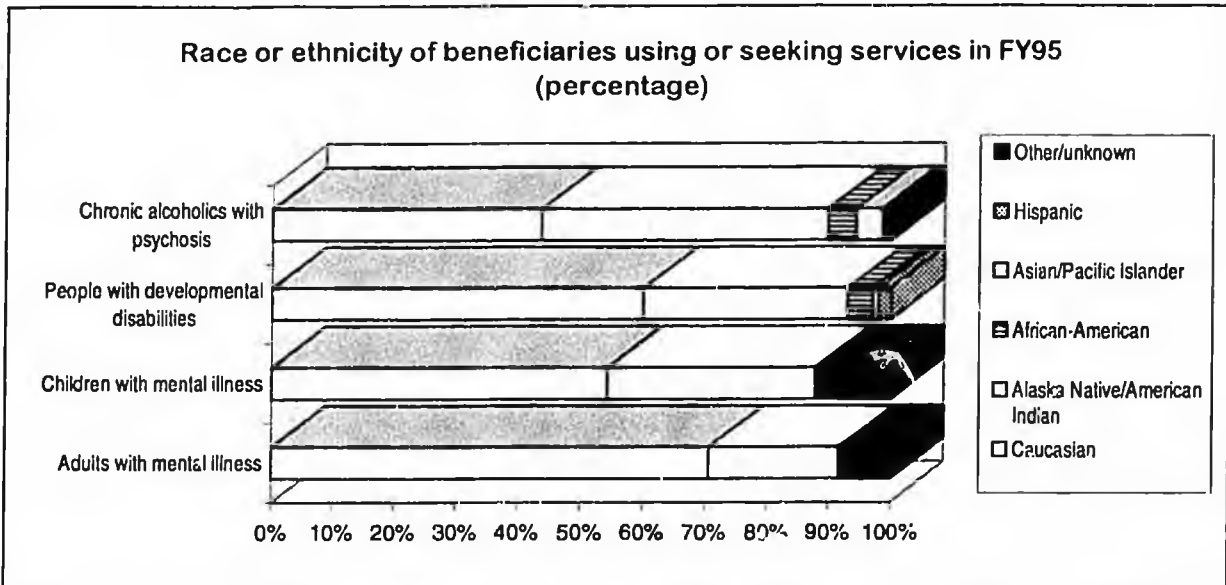
People with chronic alcoholism who use state-funded services are distinct in their age group. Virtually all are in their middle adulthood by the time their addiction is considered chronic and they develop psychosis because of their substance abuse.

Mental illnesses often appear in adolescence and early adulthood, as demonstrated by information summarized by the AMHB. Admissions data show consistent service use patterns at specific ages, according to the Division of Mental Health and Developmental Disabilities (DMHDD). If the number of people who have mental illness is similar to the number of people who use mental health services, it would appear that Alaskans with mental illness discover and adjust to their mental illnesses over the course of their young and middle adulthood.

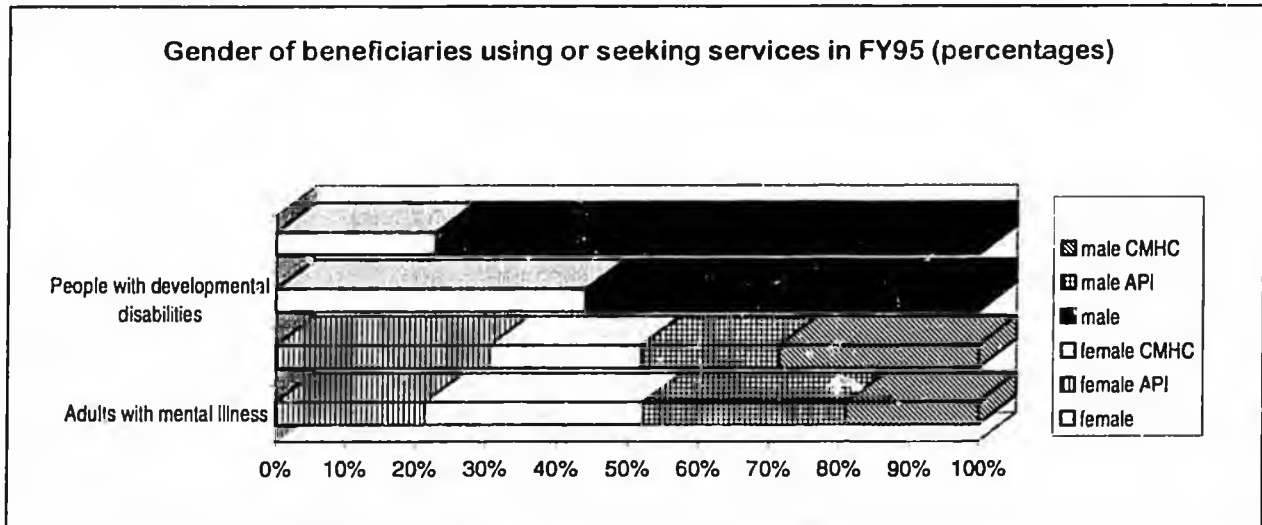


Although the state's population of Caucasians is about 75 percent, they make up less than that percent of Trust beneficiaries who use publicly funded services. Alaska Natives appear to be significantly over-represented as Trust beneficiaries in using publicly funded services compared to their population in the state. This presents questions about the nature and diagnoses of the disabling conditions which beneficiaries experience: socioeconomic status, cultural disruption, genetic predisposition, environmental affects, and over- and under-diagnosis.

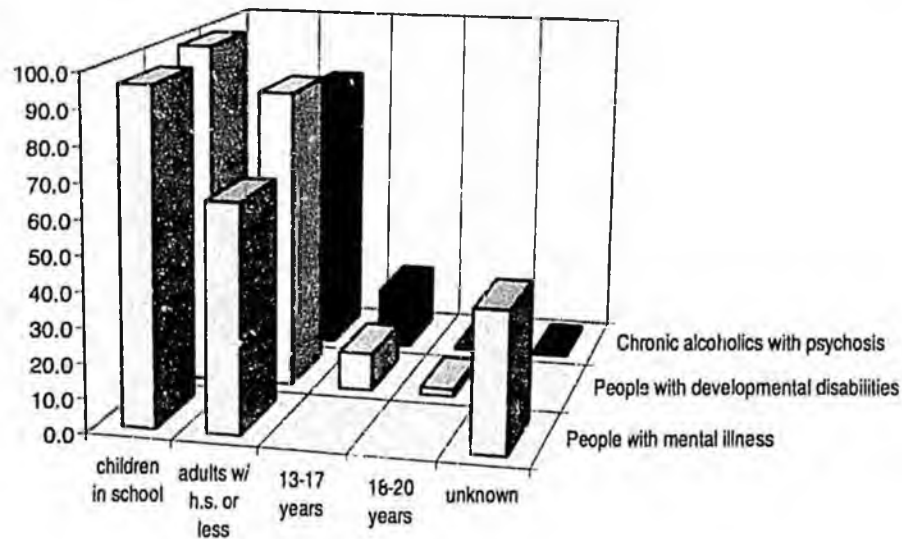
Inadequate information is available about people of other ethnicities who have mental illness, and no information is currently available about the ethnicity of people with ADRD.



It appears that adults with mental illness use institutional and community mental health services quite differently than do children and youth. Children use Alaska Psychiatric Institute (API) at a much higher rate than do adults. Males and females use API and Community Mental Health Centers (CMHCs) at inverse proportions depending on their age. This gender and age differential in service use bears further study. Gender information about people with ADRD was not available for this report.



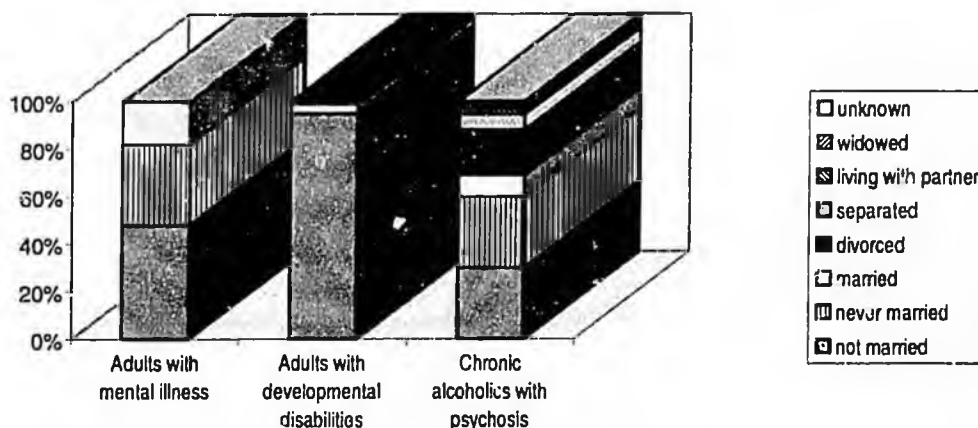
**Educational status of beneficiaries using or seeking services in FY95  
(percentages)**



The years of education mean different things based on beneficiary group. All children with special needs are entitled to a free, appropriate public education until age 22. For most, that means up to 17 years of education to complete high school. By contrast, 13 to 17 years of education for other beneficiaries probably means college education. We have no information about education past high school for adults with mental illness who use publicly funded services, and no information about the educational status of people with ADRD. It appears that a significant number of beneficiaries do not have higher education. This limits their lifetime capacity to become economically independent, forcing them to use public services.

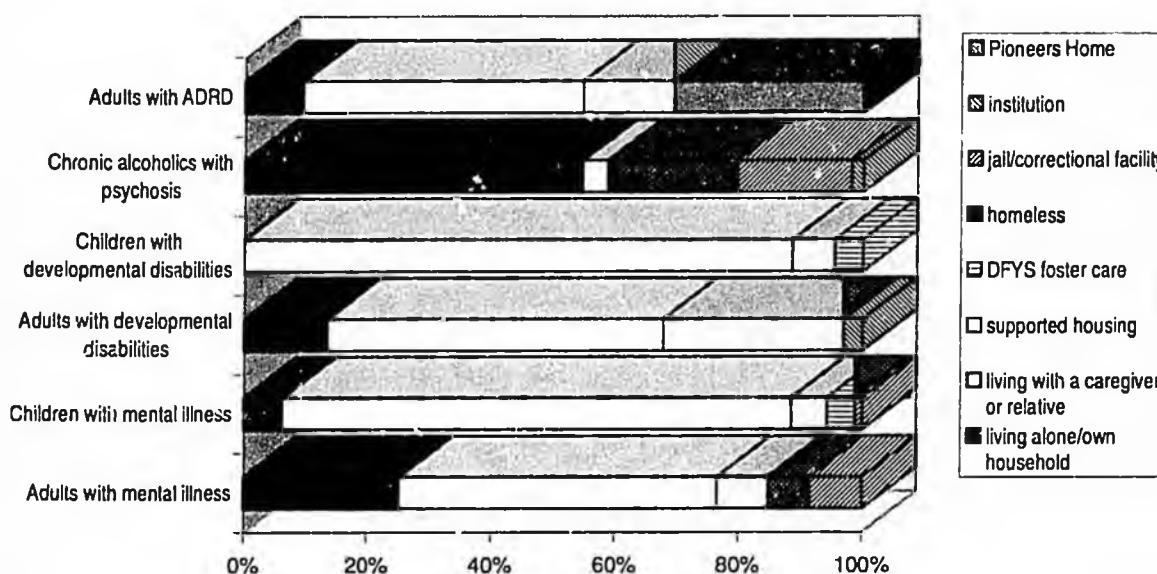
It is encouraging to note that children with mental illness or developmental disabilities who use publicly funded services appear to stay in school rather than dropping out.

**Marital status of beneficiaries using or seeking services in FY95 (percentages)**

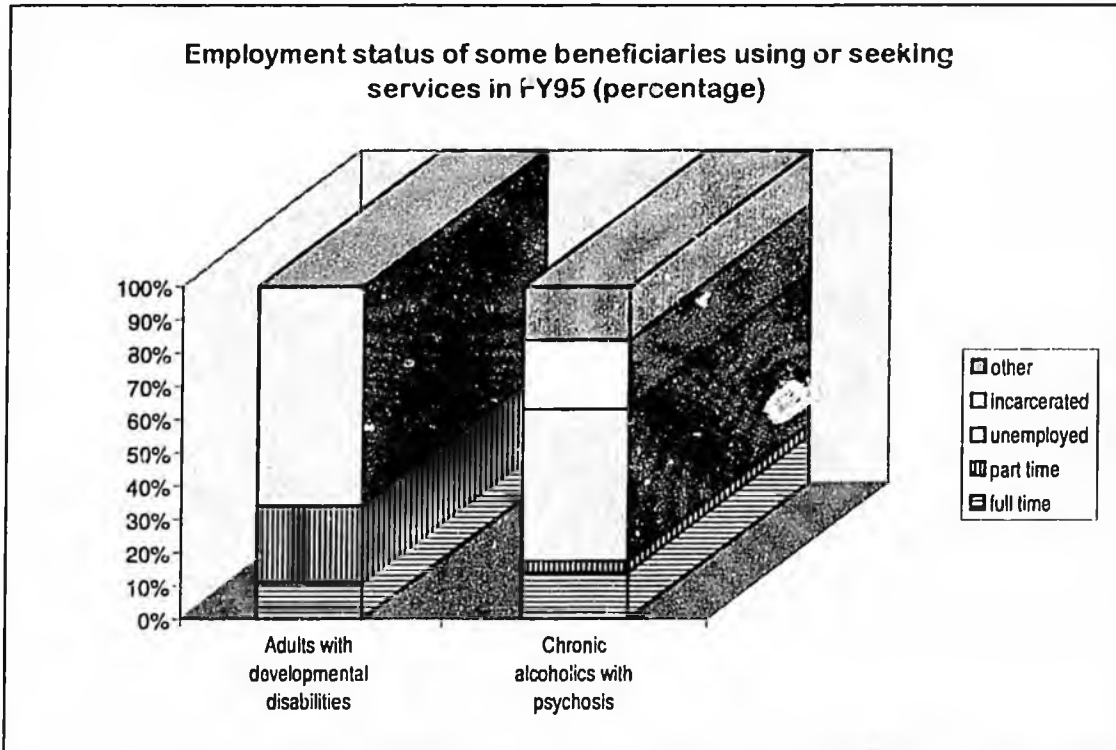


It is striking that all three groups of beneficiaries above are relatively unattached, with very limited primary relationships to assist them in their daily lives. Trust beneficiaries who do not use publicly funded services may, however, demonstrate different relationship status. This information is more interesting when compared with the living circumstances of beneficiaries, which follows.

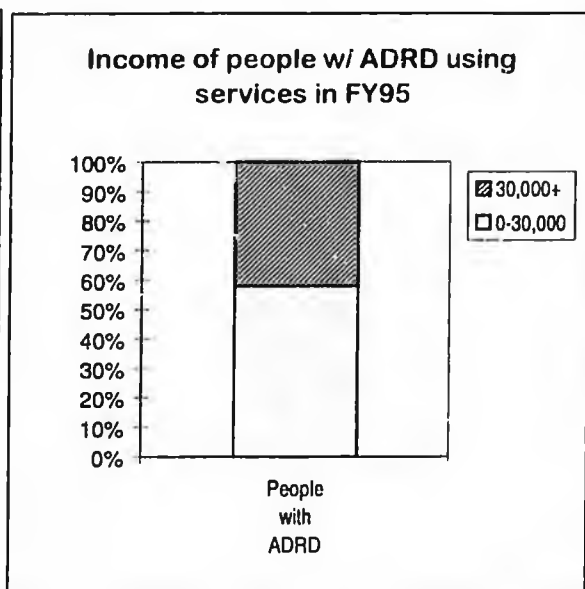
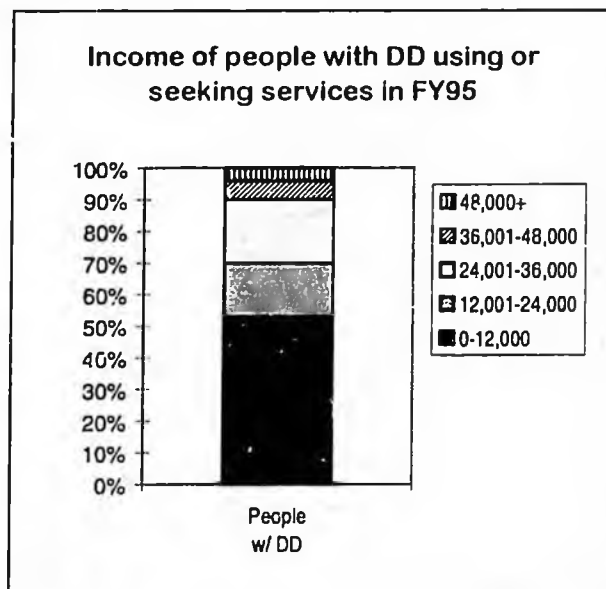
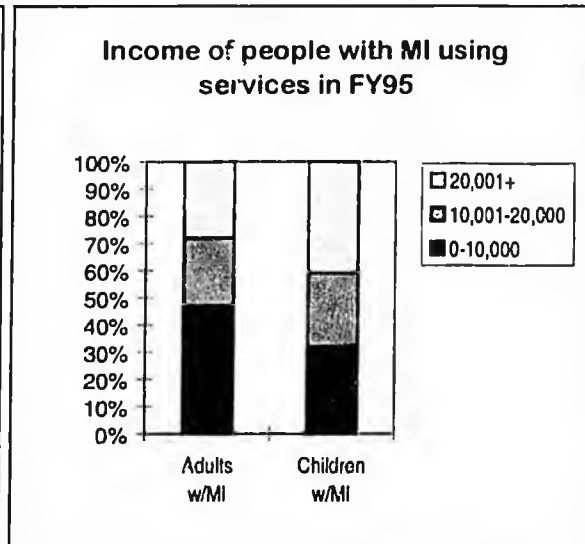
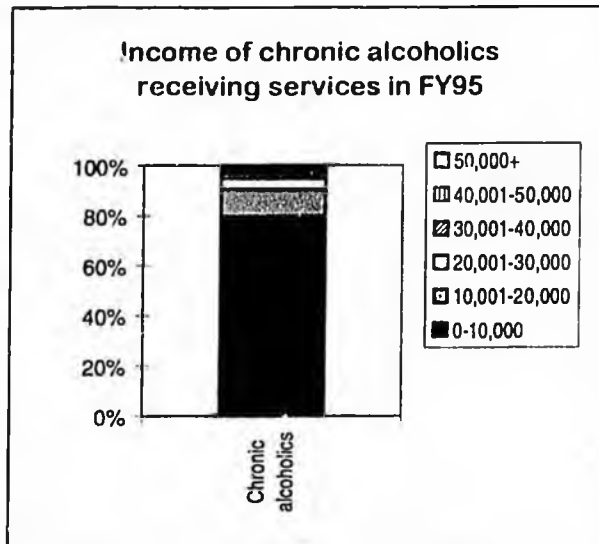
**Living circumstances of beneficiaries using or seeking services in FY95 (percentages)**



All four groups of beneficiaries require some support in their daily living by definition. From provider surveys, it appears that most receive some living supports through family, community based care, or facility based providers. Chronic alcoholics with psychosis appear to be unique in their social isolation.



People with developmental disabilities who use publicly funded services are employed more than are chronic alcoholics with psychosis. It will be important to compare employment rates with chronic alcoholics post-treatment, and to compare these rates with those of people who have mental illness. As one might expect, most people with Alzheimer's disease and related dementia are retired.



Trust beneficiaries who use publicly funded services are notable because of their poverty. However, the Trust Authority has no information about individuals who paid for or used services in the private sector or about incomes above the poverty level for people with ADRD or mental illness who use publicly funded services. It is likely that individuals who have more income make higher use of private services, and are not adequately reflected in the data currently available to the Trust Authority. Beneficiaries with low incomes could also have low levels of employment and education. For example, a chronic alcoholic is not likely to participate in a work setting consistently—nor is an adult with active psychosis. For some beneficiaries, the cost of care related to their long-term condition requires them to quickly spend down resources to become eligible for public assistance. We hope in the future to compare income levels with costs of care and payment for services.

## ***Review of the Mental Health Program***

### Describing the current program

The Department of Health and Social Services and Trust Authority are for the first time defining the scope of Alaska's Comprehensive Integrated Mental Health Program.

This program includes a variety of services which were conceived, developed, and implemented for widely differing reasons. Most informal surveys of policy makers, program administrators, service providers, and consumers of services will quickly result in concerns that Alaska's service systems are not coordinated with each other, and that the systems contain substantial gaps. A new approach to these systems is necessary as the numbers of beneficiaries continue to grow, populations continue to have significant unmet needs, and yet the amount of resources to build capacity and new services becomes more scarce and more difficult to spread among beneficiaries who require assistance. A key component of the Trust settlement, therefore, was creating a mental health program that is both *comprehensive* and *integrated*.

The current policy and service delivery systems are fragmented and often planned and funded without significant community or consumer input. The services have traditionally been created based on categories of populations or on funding streams, rather than as a system of care for all populations in need in a particular area or community.

Some communities in Alaska lack the infrastructure or commitment necessary to develop and support ongoing service delivery systems. Beneficiaries wish to have those services close to home, but currently the system supports major programs to meet significant complex treatment needs only in urban areas.

In addition, each provider group has developed separate service delivery systems in each community. At the least, this means duplication of administrative and overhead expenses. There is some thought that even some service delivery systems should be integrated among the beneficiary groups. It is clear that in order to develop additional service capacity, efficiencies in the current systems must be found. This means thoughtful analysis of the current system, with major revisions to the entire system of care, not just new patches or minor adjustments. Communities must become partners with state agencies and the boards in order to solve their own local issues and needs.

### Planning the comprehensive integrated program

The Department of Health and Social Services has described the existing mental health program in its draft Comprehensive Integrated Mental Health Plan, In Unison. The mental health program, as described in the Plan, strives to follow values and principles which build on and further develop the Trust Authority's guiding principles. In the Department's plan, the components of the mental health program are noted by:

- services they provide to beneficiaries of the Trust;
- the numbers of individuals served, where that information is available;
- the costs of such services to the state;
- related databases, where they exist;
- methods used to ensure program and service quality, and related outcome measures;
- a summary of related needs assessments and program evaluations;
- a description of collaborative activities among publicly funded programs;
- activities conducted to include the public in program development; and
- programs mandated by state and federal statute or regulation.

In Unison will allow the Trustees and other policy makers to gauge the goals and effectiveness of the mental health program over time because it describes the components of the desired mental health program as well. The desired program is illustrated by level of community in which beneficiaries reside, shifting the focus from the component of service the state administers. Variations on levels of community are used by two of the four boards, and have been used by a third in the past to describe how and where individuals access services.

### Overall effectiveness

A few of the services in the mental health program have significant ways to ensure effective outcomes. The Division of Alcoholism and Drug Abuse has been lauded for its work documenting the key components necessary to successfully treat substance abuse, and the measurable social outcomes related to successful treatment. The Healthy Families Alaska program hopes to document the positive outcomes from aggressive early intervention services with families of at-risk children. The Developmental Disabilities program of DMHDD evaluates consumer satisfaction and use of local resources in its site reviews.

The four boards and Trust Authority engage in ongoing discussion about methods of determining effectiveness. Program audits, consumer satisfaction, utilization rates, consumer functional outcomes, social outcomes, and decreased service costs have all been mentioned as ways to measure effectiveness.

Services must be planned and supported so that they are available to all beneficiaries in the least restrictive manner appropriate, and as close to their homes as possible. In-home support services must be expanded so that the need for costly, less effective institutional care can be decreased and so that beneficiaries can stay in their home communities.

#### Next steps

Discussion of the desired service system and comparing that with the existing services will be a topic of Trust Authority Town Meetings with beneficiaries, their families, and providers of services. The Trust Authority, DHSS, and administrative agencies will work with consumers, Trust beneficiaries, providers, and policy makers to identify ways to change the current mental health program to move more closely to a comprehensive and integrated program. Finally, the Trustees and members of the four boards will meet with each other, the AHFC board, and selected state staff to identify common outcomes that they may use to influence the program and its funding.

#### ***Resources required for the Mental Health Program***

Implementing the full scope of the desired Comprehensive Integrated Mental Health Program would require fiscal, human, and structural resources not easily available even with massive change in the existing system. Rather than dismantle programs that, while flawed in structure continue to provide necessary services, the Trust Authority has focused on incremental structural changes to the program. These structural changes include system reform and capacity building; information system development, integration, and use to analyze outcomes; encouraging partnerships with communities and collaboration among providers and state agencies; and Trust asset development.

#### System Reform and Capacity Building

Opportunities for administration and service integration must be explored in each community. Beneficiaries must be surveyed in order to develop a profile of their desires for service delivery, and their knowledge of programs that are most effective. Innovative methods of delivering services must be sought, implemented and evaluated from both the system and beneficiary's perspectives. Funding sources from the federal and state governments must be leveraged to help develop services and to expand the continuum of care.

Policy makers and program administrators should develop new ways to reward service providers for advancing innovative service delivery systems that are expanded, integrated, and more efficient. Ongoing quality assurance and technical assistance must be available and used. The recommendations of the Governor's Conference on Youth and Justice must be considered. Federal funding streams, such as the TEFRA Medicaid option for severely emotionally disturbed children and youth must be implemented by state program administrators and advanced by the legislature.

The Trust Authority must initiate thoughtful discussions and recommend action regarding new ways to integrate and deliver services to its beneficiaries. State departments must do the same. The planning boards must review and create new plans for devel-

oping service systems to address the unmet needs of each beneficiary, and bring forward their recommendations to the Trust Authority, Governor, legislature, and other policy makers.

#### Information system development, integration, and use for outcome analysis

The Department of Health and Social Services has begun a process to develop better linking information for more efficient resource allocation and management decisions. The Data Integration Steering Committee of DHSS has identified a departmental data warehouse as a key method for developing timely and accurate management and planning information. In addition, the Departments of Administration and Corrections have also begun data collection initiatives.

The Alaska Mental Health Trust Authority, in conjunction with the four planning boards, has begun to consider appropriate data needs and outcome measures for the beneficiaries of the Trust. A Training Institute in the fall of 1996 will focus attention on developing outcome standards that can be used for analysis of services. Funding priority has been given to support these initiatives. Consideration of the use of good data to promote system reform and innovation must be further explored.

#### Encouraging partnerships with communities and collaboration among providers and state agencies

Communities must be targeted to develop key relationships among the service providers, community leaders, beneficiaries and state departments and planning boards. These relationships should be encouraged and used to review data regarding their community and to provide recommendations regarding service delivery reforms and capacity building within their community. Funding priority should be given to proposals developed at the community level, with partnerships demonstrated among several local groups, with significant beneficiary involvement.

#### Trust asset development

Because of the state's declining revenue base, resources to meet the current needs of beneficiaries as well as resources for beneficiary population growth will be very difficult to find. The Alaska Mental Health Trust is one major avenue for funding these beneficiary needs. In order for the Trust Authority to meet these obligations, there must be a concerted effort to maximize Trust assets—both cash and natural resources. Protecting the principal of the Trust, while leveraging the assets to create a strong funding stream for service delivery on an annual basis, is a significant challenge.



## The Future

Based on the information and planning available at this time, the Trustees made the following recommendations for the FY98 mental health budget:

- Recommended FY98 GF/MH Base and Proposed Adjustments
- Recommended FY98 Operating Increments and
- Recommended FY98 Capital Budget

### **Recommended FY98 GF/MH Base and Proposed Adjustments**

KEY	Department/BRU/ Component	FY97 GF/MH Authorized	FY98 AMHTA Base Adjustments	FY98 AMHTA GF/MH Base*
<b>DEPT. OF ADMINISTRATION (DOA)</b>				
Senior Services				
	Pioneer Homes	\$415.7		\$415.7
	Protection, Comm. Svcs, & Admin.	\$208.8		\$208.8
	Home & Community Based Care	\$1,871.6		\$1,871.6
	Office of Public Advocacy	\$612.8		\$612.8
	DOA TOTAL	\$3,108.9		\$3,108.9
<b>DEPT. OF CORRECTIONS (DOC)</b>				
Statewide Operations				
	Inmate Health Care	\$3,046.1		\$3,046.1
	Inmate Programs	\$369.3		\$369.3
	DOC TOTAL	\$3,415.4		\$3,415.4
<b>DEPT. OF EDUCATION (DOE)</b>				
	Basic Ed & Instructional Improvement	\$227.5		\$227.5
	DOE TOTAL	\$227.5		\$227.5
<b>DEPT. OF HEALTH/SOC. SVCS (DHSS)</b>				
Medical Assistance				
B-1, B-3	Medicaid Non-Facility	\$10,952.5	\$2,792.0	\$13,744.5
B-1, B-4	Medicaid Facility	\$9,731.2	\$3,097.4	\$12,828.6
B-5	Waivers Services	\$0.0	\$3,074.0	\$3,074.0
Purchased Services				
	Foster Care	\$1,547.9		\$1,547.9
	Residential Child Care	\$3,522.0		\$3,522.0
Family and Youth Services				
	Northern Region	\$80.7		\$80.7
Youth Facility Services				
	McLaughlin Youth Center	\$62.1		\$62.1
	Fairbanks Youth Facility	\$81.6		\$81.6
Maniilaq				
	Alcohol & Drug Abuse Svcs	\$522.4		\$522.4
	MH/DD Services	\$350.0		\$350.0
Norton Scund				
	Public Health Services	\$98.3		\$98.3
	Alcohol & Drug Abuse Svcs	\$232.2		\$232.2
	MH/DD Services	\$402.4		\$402.4

KEY	Department/BRU/ Component	FY97 GF/MH Authorized	FY98 AMHTA Base Adjustments	FY98 AMHTA GF/MH Base*
	<b>SEARHC</b>			
	Alcohol & Drug Abuse Svcs	\$140.6		\$140.6
	MH/DD Services	\$125.2		\$125.2
	<b>Tanana Chiefs Conference</b>			
	Alcohol & Drug Abuse Svcs	\$202.4		\$202.4
	MH/DD Services	\$529.8		\$529.8
	<b>Tlingit-Haida Central Council</b>			
	Alcohol & Drug Abuse Svcs	\$6.0		\$6.0
	<b>YK Health Corp.</b>			
	Alcohol & Drug Abuse Svcs	\$418.5		\$418.5
	MH/DD Services	\$907.4		\$907.4
	<b>State Health Services</b>			
	Maternal, Child, and Family Health	\$73.6		\$73.6
	Infant Learning Program	\$3,503.3		\$3,503.3
	<b>Alcohol &amp; Drug Abuse Svcs</b>			
	Administration	\$916.6		\$916.6
	Alcohol/Drug Abuse Grants	\$7,928.8		\$7,928.8
	Corrections Alc/Drug Abuse Svcs	\$331.5		\$331.5
	Rural Services Grants	\$1,624.8		\$1,624.8
	<b>Community Mental Health Grants</b>			
	Gen'l Comm Mental Health Grants	\$888.4		\$888.4
B-6	Psychiatric Emergency Services	\$5,731.1	(\$5,731.1)	\$0.0
B-6	Designated Evaluation & Treatment	\$1,046.3	(\$1,046.3)	\$0.0
B-6	NEW: Crisis Intervention Services		\$6,777.4	\$6,777.4
	Services to Chronic Mentally Ill	\$10,918.7		\$10,918.7
	Services for Seriously Emotionally Dis- turbed Youth	\$6,213.5		\$6,213.5
	<b>Community DD Grants</b>			
B-2, B-5	Community DD Grants	\$21,058.4	(\$2,153.3)	\$18,905.1
	<b>Institutions and Administration</b>			
	MH/DD Administration	\$2,992.4		\$2,992.4
B-4	Alaska Psychiatric Institute	\$5,782.7	(\$5,782.7)	\$0.0
B-2, B-3	Harborview Developmental Center	\$1,854.9	(\$1,027.4)	\$827.5
	<b>Mental Health Trust Boards</b>			
	Alaska Mental Health Board	\$379.8		\$379.8
	Advisory Board on Alcohol & Drug Abuse	\$323.4		\$323.4
	<b>DHSS TOTAL</b>	<b>\$101,481.4</b>		<b>\$101,481.4</b>
	<b>DEPT. OF LAW (DOL)</b>			
B-7	General Legal Services	\$66.3	\$52.7	\$119.0
	<b>DOL TOTAL</b>	<b>\$66.3</b>	<b>\$52.7</b>	<b>\$119.0</b>
	<b>UNIVERSITY OF ALASKA (UA)</b>			
	Anchorage Campus	\$200.8		\$200.8
	<b>UA TOTAL</b>	<b>\$200.8</b>		<b>\$200.8</b>
	<b>ALASKA COURT SYSTEM (ACS)</b>			
	Trial Courts	\$79.3		\$79.3
	<b>ACS TOTAL</b>	<b>\$79.3</b>		<b>\$79.3</b>
	<b>Total</b>	<b>\$108,579.6</b>	<b>\$52.7</b>	<b>\$108,632.3</b>

\* Base amounts do not include OMB adjustments for salaries, risk management, or data processing charge-backs.

GF/MH FY98 Adjustments to the base: Descriptions

*B-1. Hope Cottages ICFs-MR Decertification* \$2,685,300

From Medical Assistance/Medicaid Facilities  
To Medical Assistance/Medicaid Non-Facility

Narrative Hope Cottages is in the process of closing all five of their Intermediate Care Facilities for the Mentally Retarded (ICFs-MR) and moving all 40 residents out of existing facilities into their communities of choice with individualized plans for services. Effective July 1, 1996, Hope Cottages is providing assisted living services in its ICFs-MR with special permission until they can move the individuals out of these facilities. The re-organization of the 5 ICFs-MR will result in savings to the state. Savings will be reinvested to offset Hope Cottages' cost of living increases and operating expenses and take at least 50 people off the statewide wait list.

*B-2. Harborview Closure* \$920,700

From Institutions and Administration/HDC  
To Community DD Grants/Community DD Grants

Narrative This General Fund/Mental Health funding will provide for the total community placement of the remaining 16 residents. This base adjustment includes \$31.8 in FY98 savings from closure and \$888.9 in FY98 funds transferred for community placement. The FY96 budget included a 3-year plan to discharge 44 individuals residing at Harborview Developmental Center (HDC) into their community of choice. The remaining 16 residents will be moved during FY98 and the facility closed by December 31, 1997.

*B-3. Harborview Closure* \$106,700

From Institutions and Administration/HDC  
To Medical Assistance/Medicaid Non-Facility

Narrative This General Fund/Mental Health funding will provide for Medicaid Match for the total community placement of the four Sourdough unit residents. The FY96 budget included a 3-year plan to discharge 44 individuals residing at Harborview Developmental Center (HDC) into their community of choice. The remaining 16 residents will be moved during FY 98 and the facility closed by December 31, 1997.

*B-4. Increase Capture of DSH Funds. Transfer API funding to* \$5,782,700

*Medical Assistance/Medicaid Facility to maximize federal  
Disproportionate Share Hospitalization (DSH) funds.*

From Institutions and Administration/API  
To Medical Assistance/Medicaid Facility

Narrative This transfer of funds from one budget request unit to another will allow API to increase its capture of DSH funds to the full amount possible. As the result of a rather complicated formula involving a number of non-GF/MH funding sources, transferring API's GF/MH funding to the Medicaid program should allow the capture of additional federal Medicaid funds, which would bring API up to its full authorized funding level.

**B-5. Transfer Waiver Match** **\$3,074,000**  
From Community DD Grants/Community DD Grants  
To Medical Assistance/Waivers Services  
Narrative Match for the waiver program has been provided through the Reimbursable Services Agreement (RSA) process from Community DD Grants to Medical Assistance Waivers. The amount budgeted in FY 98 for RSA transfer is \$3,074.0. This transfer of funds provides match for the Children with Complex Medical Conditions and the Mental Retardation/Developmental Disabilities waivers.

**B-6. Create New Crisis Intervention Component. Combine Psychiatric Emergency Services and Designated Evaluation and Treatment components into Crisis Intervention Services component.** **\$6,777,400**

From Community Mental Health Grants/ Psychiatric Emergency Services **\$5,731,100**

From Community Mental Health Grants/ Designated Evaluation & Treatment **\$1,046,300**

To Community Mental Health Grants/Crisis Intervention Services **6,777,400**

Narrative The two existing components fund overlapping services involving intervention during psychiatric crises. Combining the components would allow greater flexibility in developing community crisis intervention services and provide more efficient use of public funds. The Trust Authority supports this combination with the understanding that the Division will establish policy ensuring that funds will not be directed to other uses, such as expanding designated evaluation and treatment services at the expense of existing crisis services.

**B-7. Dept. of Law - Personal Services and Overhead.** **\$52,700**

BRU/Component Law/ General Legal Services

Changes source from General Fund

To General Fund Mental Health

Narrative The Dept. of Law has requested GF/MH funding commensurate with the actual costs related to its mental health work. Based on their federally approved FY96 cost allocation plan and FY96 hourly rates for attorneys, Dept. of Law projects annual costs at \$119,000. This figure does not include "direct out-of-pocket" costs or legal services from other attorneys diverted to assist with mental health cases. This project will benefit multiple beneficiary groups.

### Recommended FY98 Operating Increments

To implement the Comprehensive Integrated Mental Health Program in fiscal year 1998, the Trustees recommend that the Governor and legislature increase the General Fund Mental Health appropriation for operating funds by \$4,775,200. This represents an increase of 4.4 percent in the GF/MH operating budget for the mental health program. The Trustees arrived at this increase by considering the total need of beneficiaries as represented by the four boards, Alaska's population growth, which is 2 percent, and the cost of living as measured by the consumer price index at 3.5 percent.

KEY	Dept.	BRU/Component	Beneficiary Service	MHTAAR*	GF/MH
O-1	DOA	Senior Services/ HCB Grants	Increased Respite Care for Seniors	\$0.0	\$400.0
O-2	DHSS	State Health Svcs/ ILP/ Grants	Infant Learning Program Wait list Reduction	0.0	750.0
O-3	DHSS	Community DD Grants	Increased Respite Care for DD Clients	0.0	217.0
O-4	DHSS	Alcoholism and Drug Abuse Svcs/ Grants	Emergency Services - Seven new Detox Beds	0.0	254.0
O-5	DHSS	Alcoholism and Drug Abuse Svcs/ Grants	Commitment Legal Costs	0.0	50.0
O-6	DHSS	Alcoholism and Drug Abuse Svcs/ Grants	Inhalant Prevention Project	0.0	50.0
O-7	DHSS	Community MH/ Crisis Intervention Services	MH Crisis/Respite Services - New Models	0.0	500.0
O-8	DHSS	State Health Svcs/ Maternal, Child, Family Health	Healthy Families Program	250.0	0.0
O-9	DOA	Senior Svcs/ HCB Grants	Care Coordination for Seniors	0.0	750.0
O-10	DHSS	Community DD Grants	Vocational DD Individual Assistance	0.0	167.0
O-11	DHSS	Alcoholism and Drug Abuse Svcs/ Grants	Aftercare Increased Capacity by 5%	0.0	46.2
O-12	DHSS	Alcoholism and Drug Abuse Svcs/ Grants	Vocational Services for Clients	0.0	75.0
O-13	DHSS	Community MH -Crisis Intervention Services	Implementation of Services in Accepted Regional Plans	0.0	500.0
O-14	DHSS	Inst. & Admin/ DMHDD/ Comm. MH Svcs	Disability Law Center - Increase Grant for MH Client Legal Services	0.0	35.0
O-15	DHSS	Inst. & Admin/ Harborview	Harborview offset for Community Placement of remaining 16 HDC clients	995.6	0.0
O-16	DHSS	Alcoholism and Drug Abuse Svcs/ Grants	Alcohol/Drug Abuse Long Term Care Convert Beds to Dual Diagnosis	0.0	81.0
O-17	DHSS	Alcoholism and Drug Abuse Svcs/ Grants	Long Term Care - Domiciliary	0.0	300.0
O-18	DOC	Statewide Operations/ Inmate Health Care	Inpatient Psychiatric Unit for Female Mentally Ill Offenders	0.0	600.0
<b>TOTAL</b>				<b>\$1,245.6</b>	<b>\$4,775.2</b>

\* MHTAAR means Mental Health Trust Authority Authorized Receipts

## GF/MH Increments Project Descriptions

**O-1. Increased Respite Care for Seniors** **\$400,000**  
BRU Senior Services  
Component Home and Community Based Grants  
Impact New services for six individuals, and increases respite care for 140 people currently receiving services  
Narrative This increment would allow for increased hours to existing clients, enable clients limited access to 24 hour respite, and provide respite for new clients in under-served areas. This amount would allow for an additional 20,000 hours of respite. Respite clients are asked to share in the cost of services.

**O-2. Infant Learning Program Wait list Reduction** **\$750,000**  
BRU State Health Services  
Component Infant Learning Program  
Impact 177 children would receive new services. Some would receive increased services.  
Narrative This increment will enable the Infant Learning Program to serve some of the 586 children on the statewide wait list. It also includes \$20,000 to maintain the specialty pediatric clinics for an additional year.

**O-3. Increased Respite Care for People with DD** **\$217,000**  
BRU Community DD Grants  
Component Community DD Grants  
Impact Approximately 87 people at an average of \$2,500 per person  
Narrative This will purchase increased respite care services for people with developmental disabilities and their families. Respite care keeps families together, maintaining the individual with a serious disability in their own home instead of in residential care.

**O-4. Emergency Services - Seven New Detoxification Beds** **\$254,000**  
BRU Alcohol and Drug Abuse Services  
Component Alcohol and Drug Abuse Grants  
Impact 818 encounters with individuals using services for the first time and those who have used services in the past.  
Narrative This will replace lost detoxification services in FY94-95. Utilization rates indicate that these services are needed in either western Alaska or the Anchorage bowl area or Southeast Alaska. The placement of these services will be determined in part, by the placement of services from last year's funding process. This operating increment has an associated capital request (C-2).

**O-5. Commitment Legal Costs** **\$50,000**  
BRU Alcohol and Drug Abuse Services  
Component Alcohol and Drug Abuse Grants  
Impact 97 individuals will receive new services  
Narrative The Advisory Board, during the last legislative session, authored and supported legislation revamping the Involuntary Commitment Statute. This new law had an accompanying fiscal note for \$50,000 to insure that legal costs to families, physi-

cians and programs are met. This increment will provide funds to defray those costs via Request for Proposals solicited by the Division of Alcoholism and Drug Abuse.

*O-6. Inhalant Prevention* *\$50,000*

BRU Alcohol and Drug Abuse Services

Component Alcohol and Drug Abuse Grants

Impact Undetermined

Narrative This project would focus on the use of media to deliver the prevention message to citizens of the state. Television, radio and print media has a powerful effect on lifestyle and lifestyle change. It can be used to provide outreach by improving service access by educating the public on treatment successes and can provide the public with treatment access information. These funds will be solicited by the Division of Alcoholism and Drug Abuse via the Request for Proposal process.

*O-7. Mental Health Crisis/Respite Services - New Models* *\$500,000*

BRU Community Mental Health Grants

Component Crisis Intervention Services (New)

Impact: Undetermined

Narrative This increment will fund the development of new crisis/respite models. In many cases, crisis/respite services are delivered in institutional settings, albeit usually locally and often with some measure of family support. With this increment DMHDD will fund new approaches to crisis/respite such as emergency foster care homes for short-term placements, "small facility-based" crisis/respite in rented homes with on-call staff, and training and support for other residential programs in a community (substance abuse, women's shelter, etc.) to provide mental health care. The last approach has been implemented in Kotzebue. Competitive grants would be available for any clinically appropriate model creatively providing effective client centered care using local resources.

*O-8. Health Families Alaska* *\$250,000 MHTAAR*

BRU State Health Services

Component Maternal, Child and Family Health

Impact Undetermined

Narrative This provides continuing MHTAAR funding for the second year of a three year commitment by the Trust to the Healthy Families Alaska program. The Healthy Families Program provides home visits to parents of newborns to prevent child abuse and neglect while promoting family health. The program also provides access to mental health services for these at-risk families.

*O-9. Care Coordination for Seniors* *\$750,000*

BRU Senior Services

Component Home and Community Based Grants

Impact 26 to 227 Alaskans with Alzheimer's disease will receive new services

Narrative This increment provides Care Coordinators and funds to purchase (broker) services. The number of older Alaskans served in new programs would be dependent on whether funds are allocated to purchase services, hence the large variation in the estimates of number of individuals impacted. Consumers of care coordination services are asked to share in the cost of services.

*O-10. DD Individualized Vocational Assistance* *\$167,000*

BRU Community Developmental Disabilities Grants

Component Community DD Grants

Impact 16 individuals, estimated at an average of \$10,000 per person

Narrative This operating increment would assist people with developmental disabilities in securing and maintaining employment. Using these funds, service providers would provide job training, employment support and supervision to ensure employment success.

*O-11. Increase Capacity of Aftercare Services by 5%* *\$46,200*

BRU Alcohol and Drug Abuse Services

Component Alcohol and Drug Abuse Grants

Impact 26 individuals will receive new services

Narrative This project will increase aftercare capacity by 5%. Aftercare participation is the single best outcome indicator for treatment success. Aftercare service capacity has traditionally been a place to compensate for losses in program funds. Funding of this increment will offer programs the opportunity to provide innovation in delivery of this service.

*O-12. Vocational Services for substance abusers* *\$75,000*

BRU Alcohol and Drug Abuse Services

Component Alcohol and Drug Abuse Grants

Impact 100 people in treatment will receive new services

Narrative The single most important ancillary service needed by treatment programs is vocational training. This is especially true among chronic alcoholics whose long term addiction has left them homeless, with poor education and often without any job skills. Removing alcohol from their lives does not necessarily insure recovery as their other needs impinge on their recovery. This project will allow programs to develop materials and supplies to enhance delivery of vocational services in conjunction with short term residential programs.

*O-13. Implementation of Services in Accepted Regional Plans* *\$500,000*

BRU Community Mental Health Grants

Component Crisis Intervention Services (New)

Impact Undetermined

Narrative Regional plans for inpatient psychiatric care are a key element of the API 2000 plan. Plans establish the range of services needed at the community and regional level to permit the treatment of a wide variety of consumers locally, diverting them from more expensive, restrictive care at API. Regional groups with plans accepted by the AMHB could apply for grants to implement services identified in the plan. Because of the wide variety of services that may be requested, various components will need to receive a portion of these funds. Several regions will likely qualify for grants by the time funding is available in FY 98. These plans contain services which will divert patients from the new, smaller API. This increment has an associated capital request (C-4).

*O-14. Disability Law Center - Increase Grant for Mental Health Client Legal Services* *\$35,000*

BRU Community Mental Health Grants

Component General Community Mental Health Grants  
Impact Undetermined  
Narrative Individuals with mental illness ineligible for Disability Law Center's (DLC) federal programs experience difficulty obtaining Social Security and Medicaid benefits. Twenty-five percent of DLC's mental health clients report denial of financial entitlements. Legal advocacy for this growing list of individuals is important and many may have to wait for services. This increment will allow services to be offered to those who may otherwise be placed on a wait list.

*O-15. Harborview Operating Funds* *\$995,600 MHTAAR*

BRU Institutions & Administration

Component Harborview Developmental Center

Impact 16 individuals currently served at Harborview

Narrative This increment provides operating funds for Harborview prior to its closure on December 31, 1997. These Trust funds will offset an equivalent GF/MH amount that DHSS has agreed to use to provide the annualized costs of community placements of the final 16 clients at Harborview.

*O-16. Conversion of Long Term Care Beds to Dual Diagnosis Treatment* *\$81,000*

BRU Alcohol and Drug Abuse Services

Component Alcohol and Drug Abuse Grants

Impact 10 individuals with dual diagnoses will receive new services

Narrative This increment will provide for the conversion of 5 existing beds from Long Term Treatment beds to Long Term Treatment of Dually Diagnosed. This project will require program changes and the addition of mental health staff or contract services to provide for mental health treatment of chronic alcoholics with an Axis I diagnosis secondary to the alcohol dependency diagnosis. This component will also include medication and medication management.

*O-17. Long Term Care - Domiciliary Care* *\$300,000*

BRU Alcohol and Drug Abuse Services

Component Alcohol and Drug Abuse Grants

Impact 26 chronic alcoholics will receive new services

Narrative This increment will provide for the establishment of domiciliary care for chronic alcoholics whose physical debilitation is so severe that traditional treatment is not applicable. In this approach rehabilitation will take a back seat to habilitation. Focus will be on the provision of protected living as well as meeting long term health and vocational needs. Treatment will be provided in a non-traditional concrete steps. Long term outcomes will be to provide clients with skills necessary to live unsupported in society either through the treatment regimen provided or to transfer from this program to traditional long term care after a course of treatment. This increment has an associated capital request.

*O-18. DOC Inpatient Psychiatric Unit for Female Mentally Ill Offenders* *\$600,000*

BRU Department of Corrections

Component Statewide Operations/Inmate Health Care

Impact 140 female offenders with mental illness will receive treatment

Narrative This increment will provide new programming for the treatment of female offenders with mental disorders. The lack of a therapeutic environment undermines effective treatment of female inmates. This issue takes on larger implications since male offenders are provided inpatient mental health treatment services, and the Cleary Settlement requires that mental health services be available to all offenders. Failure to provide these beds requires that these services be provided by API on a correctional transfer basis. There is a waiting list for correctional transfers now. The new API will not have the forensic unit originally envisioned.

### **Recommended FY98 Capital Budget**

To determine the amount of funding necessary to meet the capital needs of beneficiaries and the programs that serve them, the Trustees considered recommendations of the four boards. They reviewed several potential funding sources, and determined that many of the capital expenses of the mental health program would be funded appropriately from Alaska Housing Finance Corporation funds. The Trustees expect to allocate Trust income to match GF/MH and AHFC corporate receipts in capital expenditures of the mental health program.

KEY	Dept.	Description	GF/MH	MHTAAR*	AHFC**
C-1	DHSS	Competitive Grants for Grantee Facility Modifications - all beneficiaries	\$1,500.0	\$0.0	\$0.0
C-2	DHSS	Facility Modifications to provide 7 New Detox Beds	150.0	0.0	0.0
C-3	DHSS	Facility Modifications to provide Domiciliary Care for Chronic Alcoholics with Psychosis	300.0	0.0	0.0
C-4	DHSS	Facility Modifications to implement Mental Health Regional Plans	400.0	0.0	0.0
C-5	DHSS	Competitive Grants for American Disabilities Act Upgrades - all beneficiaries	500.0	0.0	0.0
C-6	DOT/PF	Competitive Grants for Beneficiary Transportation/Vehicles - all beneficiaries	250.0	0.0	0.0
C-7	DHSS	Competitive Grants for Program Equipment - all beneficiaries	750.0	0.0	0.0
C-8	DHSS	Special Needs Housing - home improvements and modifications	0.0	0.0	4,500.0
C-9	DOA	State Facility Modifications - Complete the renovation of Pioneer Homes	105.0	0.0	0.0
C-10	DHSS	Grantee New Facility - Hope Cottages ICF/MR Decertification	480.0	0.0	0.0
C-11	DHSS	DHSS Data Integration Project	287.5		0.0
TOTAL			\$4,722.5	\$0.0	\$4,500.0
MHTAAR* CAPITAL MATCH				2,000.0	

\*MHTAAR means Mental Health Trust Authority Authorized Receipts.

\*\*AHFC means Alaska Housing Finance Corporation

## Capital Project Descriptions

### *C-1. Competitive Grants for Grantee Facility Modifications* **\$1,500,000**

Impact Undetermined

Narrative The Department of Health and Social Services will solicit proposals for competitive grants for grantee facility modifications. These facility modifications will be solicited from and rewarded to service providers who provide services to beneficiary groups. Emphasis will be placed on increasing the quantity and/or quality of services to all four Trust beneficiary groups.

### *C-2. Facility Modifications for Seven New Detox Beds* **\$150,000**

Impact 818 encounters with individuals using services for the first time and those who have used services in the past.

Narrative This project, when combined with the operating component proposed by Trustees, will provide 7 new detoxification beds in critical areas (Anchorage, Mat-Su, or Western Alaska). The funds will be used to buy capital equipment such as hospital beds or surveillance camera systems for patient monitoring and to renovate facilities to make them appropriate for detox services. This may include tasks such as expansion of heating, ventilation, or utilities, enlarging rooms, establishing nursing stations, purchase of major medical equipment, etc. Projects will be funded based on competitive bids following a Request for Proposal by the DHSS Division of Alcoholism and Drug Abuse. This proposal has an associated operating increment (O-4).

### *C-3. Facility Modifications to Provide Domiciliary Care for Chronic Alcoholics with Psychosis* **\$300,000**

Impact 26 chronic alcoholics will receive new services

Narrative This project, when combined with the companion operating increment, would provide domiciliary care for those chronic alcoholics whose primary need is habilitation over a long period of time, particularly those with severe cognitive damage. These funds will be used to purchase and renovate a suitable building in which to house up to 28 clients at a time and to purchase necessary capital equipment such as a vehicle and major program equipment. The location of this program would likely be in either Anchorage or Fairbanks to ensure access to clients from around the state. The facility would be set up in a supportive living arrangement with a program concentration on developing the necessary skills for independent living given the level of cognitive impairment. This would include job and life skills and attendance to health and medical needs. The project will be funded based on competitive bids following a Request for Proposals by the DHSS Division of Alcoholism and Drug Abuse. This capital proposal has an associated operating increment (O-17).

### *C-4. Facility Modifications to Implement Mental Health Regional Plans* **\$400,000**

Impact Undetermined

Narrative The AMHB and DHSS manage a multi-year process of regional mental health plan development to ensure that community inpatient services are available to complement a downsized API. Other services necessary for a minimum continuum of care are also targeted in this planning process. This funding would pay for competitive grants for capital projects identified in accepted regional plans. Such projects could in-

clude facilities for crisis/respice, residential treatment for children, or transitional housing. This proposal has a related operating increment (O-13).

*C-5. Competitive Grants for American Disabilities Act Upgrades* *\$500,000*

Impact Undetermined

Narrative With these funds, the Department of Health and Social Services will solicit competitive grants from service providers for upgrades of facilities used by all four Trust beneficiary groups, to comply with accessibility requirements of the American Disabilities Act.

*C-6. DOT/PF Competitive Grants for Beneficiary Transportation/Vehicles* *\$250,000*

Impact Undetermined

Narrative The Department of Transportation/Public Facilities will utilize these funds for competitive grants for coordinated transportation services for all four Trust beneficiary groups whenever possible, or to purchase vehicles for beneficiaries where coordinated services are not yet available or appropriate. These vehicles will be purchased with the proviso that if coordinated usage becomes possible within the usable life of the vehicle it shall be used in a coordinated way for as many beneficiary groups as possible.

*C-7. DHSS Competitive Grants for Program Equipment* *\$750,000*

Impact Undetermined

Narrative The Department of Health and Social Services will solicit competitive grants for program equipment (purchases less than \$25,000) to provide increased quality of services to all four Trust beneficiary groups. These will be solicited from and rewarded to service providers for all beneficiary groups.

*C-8. Special Needs Housing* *\$4,500,000 AHFC*

Impact Estimated at 45 to 75 individuals with disabilities

Narrative Originating from AHFC and the Trust Authority, the Department of Health and Social Services will administer these funds for the purchase, construction or renovation of a range of transitional or permanent residential units housing two or more disabled individuals per site. These funds will assist in community placement of persons currently housed at the Harborview Developmental Center or aid in the downsizing of the Alaska Psychiatric Hospital, as well as provide an alternative to institutional residential treatment and detention for youth.

*C-9. Completion of renovations to Pioneer Homes* *\$105,000*

Impact Improves quality of services to 25 individuals with ADRD

Narrative These are grants to the named recipients, Sitka Pioneer Home and Palmer Pioneer Home. DOA Senior Services/Pioneer Homes will manage these funds to allow the Sitka and Palmer Pioneer Homes to complete the renovations of their dementia units.

*C-10. Hope Cottages ICF-MR Decertification*

*\$480,000*

Impact 40 people with DD currently in service

Narrative This is a named recipient grant, managed through DHSS, to Hope Cottages, Inc. Hope Cottages is in the process of closing all five of its ICFs-MR and moving all 40 residents out of the existing facilities into the community of their choice with individualized plans for community-based services. The \$480.0 will be used to leverage financing, remodel as necessary and purchase furnishings and equipment. This proposal will result in cost savings to the state operating budget described in the base adjustments.

*C-11. DHSS Data Integration Project*

*\$287,500*

Impact This funding allows for better tracking of beneficiaries and services provided to them, but provides no direct increase in services to beneficiaries.

Narrative This project is designed to allow linkage of the Department's more than 70 administrative and program data bases at the client level. This will allow the Department to track clients across division and program lines for the first time thus allowing identification of patterns of service use as well as overlap among services and relationships among net conditions. DHSS will use these funds to provide planning and equipment for providers who serve multiple beneficiary groups as well as non-beneficiaries. Trustees propose to use \$287.5 from MHTAAR for beneficiaries which represents half of the total amount proposed, with the other half from GF/MH. This project was previously funded with one-time Robert Wood Johnson Foundation funds.

## ***Appendices***

***Investment Policy Statement***

***Beneficiary Group Definitions***

***References***

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**Investment Policy Statement**

**For**

***ALASKA MENTAL HEALTH  
TRUST AUTHORITY***

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**Type of Plan:** .....Endowment

**Current Assets:**.....\$224,900,000

**Planning Time Horizon:** .....Greater than 5 years

**Expected Return:** .....Set by APFC Board of Trustees at 8.36%

**Risk Tolerance:**..... Set by APFC Board of Trustees at 8.57%

**Asset Allocation**<sup>9</sup>.....

Domestic Equities	36%	-+4
International Equities	12%	
Domestic Bonds	40%	
Non-Dollar Bonds	2%	
Real Estate	12%	

The Alaska Mental Health Trust Authority has a fiduciary obligation to ensure that the assets of the trust are properly managed. The mental health trust cash corpus and corpus reserve fund (Fund) consists of the cash assets of the principal of the trust. The Trust Authority is required by statute (AS 37.14.009 (a)(3)) to contract with the Alaska Permanent Fund Corporation for the management of this Fund. The Alaska Mental Health Trust Authority and the Alaska Permanent Fund Corporation have entered into a Memorandum of Agreement covering the management of the Fund.

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<sup>9</sup> As adopted by the Alaska Permanent Fund Resolution 96-4

The purpose of this Investment Policy Statement (IPS) is to assist the Alaska Mental Health Trust Authority Board of Trustees (Board) in effectively supervising, monitoring and evaluating the investment of the Alaska Mental Health Trust Authority's corpus and corpus reserve assets in the mental health trust fund (Fund). The Fund's investment program is defined in the various sections of the IPS by:

- Stating in a written document the Board's attitudes, expectations, objectives and guidelines for the investment of the Fund.
- Setting forth an investment structure for managing the Fund. This structure includes various asset classes, investment management styles, asset allocation and acceptable ranges that, in total, are expected to produce a sufficient level of overall diversification and total investment return over the long-term.
- Encouraging effective communications between the Board, the Alaska Permanent Fund Corporation (APFC), and the investment consultant.
- Establishing formalized criteria to monitor, evaluate and compare the performance results achieved by the APFC on a regular basis.
- Complying with all applicable fiduciary, prudence and due diligence requirements that experienced investment professionals would utilize, and with all applicable laws, rules and regulations from various local, state, federal and international political entities that may impact Alaska Mental Health Trust Authority assets.

This IPS has been formulated, based upon consideration by the Board of Trustees of the financial implications of a wide range of policies, and describes the prudent investment process that the Board deems appropriate.

**Mission Statement:**

The Alaska Mental Health Trust Authority administers the Mental Health Trust established in perpetuity. It has a fiduciary responsibility to its beneficiaries to enhance and protect the Trust and to provide leadership in advocacy, planning, implementing and funding of a Comprehensive Integrated Mental Health Program to improve the lives and circumstances of its beneficiaries.

**Key Information:**

**ALASKA MENTAL HEALTH TRUST AUTHORITY**

**Board of Trustees:**

Chairman:	Nelson Page
Vice Chairman:	John Pugh
Secretary:	Tom Hawkins
Members:	Kay Burrows
	John Malone
	Evelyn Tucker
	Phil Younker, Jr.

**Executive Director:** Jeff Jessee

**Custodian:** Alaska Permanent Fund Corporation

**Investment Manager(s):** Set by APFC

**Investment Consultant:** Callan Associates

The objectives of the Alaska Mental Health Trust Authority (Trust Authority) have been established by the Board of Trustees (Board) in conjunction with a comprehensive review of the current and projected financial requirements. The objectives are:

- (1) To maintain the purchasing power of the current assets and all future contributions.
- (2) To maximize return within reasonable and prudent levels of risk.
- (3) To maintain an appropriate asset allocation policy that is compatible with the spending policy, while still having the potential to produce positive real returns.
- (4) To control costs of administering and managing the investments.
- (5) To provide a steady reliable income stream from the Trust Fund to ensure the development of a Comprehensive Integrated Mental Health Program for the beneficiaries.

The investment earnings from future contributions are expected to be used to implement annual program funding strategies. Investment results are the critical element in achieving the investment objectives.

**Spending Policy:**

The targeted annual disbursement rate for the Fund will be 3% of the corpus and corpus reserve account balance at the close of the fiscal year. This 3% disbursement, plus 100% of the same fiscal year earnings from Trust lands which are allocated as income, constitutes the available funds for use by the Trustees in subsequent fiscal years to ensure the creation of a Comprehensive Integrated Mental Health Program.

## **GUIDELINES AND INVESTMENT POLICY** *Investment Policy Statement*

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### **Time Horizon**

The investment guidelines are based upon an investment horizon of greater than five years, so that interim fluctuations should be viewed with appropriate perspective. Similarly, the Trust Authority's strategic asset allocation is based on this long-term perspective.

### **Risk Tolerances**

The Board recognizes the difficulty faced by the APFC in meeting its investment objectives because of the uncertainties and complexities of contemporary investment markets. The Board also recognizes that some risk must be assumed to achieve the APFC's long-term investment objectives as established by the APFC in Resolution 96-4.

In commingling our assets with the APFC, the ability to withstand short and intermediate term variability were considered.

### **Performance Expectations**

The desired investment objective is a long-term rate of return on assets that are at least 8.36%, which is 4.86% greater than the anticipated rate of inflation as measured by the Consumer Price Index (CPI). The target rate of return for the Trust Authority has been based upon the assumption that future real returns will approximate the long-term rates of return experienced for each asset class in the IPS.

The Board realizes that market performance varies and that an 8.36% rate of return may not be meaningful during some periods.

Over a complete business cycle, the Trust Authority's overall annualized total return, after deducting for advisory, money management, and custodial fees, as well as total transaction costs, should perform above the median of Callan's Endowment/ Trust Authority fund universe and above a customized index comprised of market indices weighted by the strategic asset allocation of the Fund.

# **GUIDELINES AND INVESTMENT POLICY** *Investment Policy Statement*

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## **Asset Allocation Constraints**

The Board has reviewed the long term performance, risk and liquidity characteristics of the APFC and believes that the APFC provides an asset allocation strategy that meets the Strategic Asset Allocation objectives of the Trust Authority.

## **Liquidity**

The Board believes that Liquidity will not be a problem under the current Memorandum of Agreement with the APFC. The size and diversification of the APFC should meet the liquidity needs of Trust Authority.

## **Securities Guidelines and Selection of Money Managers**

The Board has delegated responsibility for these areas to the Alaska Permanent Fund Corporation.

## Duties and Responsibilities of the Alaska Permanent Fund Corporation

The duties and responsibilities of each money manager retained by the Board include the following:

- (1) Managing the Trust Authority's assets under its care, custody and/or control in accordance with the IPS objectives and guidelines set forth herein, and also expressed in separate written agreements when deviation is deemed prudent and desirable by the Board.
- (2) Exercising investment discretion [including holding cash equivalents as an alternative] within the IPS objectives and guidelines set forth herein.
- (3) Promptly informing the Board in writing regarding all significant and/or material matters and changes pertaining to the investment of Trust Authority's assets, including, but not limited to:
  - a. Investment strategy
  - b. Portfolio structure
  - c. Tactical approaches
  - d. Ownership
  - e. Organizational structure
  - f. Financial condition
  - g. Professional staff
  - h. Recommendations for guideline changes
  - i. All legal material, SEC and other regulatory agency proceedings affecting the trust.
- (4) Promptly voting all proxies and related actions in a manner consistent with the long-term interests and objectives of the Trust Authority set forth herein. Each manager shall keep detailed records of said voting of proxies and related actions and will comply with all regulatory obligations related thereto.

# CONTROL PROCEDURES

- (5) Utilize the same care, skill, prudence and due diligence under the circumstances then prevailing that experienced, investment professionals acting in a like capacity and fully familiar with such matters would use in like activities for like Trust Authority and Endowment Funds with like aims in accordance and compliance with all applicable laws, rules and regulations from local, state, federal and international political entities as it pertains to fiduciary duties and responsibilities.
- (6) Acknowledge and agree in writing to their fiduciary responsibility to fully comply with the entire IPS set forth herein, and as modified in the future.

## *Performance Objectives*

Investment performance will be reviewed at least annually to determine the continued feasibility of achieving the investment objectives and the appropriateness of the IPS for achieving those objectives.

It is not expected that the IPS will change frequently. In particular, short-term changes in the financial markets should not require adjustments to the IPS.

**Beneficiary Group Definitions**

<b>Beneficiary group</b>	<b>Statutory definition</b>	<b>AMHB definition</b>
the mentally ill	<p>"the mentally ill" includes persons with the following mental disorders:</p> <ul style="list-style-type: none"> <li>(1) schizophrenia;</li> <li>(2) delusional (paranoid) disorder;</li> <li>(3) mood disorders;</li> <li>(4) anxiety disorders;</li> <li>(5) somatoform disorders;</li> <li>(6) organic mental disorders;</li> <li>(7) personality disorders;</li> <li>(8) dissociative disorders;</li> <li>(9) other psychotic or severe and persistent mental disorders manifested by behavioral changes and symptoms of comparable severity to those manifested by persons with mental disorders listed in this subsection; and</li> <li>(10) persons who have been diagnosed by a licensed psychologist, psychiatrist, or physician licensed to practice medicine in the state and, as a result of the diagnosis, have been determined to have a childhood disorder manifested by behaviors or symptoms suggesting risk of developing a mental disorder listed in this subsection.</li> </ul> <p>[AS 47.30.056(d)]</p>	<p>In the last year, the Alaska Mental Health Board (AMHB) has refined and clarified the way it defines the group of people whose mental health diagnoses place them within these ten categories. The original definition, compiled in 1995, consisted of a listing of DSM-IV codes that describe diagnoses within each of the statutory beneficiary categories. However, this definition appeared to undercount beneficiaries. The AMHB expanded the definition to include diagnoses described in some DSM-III, DSM-III-R, and ICD-9 codes.</p> <p>The AMHB has also clarified the way it identifies people with childhood disorders. AMHB's position is that all individuals under the age of eighteen with a mental illness are considered at risk of developing a mental disorder, except those with V Code diagnoses (relational problems, problems related to abuse or neglect, etc.).</p>

<b>Beneficiary group</b>	<b>Statutory definition</b>	<b>GCDSE definition</b>
the mentally defective and retarded	<p>"the mentally defective and retarded" includes persons with the following neurologic or mental disorders:</p> <ul style="list-style-type: none"> <li>(1) cerebral palsy;</li> <li>(2) epilepsy;</li> <li>(3) mental retardation;</li> <li>(4) autistic disorder;</li> <li>(5) severe organic brain impairment;</li> <li>(6) significant developmental delay during early childhood indicating risk of developing a disorder listed in this subsection;</li> <li>(7) other severe and persistent mental disorders manifested by behaviors and symptoms similar to those manifested by persons with disorders listed in this subsection.</li> </ul> <p>[AS 47.30.056(e)]</p>	<p>The Governor's Council on Disabilities and Special Education uses the state's definition of a person with a developmental disability to define the Trust's beneficiaries. Alaska's definition of a developmental disability, amended in 1992, is consistent with the federal definition. According to AS 47.80.900 (7):</p> <p>"...person with a developmental disability" means a person who is experiencing a severe, chronic disability that</p> <ul style="list-style-type: none"> <li>(A) is attributable to a mental or physical impairment or combination of mental and physical impairments;</li> <li>(B) is manifested before the person attains age 22;</li> <li>(C) is likely to continue indefinitely;</li> <li>(D) results in substantial functional limitations in three or more of the following areas of major life activity: self-care, receptive and expressive language, learning, mobility, self-direction, capacity for independent living, and economic self-sufficiency; and</li> <li>(E) reflects the person's need for a combination and sequence of special, interdisciplinary, or generic care, treatment, or other services that are of lifelong or extended duration and are individually planned and coordinated.</li> </ul> <p>In addition, the Council considers infants and toddlers who have developmental delays and who are at risk of acquiring developmental disabilities to be Trust beneficiaries. These children ages birth to three have disabilities or delays which can be significantly ameliorated or whose function can be maximized at an early age, but who would otherwise require more intensive long term services.</p>

<b>Beneficiary group</b>	<b>Statutory definition</b>	<b>ABADA definition</b>
chronic alcoholics suffering from psychoses	<p>"chronic alcoholics suffering from psychoses" includes persons with the following disorders:</p> <ul style="list-style-type: none"> <li>(1) alcohol withdrawal delirium (delirium tremens);</li> <li>(2) alcohol hallucinosis;</li> <li>(3) alcohol amnesiac disorder;</li> <li>(4) dementia associated with alcoholism;</li> <li>(5) alcohol-induced organic mental disorder;</li> <li>(6) alcoholic depressive disorder;</li> <li>(7) other severe and persistent disorders associated with a history of prolonged or excessive drinking or episodes of drinking out of control and manifested by behavioral changes and symptoms similar to those manifested by persons with disorders listed in this subsection.</li> </ul> <p>[AS 47.30.056(f)]</p>	<p>The Advisory Board has developed an "operational definition" of alcoholism with psychosis which translates the above data into assessment features collected in the State's Management Information system, which is collected by all state funded treatment programs along with those previously funded by the Indian Health Service and those private providers who choose to collect and report the data. These criteria are as follows:</p> <ul style="list-style-type: none"> <li>• Alcohol is first drug of choice (information collected from initial assessment)</li> <li>• Client assessed as either dysfunctional or dependent</li> <li>• Client reports consuming alcohol at least six days per week (this question is eliminated for persons receiving services while incarcerated in the penal system)</li> </ul>

<b>Beneficiary group</b>	<b>Statutory definition</b>	<b>ACoA definition</b>
<p>Senile people who as a result of their senility suffer major mental illness</p>	<p>"senile people who as a result of their senility suffer major mental illness" includes persons with the following mental disorders:</p> <ul style="list-style-type: none"> <li>(1) primary degenerative dementia of the Alzheimer type;</li> <li>(2) multi-infarct dementia;</li> <li>(3) senile dementia;</li> <li>(4) presenile dementia;</li> <li>(5) other severe and persistent mental disorders manifested by behaviors and symptoms similar to those manifested by persons with disorders listed in this subsection.</li> </ul> <p>[AS 47.30.056(f)]</p>	<p>The ACoA finds that, in the case of Alzheimer's Disease, there is no definitive diagnostic test and the diagnosis becomes one of exclusion. In defining the population for which they advocate, the Commission includes people with Alzheimer's disease, stroke, frail with no cognitive impairment, and other ADRD including Supra Nuclear Palsy, cerebral atrophy, Huntington's chorea, brain tumor, attention deficit disorder with cognitive impairment, Pick's disease, multiple sclerosis, organic brain disorder, multi-infarct dementia, Parkinson's disease, cancer-related dementia, hydrocephalus, and hypoxia.</p> <p>A very few people with cognitive impairments related to other diagnoses qualify in this population: people with alcohol-related dementia, chronic mental illness, major depression, brain injury, developmental disability, DD-related Alzheimer's, and AIDS-related dementia. The common denominator among these diagnoses is cognitive impairment, except for the frail category.</p>

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*For more information about the Trust, please contact:*

***Alaska Mental Health Trust Authority***

3601 C St. Suite 742  
Anchorage, AK 99503  
(907) 269-7960 phone  
(907) 269-7966 fax

*for more information about Trust land, please contact:*

***Alaska Mental Health Trust Land Office***

3601 C St., Suite 880  
Anchorage, AK 99503  
(907) 269-8656 phone  
(907) 269-8905 fax

handout  
1/24/97

# State of Alaska Department of Health & Social Services

## Fiscal Year 1998 Budget Overview



Tony Knowles,  
Governor



Karen Perdue,  
Commissioner

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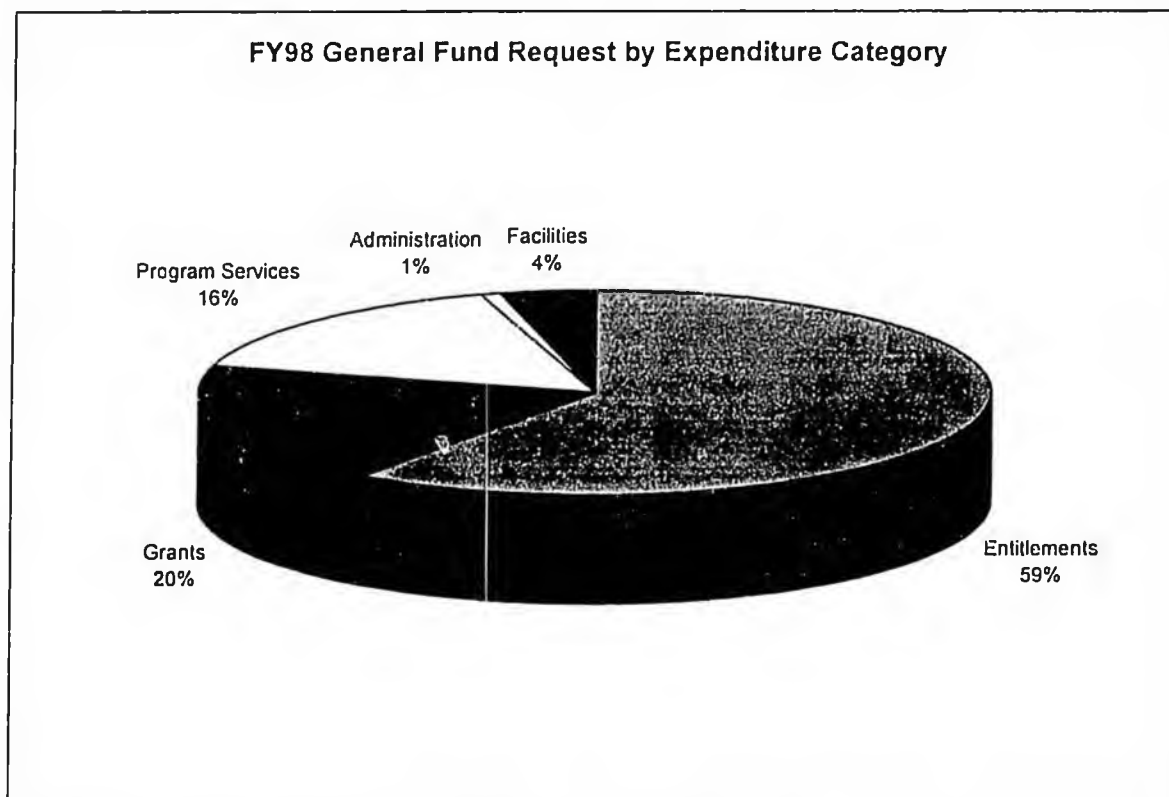
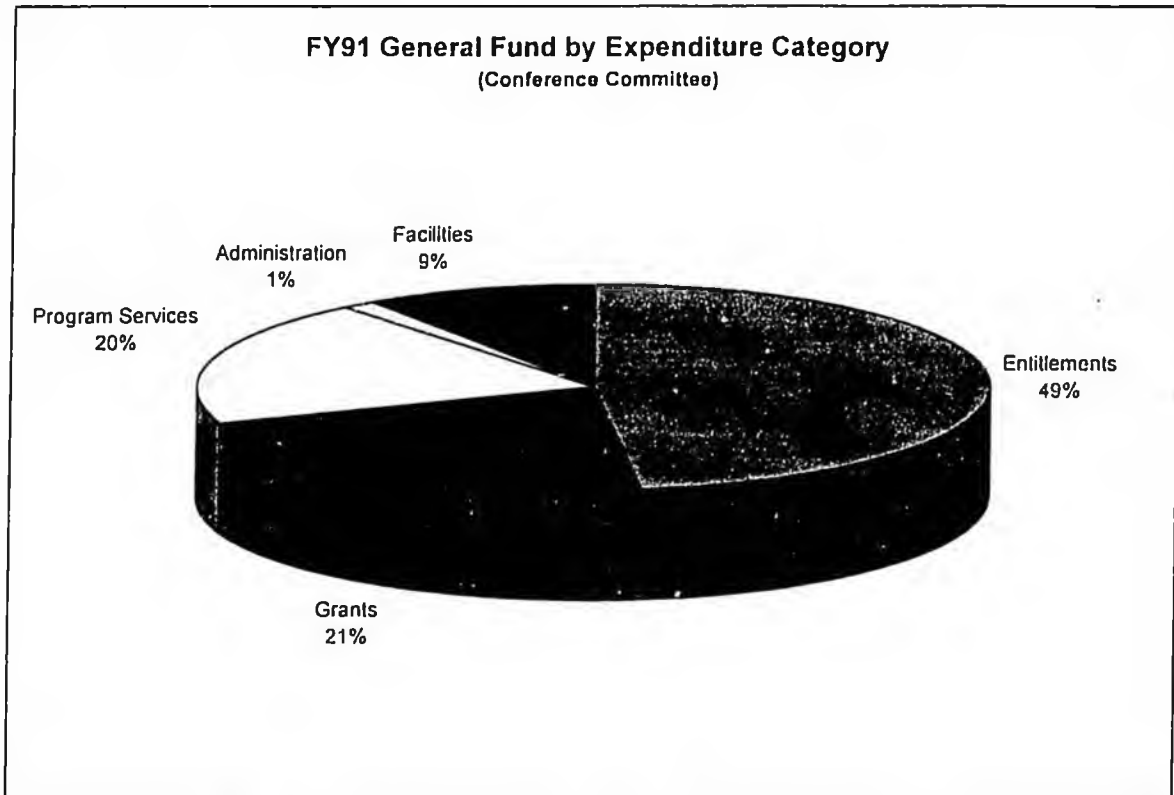
# Department of Health & Social Services

## FY98 Operating Budget Highlights

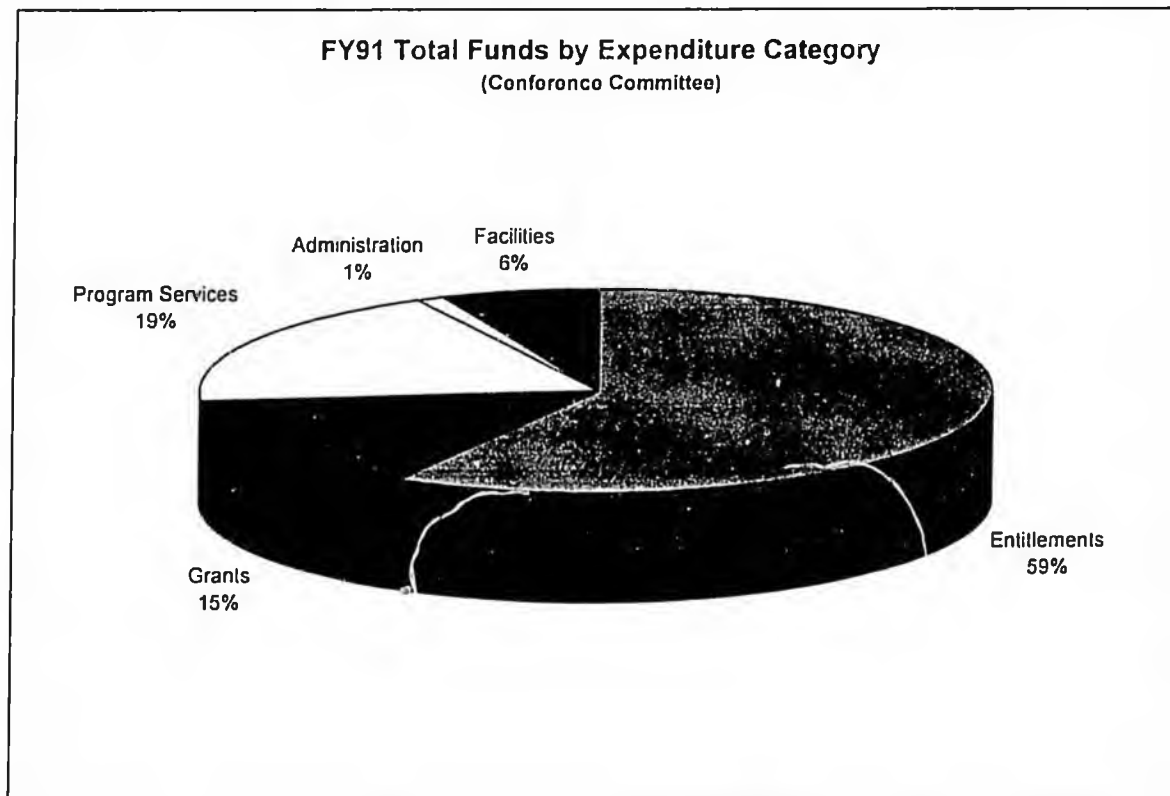
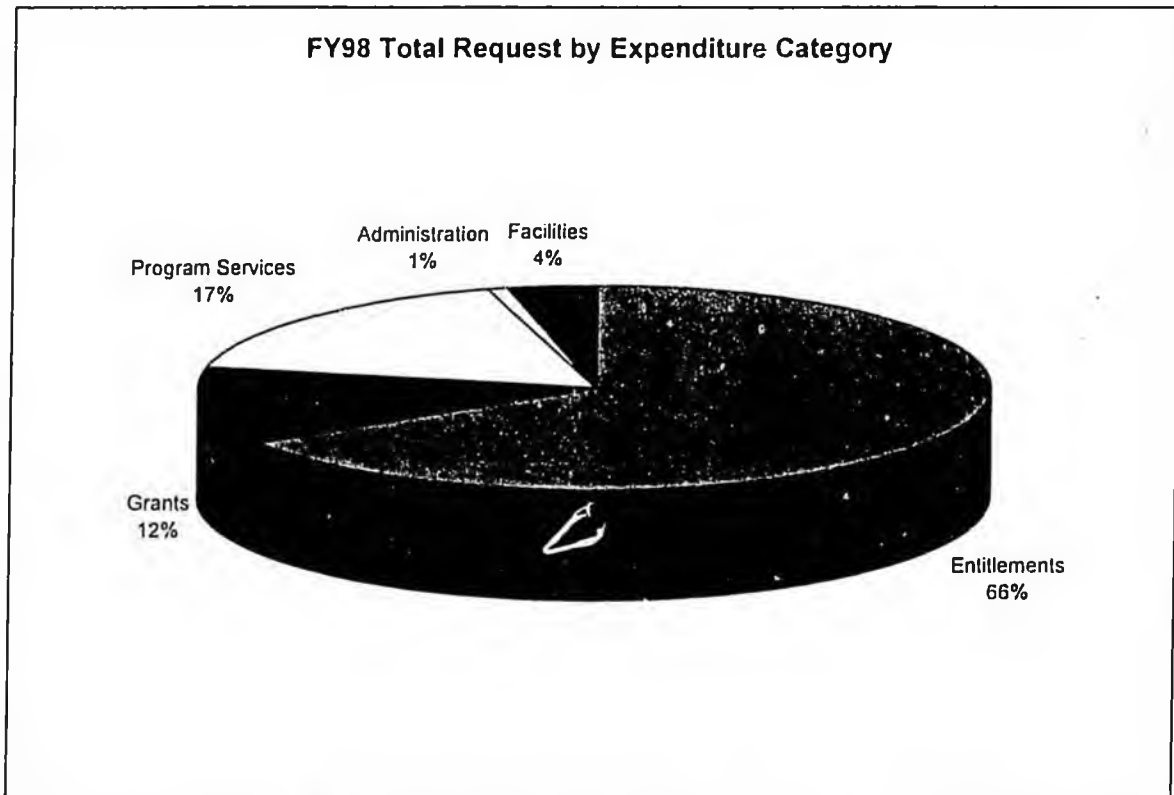
### Development of FY98 Governor's Budget Request

	<u>GF</u>	<u>Total</u>
<b>FY97 Conference Committee Report</b>	<b>\$ 448,684.3</b>	<b>\$ 857,258.1</b>
Fiscal Notes and Other Appropriations Bills	\$ 2,718.3	\$ 3,774.2
FY97 COLA	\$ . 384.7	\$ 1,368.7
<b>FY97 Authorized Budget</b>	<b>\$ 451,787.3</b>	<b>\$ 862,401.0</b>
Adjustments	\$ 1,440.2	\$ 2,072.3
Inter-Departmental Transfers	\$ (1,510.8)	\$ (1,510.8)
<b>FY98 Adjusted Base</b>	<b>\$ 451,716.7</b>	<b>\$ 862,962.5</b>
Increments and Decrements		
Formula Programs		
Increments	\$ 6,332.5	\$ 30,977.0
Decrements	\$ (1,099.5)	\$ (8,083.7)
Non-Formula Programs		
Increments	\$ 2,722.0	\$ 12,102.9
Decrements	\$ (119.8)	\$ (1,663.4)
<b>FY98 Governor's Request</b>	<b>\$ 459,551.9</b>	<b>\$ 896,295.3</b>
<b>Net Agency Change (FY97 Auth to FY98 Req)</b>	<b>\$ 7,764.6</b>	<b>\$ 33,894.3</b>
<b>Net % Change</b>	<b>1.72%</b>	<b>3.93%</b>
<b>FY98 Positions</b>	<b>PFT</b>	<b>2078</b>
	<b>PPT</b>	<b>61</b>
	<b>TMP</b>	<b>11</b>

## Categorical Comparisons of General Fund Authorization



## Categorical Comparison of Total Authorization



## **Categorical Definitions**

**Entitlements** include all of the formula programs: ATAP, Adult Public Assistance, General Relief Medicaid, General Relief Assistance, Medicaid, Foster Care, Subsidized Adoption and Guardianship, and others.

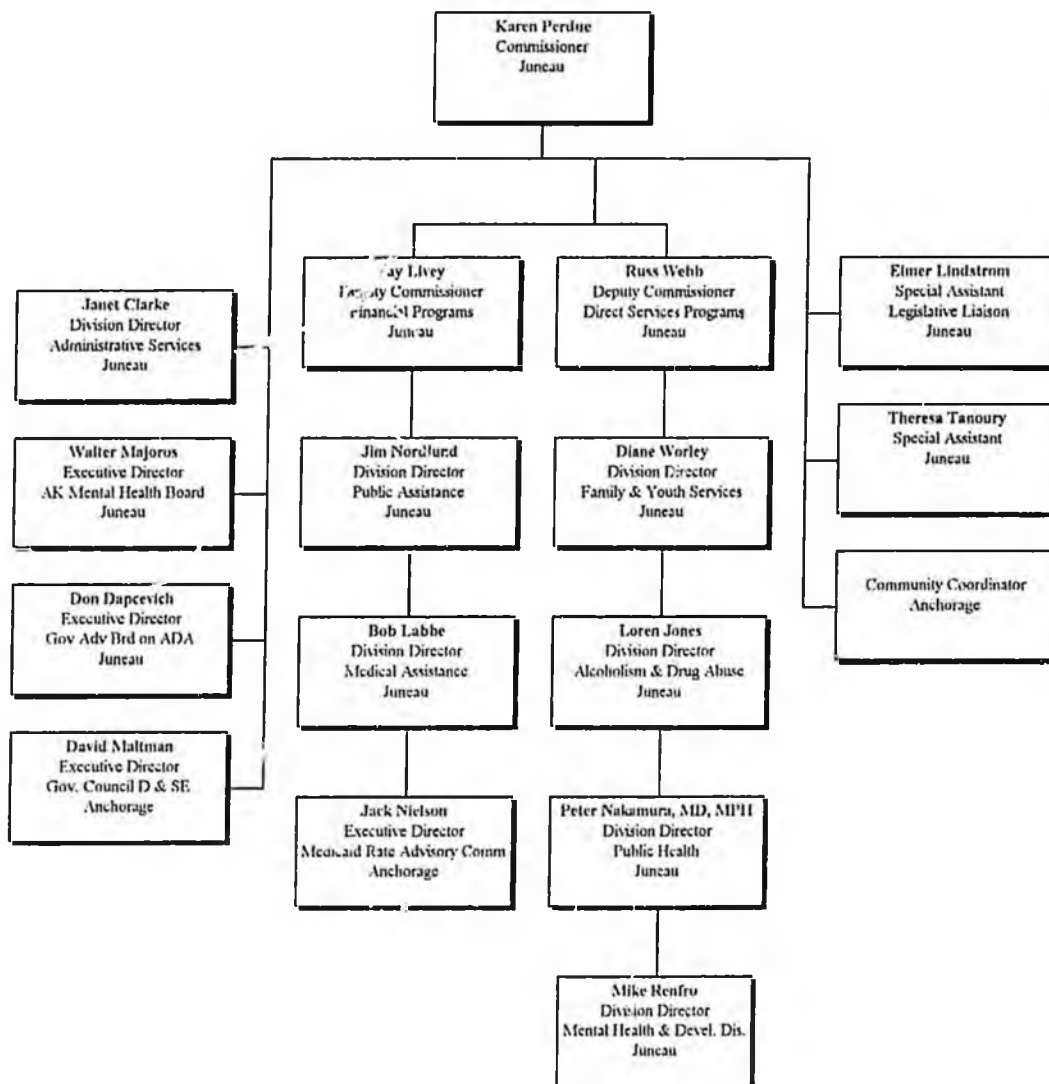
**Program Services** include both administration and delivery of direct services, such as public health nursing and social services, as well as the administration of entitlements and community grants.

**Community Grants** include most of the components with major grants to other organizations, major contracts for service delivery, and the Energy Assistance Program.

**General Administration** services include the Commissioner's Office, and other components of the Division of Administrative Services, the three Mental Health Trust boards—the Alaska Mental Health Board, the Governor's Council on Developmental Disabilities and Special Education, and the Advisory Board on Alcoholism and Drug Abuse—and the new Children's Trust Programs component.

**Facilities** include youth correctional facilities, the Alaska Psychiatric Institute, and Harborview

STATE OF ALASKA  
 DEPARTMENT OF HEALTH AND SOCIAL SERVICES  
 EXECUTIVE MANAGEMENT ORGANIZATION  
 August 1996



**Executive Management Organization-Chart**

**Juvenile Justice**

**Governor's Conference on Youth and Justice Recommendations**

The Governor's Conference on Youth and Justice recommended many changes in the way Alaska responds to its juvenile offenders and those at risk of becoming offenders. The Administration is responding to those recommendations both by introducing legislation this session and by adding select items to the budget. The legislative and budget items involving the Department of Health & Social Services are as follows.

**Legislation**

**"An Act relating to juvenile delinquency proceedings and to the confidentiality of juvenile records."** This is the Governor's main "juvenile justice" bill. It:

- 1) Authorizes communities to set up diversion programs for minor acts of juvenile delinquency, such as youth courts, a hearing officer system, village community courts, etc.
- 2) Opens juvenile records for those who are 16 or older and have been charged with a felony offense against a person or, after already having a felony adjudication, are now charged with burglary in the first degree.
  - Fiscal Note: \$700.0 to replace the federal dollars Alaska will lose if the state's confidentiality laws are amended this session to grant public access to the records of some juvenile offenders.
  - Fiscal Note: \$410.0 to reorganize the Division of Family and Youth Services so as to prevent losing an additional \$7 million in federal funds if the state's confidentiality laws are amended this session.
- 3) Creates a "dual sentencing" procedure whereby certain juveniles can be given both a juvenile and an adult sentence.

**"An Act relating to the revocation of driver's licenses for alcohol-related offenses."** This bill creates a mechanism to ensure that minors whose licenses have been revoked for alcohol-related offenses

are being properly screened and monitored for compliance with education and treatment programs before their licenses are reinstated.

- Fiscal Note: To generate revenues to pay for this, the bill raises from \$100 to \$250 the fee for reinstating any driver's license that has been revoked for an alcohol or drug-related offense.

**"An Act establishing the Healthy Families Alaska program."** This bill codifies the department's Healthy Families Alaska program and identifies the program's services as an optional medical service available to the recipients of medical assistance.

**"An Act relating to Foster Care Review Panels."** This bill restructures the state's foster care review panels so that they can be utilized statewide and not just in Anchorage.

## Budget

Provide grants for diversion programs in communities around the state, allowing them to respond quickly and appropriately to minor juvenile offenses (\$410.0)

Fund inhalant abuse prevention activities to stop the tragedy of brain damage caused by inhalants, which are especially popular in rural Alaska (\$50.0 GF/MH)

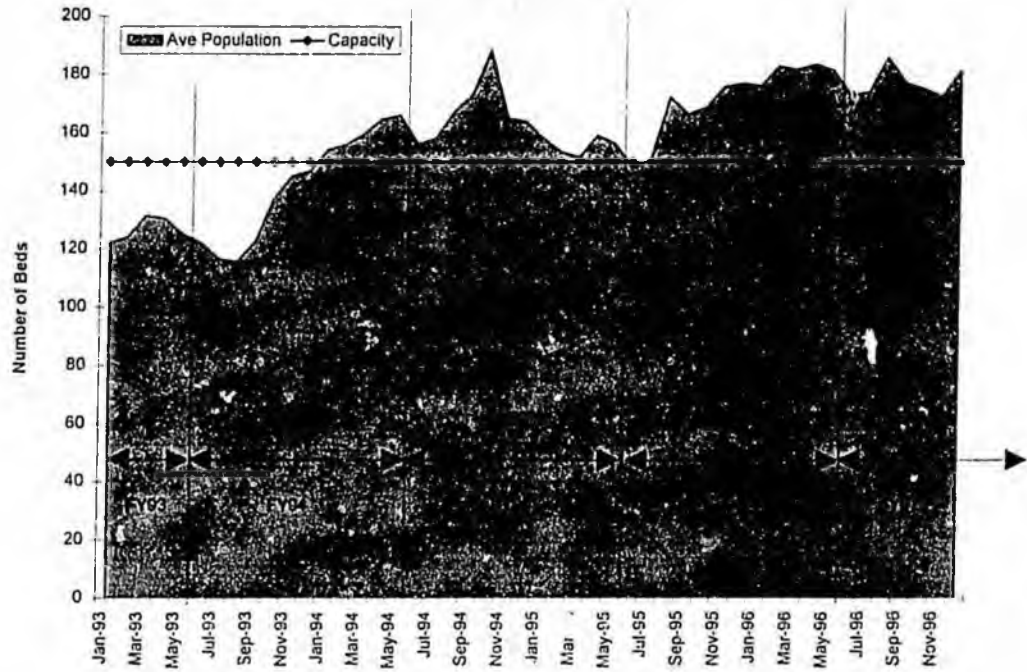
Provide additional funding for the Healthy Families program to provide education and support services to pregnant women and the families of newborn infants (\$614.0)

Improve the state's compliance with ICWA (the Indian Child Welfare Act) and coordination with tribal entities (\$100.0)

Fund more juvenile probation officers (\$398.0)

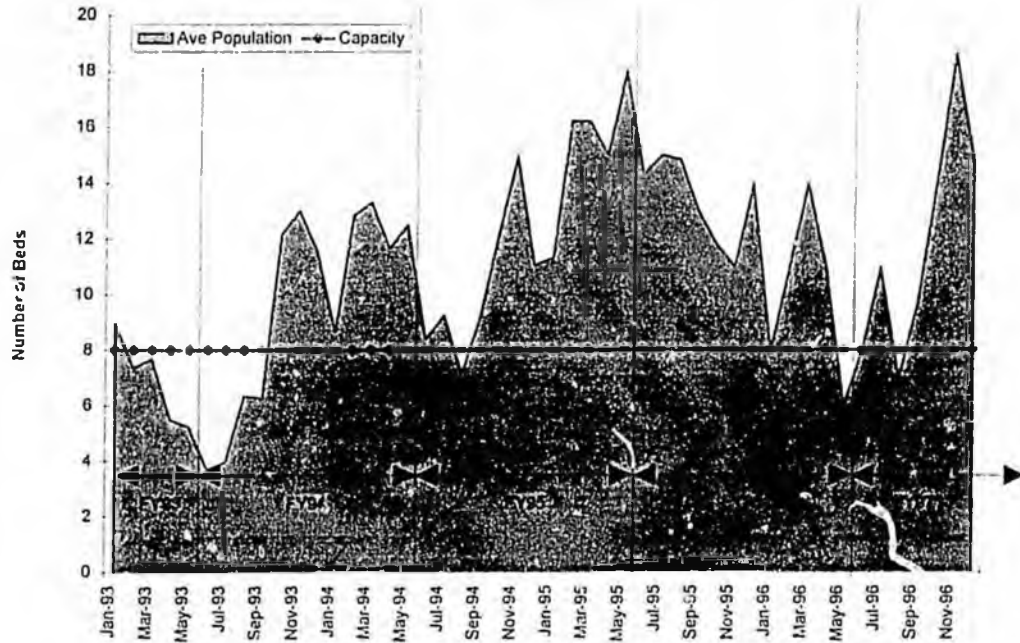
Facility overcrowding continues to be a major problem in all facilities with MYC recently exceeding the previous all-time high. (See charts page 9.)

McLaughlin Youth Center  
Average Population Vs Capacity  
1993-1996



Youth Facilities Population vs. Capacity-Chart

Johnson Youth Center  
Average Population Vs. Capacity  
1993-1997




**Managing Welfare**

**How the Welfare World Changed in 1996**

<i>State/SB 98 May 1996</i>	<i>Federal/HR 3734 August 22, 1996</i>
◇ Rewrites AFDC to ATAP two way bill	◇ AFDC to TANF
◇ Child Support	◇ Child Support
	◇ Food Stamps & ◇ Commodities
	◇ Social Security Income
	◇ Child Protection
	◇ Child Care
	◇ Child Nutrition
	◇ Non-Citizens
	<b>Related Issues</b>
	Housing
	Immigrant Legislation
	Earned Income Tax Credit
	Minimum Wage

## Key Implementation Dates

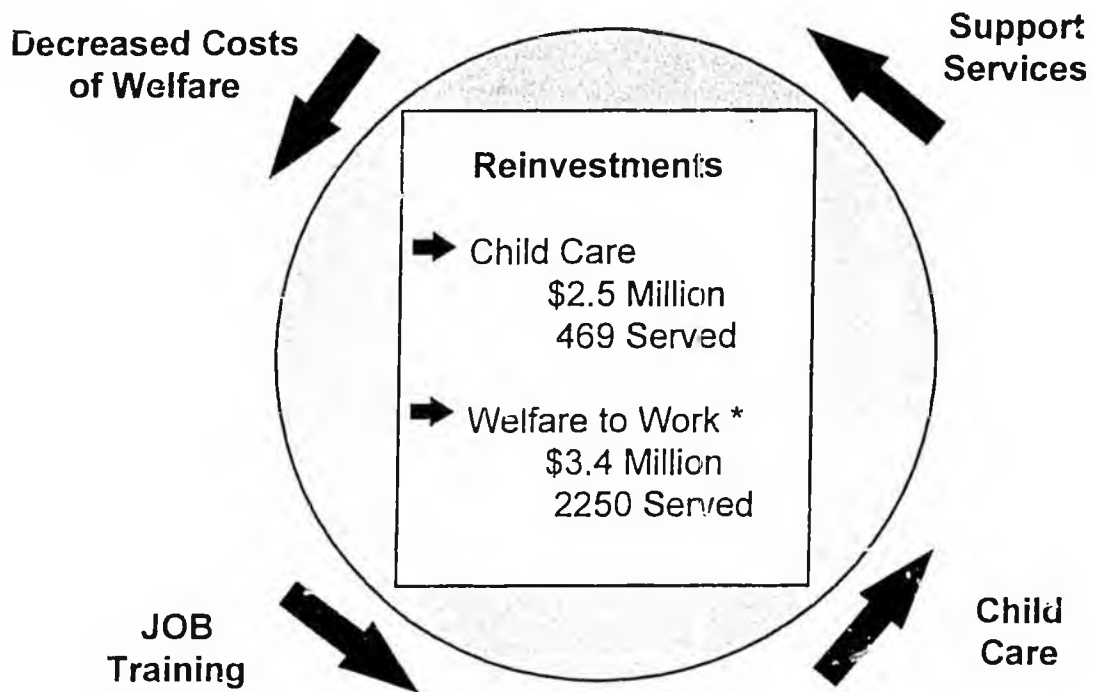
12/96	Food Stamp work provision clock begins
1/97	Disability payments and Medicaid ends for SSI recipients with primary diagnosis of alcohol or drug abuse
2/97	New welfare rules for teens begin
4/97	Employable adults begin to lose food stamps if not working (1800 may be impacted)
4/97	New definition of childhood disability used by Social Security kids will start losing benefits and be denied (approx 250)
4/97	Legal alien food stamp recipients begin losing benefits
Spring 97	Alaska TANF State plan submitted to federal government  60 Month clock begins  recipients must work before 25 <sup>th</sup> month of assistance
7/97	Most provisions of ATAP program (SB98) begin
8/97	Most disabled and elderly legal immigrants lose SSI benefits (approx 675 impacted)

## Major Policy Issues

- Alaska Temporary Assistance Program - ATAP
  - \* Block Grant Begins
  - \* Reinvestment of \$2.5M GF benefit dollars
  
- Work requirements, preparing recipients for work and keeping them there.
  
- Job Creation for Recipients:- Incentives
  - \* Wage Subsidies - portion of welfare benefit to subsidize wages
  - \* Tax Credits - federal Worker Opportunity Tax Credit program
  - \* Workstar - recognition program for employers who hire welfare recipients
  
- Administrative Issues
  - \* Computer Systems - substantial changes required.
  - \* Staff Training. - new training programs to be developed
  - \* Work Simplification; application form reduced from 42 pages to 8, computer case management tools
  
- Electronic Benefits Transfer (EBT)
  - Reduces foodstamp fraud, simplify paperwork for vendors and provides a platform for other related applications
  - Planning: June 96 - December 96
  - Design: April 97 - September 97
  - Implementation: October 97 - June 98
  - (issue cards, enroll vendors and deploy point of service (POS) devices)

## Reinvestments in Welfare Reform

↓ \$6.6 Million Decrease  
↑ \$6.6 Million Increase



\* Represents new recipients who must enter work activities in FY98.

### Reinvestments in Welfare Reform-Chart

## Mandated Work Requirements

Federal welfare reform established mandatory work requirements for states. If the defined targets are not met, the state may be eligible for fiscal sanctions. The Department has estimated that to meet these targets, approximately 4200 clients need to be in work activities in FY98, an increase of 2000 clients over our current level of effort.

	Average Monthly Cases			
	FY97	FY98	FY99	FY00
AFDC UP	2,000	1,960	1,911	1,854
AFDC Basic*	<u>8,579</u>	<u>8,669</u>	<u>8,413</u>	<u>8,112</u>
<b>Total Cases Subject to Work Reqs.</b>	10,579	10,629	10,324	9,966
<b>Two Parent Participation Rates</b>	75%	75%	90%	90%
<b>All Families Participation Rates</b>	25%	30%	35%	40%
<b>Two Parent Cases to meet rates</b>	1,500	1,470	1,720	1,669
<b>AFDC Basic Cases to meet</b>	<u>1,145</u>	<u>1,719</u>	<u>1,894</u>	<u>2,318</u>
<b>Total Cases to meet rates</b>	2,645	3,189	3,613	3,986
<b>Active cases needed **</b>	3,526	4,252	4,818	5,315
<b>Recipients currently in work Activities</b>		2,000		
<b>New Clients in Work Activities</b>		2,252		

### **Example:**

In the Fairbanks North Star Borough, an estimated 180 ATAP (AFDC) cases currently meet Federally mandated work activity requirements. On July 1, 1997 an estimated 150 additional ATAP cases become subject to Federally mandated work activity requirements.

## Other program Issues

- **Alaska Impacts from Changes to Supplemental Security Income**

### Disabled Drug Addicts and Alcoholics

Federal law changes eliminated eligibility for Supplemental Security Income recipients for when alcoholism or drug addiction is a contributing factor to their disability determination. As a result, 300 residents (on January 1, 1997) have lost both cash support and Medicaid. Following is descriptive data on this population:

<b>Community of Residence:</b>		<b>Gender:</b>	
Anchorage	168	Male	195
Southeast	45	Female	105
Fairbanks	30		
Mat-Su	21	<b>Age:</b>	
Other	36	Under 18	0
		18 - 64	297
		Over 65	3

### SSI Children

Federal Law changed the criteria for determining eligibility of children under the Supplemental Security Income program. As a result of this change:

- \* Approximately 250 children will potentially lose their eligibility for SSI benefits under P.L. 104-193
- \* One-half of these 250 potentially ineligible children will become eligible for cash assistance from the ATAP program and also retain Medicaid
- \* Up to 50 children may qualify for Medicaid but no longer receive a cash benefit
- \* 75 children will likely lose all cash assistance and Medicaid

**Legal Aliens**

On August 22, 1996 President Clinton signed into law P.L. 104-193, The Personal Responsibility and Work Opportunity Act of 1996. This law has a substantial impact on immigrant eligibility for public assistance and medical assistance benefits. The table below compares the benefits to be received by legal aliens under current law and proposed legislation

<b>Program</b>	<b>Current Law</b>	<b>Proposed Change</b>
Food Stamps	Most legal aliens no longer eligible	No change; Fed only program
Supplemental Security Income	Most legal aliens no longer eligible	No change; Fed only program
Medicaid	Most legal aliens barred from Medicaid coverage regardless of entry date into country.	Legal aliens receiving Medicaid as of 8/22/96 grandfathered; legal aliens arriving after 8/22/96 barred for 5 years.
Alaska Temporary Assistance Program (ATAP)	Legal aliens eligible for benefits regardless of date of entry; legal alien benefits all general funds.	Legal aliens receiving benefits as of 8/22/96 grandfathered; legal aliens arriving after 8/22/96 barred for 5 years. Continue federal/state funding.
Adult Public Assistance	All legal aliens continue program eligibility.	Grandfathered eligibility to only those legal aliens in country as of 8/22/96 - legal aliens arriving after 8/22/96 barred for 5 years

**FY 97 Budgeted Expenditures**  
(Legal Immigrants)

Program	General Fund	Total
Food Stamps	\$0.0	\$812.3
Medicaid	\$418.8	\$837.5
AFDC/ATAP	\$1,349.7	\$2,699.4
APA	\$3,123.9	\$3,123.9
<b>Totals</b>	<b>\$4,892.4</b>	<b>\$7,473.1</b>

**Individual Impacts on Legal Immigrants**

**Benefits for Blind/Disabled/Elderly**

	Before Federal Legislation	After Federal Legislation (current state law)	Under Proposed State Legislation	
			Date of Arrival before 8/22/96	Date of Arrival after 8/22/96
FS	\$70	\$0	\$0	\$0
SSI	\$484	\$0	\$0	\$0
APA	\$362	\$362	\$362	\$0
Medicaid	Yes	No	Yes	No

**Benefits for Children & Families**

	Before Federal Legislation	After Federal Legislation (current state law*)	Under Proposed State Legislation	
			Date of Arrival before 8/22/96	Date of Arrival after 8/22/96
FS	\$70	\$0	\$0	\$0
AFDC/ATAP	\$825	\$825	\$825	\$0
Medicaid	Yes	No	Yes	No

\* Under current state law, benefits paid to aliens under the ATAP program are all general funds.

## Public Assistance Data on Statewide Immigrant Population

(for Immigrants on Public Assistance Only)  
as of January 1, 1997

### Programs

Program Type	ATAP Only	ATAP/ FS	APA Only	APA/ FS	FS Only	FS/ MED	GRA/ GRM	MED Only	Total
# of Persons	167	651	639	162	154	69	7	256	2,105

### Heritage

Heritage	Asian	Black	Hispanic	Pacific Islander	White	Other/ Unknown	Total
# of Persons	1,069	44	429	119	360	84	2,105

### Time on Assistance

Less than 5 Years	461
More than 5 years	<u>644</u>
Total	2,105

### SSI Status:

SSI Recipient	669
Non-SSI Recipient	<u>1,436</u>
Total	2,105

### Alien status:

Currently Sponsored :	81
Non-sponsored:	<u>2,024</u>
Total	2,105

### Sex:

Male:	784
Female:	<u>1,321</u>
Total	2,105

### Age:

Under Age 18:	439
18 - 64:	1,025
Over Age 64:	<u>641</u>
Total	2,105

### Type of Recipient:

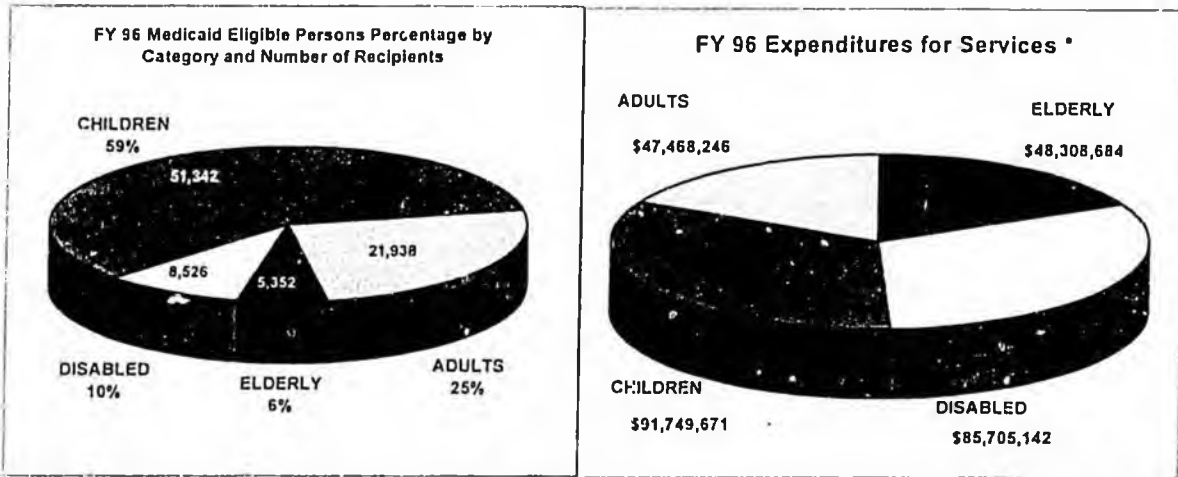
Children & Families	1,304
Aged & Disabled	<u>801</u>
Total	2,105

### Community of Residence:

Anchorage	1,414
Kodiak	160
Mat-Su	134
Fairbanks	106
Southeast	99
Other	<u>192</u>
Total	2,105

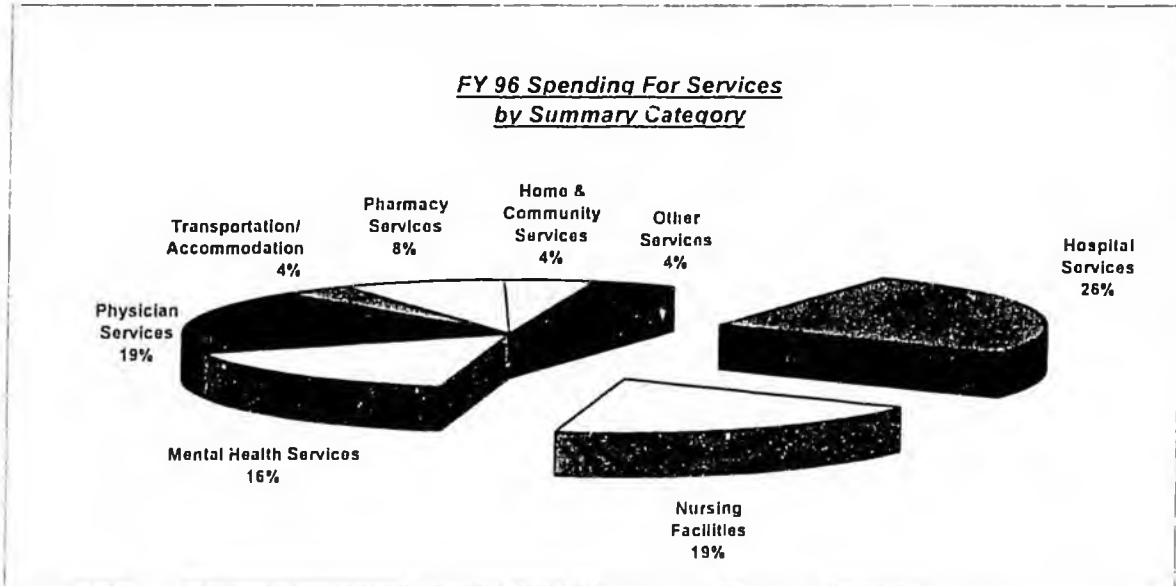
# Managing Medicaid

## FY 96 Medicaid Program Summary



**FY 96 Average Cost of Direct Services per Eligible**

Category	Average Cost
ELDERLY	\$9,026
DISABLED	\$10,052
CHILDREN	\$1,787
ADULTS	\$2,164



The FY98 Medicaid budget assumes that the number of new eligibles to the Medical Assistance programs will remain fairly flat, if:

- the Alaskan economy does not enter a period of recession,
- medical and other inflationary factors continue to moderate, and
- no new unfunded federal mandates or cost shifts to the states.

Other economic and population based factors (price and utilization), based on historical trends, create formula growth (\$10.9M) for FY98

Given several assumptions listed here, the FY98 Medicaid budget will:

- not require a General Fund increment except for the restoration of optional services and
- provide medical services for 88,000 Alaskans

While it appears that the GF change for FY98 is large, it is primarily due to transfers of existing GF match from other BRUs in order to more accurately reflect costs and improve program management efficiency.

- \$5.8M API transfer
- \$3.1M Hope Cottage ICF/MR decertification

### **Managing Medicaid Spending - Cost Management**

#### **FY97:**

- Formula growth projected total costs absorbed in FY97 ⇒ \$ 4M (Legislative reduction)
- Revised regulation packages limiting amount paid to hospital and nursing home providers
  - \* Basing facility costs on 3 yrs. rather than 2 yrs.
  - \* Allowable costs clarified - advertising, drugs etc.
  - \* Payment for long term care capital based on occupancy
- Implement a fee schedule for physicians
- Upgrading the "Claim Check" software in the MMIS
- On-site reviews for quality assurance of services
- Expansion of the Lock-In program
- Managed Care pilot projects

**FY98:**

- Formula growth projected total costs absorbed in FY98 ⇒\$10.9M
  - \* Pre-admission screening
  - \* Primary care case management
  - \* Expand on-site medical reviews
  - \* Review transportation costs
  
- Increase in federal authority (\$15.6M) for Indian Health Service (IHS) due to rate increases and a shift in costs to the federal government for IHS eligible clients.

**Restoring Optional Services**

- Restoration of emergency dental services, speech-language pathology services, audiology services, hearing aids, vision examinations and eyeglasses, and occupational therapy services
- Optional services will be provided to over 15,000 people in FY98
  - \* Approx. 2,300 elderly, 3,100 disabled, 9,600 adults going to work
- Restoration co-funded by the AMHTA which allows leveraging the \$1.2M in GF Match into \$4.6M in services for Alaskans.

**Long Term Care**

The demographics of Alaska are changing as the number of Alaskans over the age of 65 is increasing rapidly. Following are FY96 long term care expenditures and tables which illustrate how Long Term Care (LTC) services could grow over the next few years for recipients over the age of 65.

Long Term Care Expenditures and Clients Served - Ages 65 and over  
FY96

	Persons Served	Expenditures	GF Expenditures
Nursing Homes	630	\$ 34,737,440	\$ 17,368,720
Pioneers Homes	693	\$ 29,842,300	\$ 24,718,800
Home Based Services	1,814	\$ 6,970,742	\$ 4,839,313

- Nursing Home Expenditures do not include co-payments, also does not include some payments not yet made by Medicaid due to late billing etc.
- Pioneer Homes: Persons served are a close estimate based on the monthly Pioneer Home report of occupancy, admissions and discharges

- Pioneer Homes Expenditure is FY96 Authorized and includes \$5,123,500 in program receipts
- Home Based Services includes:
  - ◊ Commission on Aging Home and Community based grants
  - ◊ Developmental Disability Grants (FY96 authorized)
  - ◊ Older Alaskan Waivers
  - ◊ Personal Care Services funded by Medicaid

Low Range Projection - Cost Increase of 2%, Population Growth Rate of 2%

#Clients	Year	Total Cost
3137	1996	\$ 71,550.5
3338	2000	\$ 81,170.0
4253	2015	\$131,991.8

Medium Range Projection - Cost Increase of 5%, Population Growth Rate of 5.4%<sup>(1)</sup>

#Clients	Year	Total Cost
3137	1996	\$ 71,550.5
3713	2000	\$ 98,915.9
7370	2015	\$363,345.0

<sup>(1)</sup> Equals growth experienced for this population from 1990-1995

High Range Projection - Cost Increase of 8%, Population Growth Rate of 6.5%

#Clients	Year	Total Cost
3137	1996	\$ 71,550.5
3884	2000	\$ 111,389.7
9414	2015	\$694,281.6

The long term care (LTC) needs of elderly and disabled people in Alaska represent a major cost center within the state's health care system, today and in the future. DHSS is actively involved in an interdepartmental effort to manage these high cost services efficiently and to plan the development of an effective, affordable long term care system.

#### LTC Effort Shared Mission and Goals

- **Mission**

Vulnerable Alaskans must have access to the appropriate help needed to live safely in their homes and communities. The ongoing mission of the state's long-term care policy is to help plan for and provide this access.

The focus of the Knowles Administration, in FY97 and FY98, is to respond to the impending crisis in the need for affordable long-term care services in community-based settings, within an environment of limited resources.

• **Goals**

- \* Respond quickly to vulnerable Alaskans' community-based long-term care service needs.
- \* Make long-term care more accessible by making it more affordable.
- \* Promote long-term care services that preserve the integrity, independence, and safety of individuals and families.
- \* Improve the climate for private development of home and community-based care businesses.
- \* Expand local communities' ability to increase home and community-based services.

**Current Activities:**

**Waiver Streamlining**

- \* Improvements to the waiver process has reduced waiver processing from six months to two months
- \* By the end of FY97, a reduced application for Medicaid long term care will be implemented, from 32 pages to 8 pages

**Participate in development of assisted living services**

- \* In cooperation with the Division of Senior Services (DSS) and Alaska Housing Finance Corp. (AHFC), implement assisted living in Bethel

**FY98 Budget**

**Consolidation of long term care programs**

- \* DMA waiver management functions transferred to DMHDD and DSS
- \* Personal care is being transferred to DSS
- \* DPH and DMA will be removed from the application and authorization process

## Helping Communities Manage Their Health Care System

The rural health care delivery system is facing serious problems:

- Declining hospital utilization is shrinking revenues.
- Available professional resources are diminishing.
- Alaska rural facilities are stressed attempting to comply with regulations. ...
- Rural hospitals can no longer provide the comprehensive services Alaskans have come to expect.

The department explored solutions through regulatory relief working with rural hospital administrators in response to the urgent situation facing the Seward Hospital in 1996.

Although the state is allowing hospitals to downsize by limiting services, changes to federal laws are needed to guarantee the continued survival of the rural health care delivery system.

### Phase I - State Licensing Regulations

Hospital licensing regulations have been adopted to create two types of hospitals:

General Acute Care, full service hospitals;

and

Rural Primary Care, limited service hospitals. (i.e. surgical procedures, perinatal care)

Rural Primary Care Hospitals will continue to be licensed and Medicare certified without the need for any waivers of federal or state requirements.

Regulations are under priority review in the Department of Law.

### Phase II - Federal Medicare Certification Law

The Department will seek a change in federal law on Medicare certification of hospitals,

or

Get Congressional approval of Alaska as a pilot project for a new rural hospital designation under Medicare.

Medicare certification is critical to guarantee access to Medicare, Medicaid and other insurance.

The phase II plan will develop a third level of hospital that would be:

- For rural communities only.
- Licensed by the State.
- Staffed by mid-level practitioners and RNs,
- Linked to a General Acute Care Hospital with telemedicine,
- It would have two to six beds for short term inpatient care under the direction of the mid-level practitioners.
- It will provide an option for some patients to stay in their communities for care.
- Provide the staff and facilities for emergency stabilization.

Bills similar to this rural hospital concept have been introduced in both Houses of Congress in recent years with fairly wide support.

It is time to seek a change in Medicare certification laws for rural hospitals in Alaska.

## **Partnership with the Alaska Mental Health Trust Authority**

DHSS is partnering with the AMHTA in achieving shared missions, principals and goals

- To improve and protect the well-being of Alaskans including
  - \* People with mental illness
  - \* People with developmental disabilities
  - \* Chronic alcoholics suffering from psychoses
  - \* People who as a result of senility suffer major mental illness
- To develop a community-based and consumer-centered service delivery system that is accountable, effective, and built on successful outcomes.
- To fulfill the Department's responsibility as lead agency to facilitate development of the Comprehensive Integrated Mental Health Plan (CIMHP)

### **Moving from Institutions to Community Care**

- **By December 1997, No ICF/MR institution in Alaska**
  - **Closure of Harborview Developmental Center (HDC):**
    - \* 20 former residents now community based placements, 12 more to follow in FY97
    - \* 12 individuals will remain in HDC on July 1, 1997, and will be moving by December 1997
  - **Conversion of Hope Cottages Intermediate Care Facility for the Mentally Retarded (ICF/MR) (40 Beds)**
  - **Waiver Streamlining**
    - \* Improvements to waiver process reduces waiver processing to no longer than 60 days.
- **Serving children in their own home**
  - **TEFRA (The Tax Equity and Fiscal Responsibility Act: PL 97-248) for Children who are Severely Emotionally Disabled (SED)**
    - \* Provides Medicaid eligibility for approximately 80 children
    - \* Services are home based and avoid more costly institutionalization

### **Quality Assurance**

- Beef up the oversight of adult and children mental health programs

### **MHTAAR funding**

- **AMHTA funding a number of projects in FY98 with \$4,053.7 of MHTAAR**
- **Restoration of Medicaid Options**
  - \* To provide services for basic health needs of beneficiaries

### **Increments to the GF/MH Base**

- **Inhalant Prevention Project (\$50.0 GF/MH)**
- \* Recent survey showed Alaskan youth inhalant use at a greater rate than U.S.
- \* This primarily rural project will do the following in the first year:
  1. Develop and assure delivery of mass media prevention messages targeted at children, adolescents, and adults; and
  2. Provide information to adults on how to access intervention/treatment services for inhalant abusers.

### **Infant Learning Grants (\$100.0 GF/MH)**

- \* Currently, there are approximately 550 children waiting for ILP services
- \* The FY98 increment would take approximately 30 children and their families

## **Healthy Communities**

### **Protect Basic Core Services**

Protection and promotion of the public's health is a major responsibility of the Department of Health and Social Services.

### **Public Health Laboratory Infrastructure Upgrade**

- ◆ The Anchorage and Juneau laboratories are unable to meet the demands of modern laboratory technologies.
- ◆ The buildings have mechanical system and structural inadequacies for conducting laboratory testing and analysis.
- ◆ Additional space is needed to house the State Medical Examiner program which must vacate space in the State Crime Detection Laboratory in Anchorage so that the Department of Public Safety can develop a DNA analysis laboratory.
- ◆ Co-location of the Juneau and Anchorage labs along with the State Medical Examiner's lab in a new facility in Anchorage will both increase operational efficiency and save operating costs.

### **Healthy Families Alaska**

The Governor's budget includes an increase of \$614.0 GF for the Healthy Families program. Healthy Families Alaska is a voluntary, community based and community run, home visiting program for families with infants who are at risk of poor childhood outcomes including abuse and neglect. The program follows closely the Healthy Families America model promoted through the National Committee to Prevent Child Abuse by working with at risk families long term (three to five years).

The program serves 263 families in eight (8) sites: Kenai, Anchorage, Mat-Su Borough, Mountain View, Dillingham and surrounding communities, Juneau and the two newest sites, Fairbanks and Bethel.

The program is relatively new so outcomes are difficult to assess, but initial results show promise.

For example: Typically high risk families show an incidence of reports to the Division of Family and Youth Services of 47% (Henry Kempe et. al studies), early results from current Healthy Families programs show reports to the Division of Family and Youth Services have dropped to 12%. Additional performance indicators have been developed and will continue to be monitored as the program matures.

### **Family and Youth Services Formula Programs**

Healthy communities require services for children in need of aid, particularly for those in State custody. Within the Division of Family and Youth Services two different formula programs exist to provide these services.

#### **Foster Care:**

Children are placed in foster care only when their safety is threatened in their own homes and there is no other alternative available other than out of home placement. For FY98 the Governor's budget shows a growth rate of 4.5% for an increase of \$832.4. This is one of the primary safety nets for children who are abused and neglected.

#### **Subsidized Adoption & Guardianship:**

This program provides permanent homes for hard to place children who have been in permanent custody of the department for not less than one year. These are primarily children with physical, mental, or emotional disturbances who are recognized as high risk. The budget is based on a caseload growth of 11.4% for a cost of \$403.1 GF. Without this increase the department will be unable to place into permanent homes those children who are the hardest to serve.

### **COMPASS-Community Partnerships for Access, Support, and Solutions**

Started in FY97, this initiative of the Children's Cabinet is continued in the FY98 budget. COMPASS stands for **COM**munity **P**artnerships for **A**ccess, **S**olutions and **S**uccess. The grants are for communities to plan for the delivery of integrated education, health and social services. Working with the Danforth Foundation a process has been established to provide assistance to communities for integrated planning.

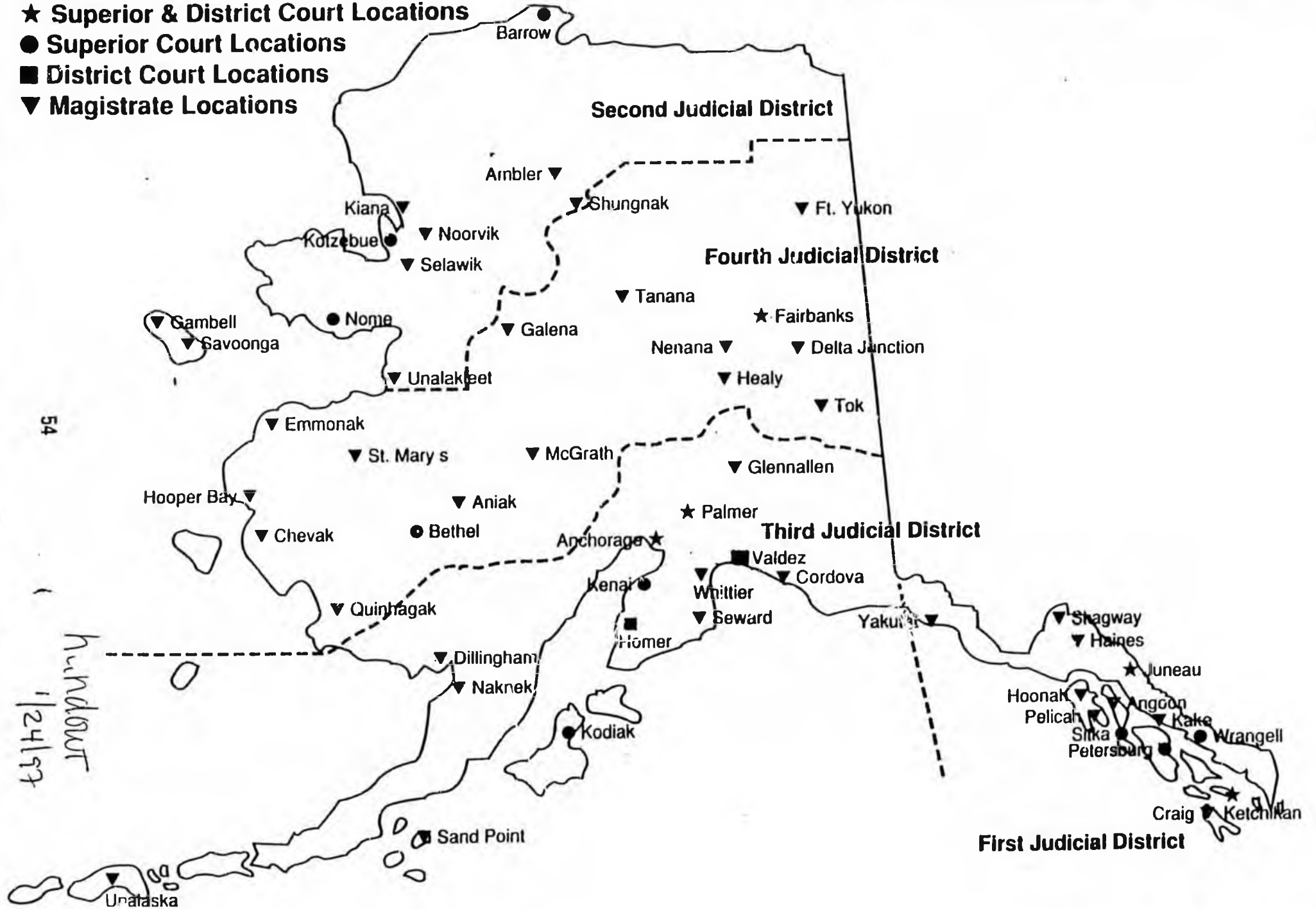
Thirteen different communities have received approval to continue in phase I of the program: Alakanuk, Fairbanks, Fairview, Kake, Kotzebue, Koyukuk, Mat-Su, Muldoon, Nome, Petersburg, Tanana, Tok and Yakutat. Phase I is a technical assistance phase and phase II is the implementation phase.

#### **Alaska Children's Trust**

FY98 is the first year that funds from the Alaska Children's Trust have been included in the state budget. \$390.0 is in the budget to further the goals of the Trust to support projects, that aid in the prevention of child abuse and neglect, exploitation, and delinquency, through grants.

# ALASKA COURT LOCATIONS

- ★ Superior & District Court Locations
- Superior Court Locations
- District Court Locations
- ▼ Magistrate Locations



**Alaska Court System  
FY 97 Operating Budget**

<u>Budget Category</u>	<u>Funding Amount</u>	<u>Percentage of Budget</u>																																				
<b>Personal Services</b>	<b>\$37,034,800</b>	<b>77.2%</b>																																				
<table border="1"> <thead> <tr> <th><u>Classification</u></th> <th colspan="2"><u>Positions</u></th> <th><u>Costs</u></th> </tr> <tr> <th><i>(PFTs &amp; PPTs)</i></th> <th><u>#</u></th> <th><u>%</u></th> <th><u>%</u></th> </tr> </thead> <tbody> <tr> <td>Clerical - ranges 6 - 14</td> <td>422</td> <td>61.2%</td> <td>45.5%</td> </tr> <tr> <td>Law clerk - ranges 13 - 15</td> <td>52</td> <td>7.5%</td> <td>6.7%</td> </tr> <tr> <td>Semi-professional - ranges 15 - 20</td> <td>46</td> <td>6.7%</td> <td>7.4%</td> </tr> <tr> <td>Manager - ranges 21 and above</td> <td>37</td> <td>5.4%</td> <td>9.1%</td> </tr> <tr> <td>Magistrate</td> <td>58</td> <td>8.4%</td> <td>8.7%</td> </tr> <tr> <td>Judge</td> <td>74</td> <td>10.7%</td> <td>22.5%</td> </tr> <tr> <td><b>Totals</b></td> <td><b>689</b></td> <td><b>100.0%</b></td> <td><b>100.0%</b></td> </tr> </tbody> </table>	<u>Classification</u>	<u>Positions</u>		<u>Costs</u>	<i>(PFTs &amp; PPTs)</i>	<u>#</u>	<u>%</u>	<u>%</u>	Clerical - ranges 6 - 14	422	61.2%	45.5%	Law clerk - ranges 13 - 15	52	7.5%	6.7%	Semi-professional - ranges 15 - 20	46	6.7%	7.4%	Manager - ranges 21 and above	37	5.4%	9.1%	Magistrate	58	8.4%	8.7%	Judge	74	10.7%	22.5%	<b>Totals</b>	<b>689</b>	<b>100.0%</b>	<b>100.0%</b>		
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<i>(Note on Costs: when salaries and benefits for Magistrates and Judges are excluded, Clerical salaries and benefits represent over 56% of the remaining personal services budget)</i>																																						
<b>Travel</b>	<b>908,400</b>	<b>1.9%</b>																																				
Case-related travel (27%), jury meals and lodging (28%), administrative travel (20%) and employee training (25%)																																						
<b>Contractual</b>	<b>8,833,800</b>	<b>18.4%</b>																																				
Jury, witness & professional fees (17%), space rental (24%), equipment rental (6%), subscriptions (11%), telephone & postage (12%), repairs & maintenance (22%) and other (8%)																																						
<b>Supplies</b>	<b>792,400</b>	<b>1.6%</b>																																				
Office and library supplies																																						
<b>Equipment</b>	<b>248,700</b>	<b>0.5%</b>																																				
Replacement office and courtroom equipment																																						
<b>Leasehold Improvements</b>	<b>186,600</b>	<b>0.4%</b>																																				
Minor remodeling, painting and carpeting																																						
<b>Total Budget</b>	<b>\$48,054,700</b>	<b>100.0%</b>																																				

**Alaska Court System**  
**FY 98 Operating Budget Request**

<b>FY 97 Authorized Budget</b>	<i>(345 PFTs, 44 PPTs &amp; 21 NPPs)</i>	<b>\$48,104,700</b>
Adjustment for 1.5% cost-of-living increase for FY 98		563,900
Transfer of certain vital statistics functions including 4 PFTs and grant funding to Department of Health & Social Services		<u>(243,000)</u>
<b>FY 98 Adjusted Base</b>		<b>48,425,600</b>
<b>FY 98 Increments</b>	<i>(an increase of 6.3% over the FY 98 adjusted base) (requesting 12 PFTs &amp; 6 PPTs. Total of 18 new positions)</i>	<u>3,028,400</u>
<b>FY 98 Request</b>	<i>(653 PFTs, 50 PPTs &amp; 21 NPPs)</i>	<u><u>\$51,454,000</u></u>

**FY 98 Increments Summary**      *(organized by budget request unit)*

**Statewide**

**Reduce personal services underfunding** **\$475,600**

Personal services is severely underfunded. The Office of Management and Budget recommends that underfunding range from 4% to 7%. The court system's average underfunding is over 8%, which results in a shortfall of nearly \$3,000,000. The funding shortage requires the court to hold vacant positions open for 30 days, which delays the processing of cases and reduces service to the public. The court is requesting additional personal services funding to reduce the vacancy factor to 7%.

**Appellate Courts**

**New positions**

**Systems Analyst, Anchorage, 18A, permanent full-time** **65,000**

*The Appellate Courts have led the rest of the court system in automating case processing. With computerization, these courts have not needed additional clerical staff to process their growing caseloads, but help is needed to maintain the computer systems.*

**Enhancements to computerized case management system** **37,500**

Funding for equipment maintenance, software licensing and equipment replacement for the Appellate offices in Anchorage, Juneau and Fairbanks.

**Alaska Court System**  
**FY 98 Operating Budget Request**

**Administration**

**New positions** **\$309,500**

Assistant Clerk, Anchorage, 8A, permanent part-time **\$17,000**

*The court system is deluged with paperwork from the Executive Branch's retirement incentive program. Additionally, the heavy use of external recruitments has increased inquiries and the number of applications significantly.*

Administrative Assistant, Anchorage, 12A, permanent full-time **\$41,800**

*Improve efficiency of the professional staff in the Personnel Office.*

Network Systems Analyst, Anchorage, 18A, permanent full-time **\$63,300**

*and*

Network Systems Analyst, Anchorage, 18A, permanent full-time **\$63,300**

*With the Legislature's emphasis on computerizing the courts, heavy demands are placed on the court's computer services staff. Administrative staff has statewide responsibility for maintaining computer equipment and training and assisting computer users. This is a request for two positions.*

Federal Compliance Officer, Anchorage, 16A, permanent full-time **\$56,200**

*Monitor compliance with federal mandates and pursue federal grant funds for justice projects. Coordinate justice funding projects with the Executive Branch.*

Facilities Supervisor, 20A, Anchorage, permanent full-time **\$67,900**

*Staff position to monitor facility projects and the operation and maintenance of court facilities. The court system operates in 58 locations statewide.*

**Improve courthouse security statewide**

**1,431,800**

Provide funding for 22 additional Department of Public Safety Court Security Officers (CSO). The growing number of domestic violence hearings and other potentially dangerous situations has raised concerns about the safety of the public and court staff. CSOs can be present for all potentially violent hearings, such as those involving out-of-custody defendants, domestic violence, contested divorces and other violent persons or situations.

**Alaska Court System**  
**FY 98 Operating Budget Request**

**Administration (continued)**

**Equipment funding for the Print Shop and Law Library** **\$36,500**

The court system operates a high volume print shop that saves hundreds of thousands of dollars annually over the cost of commercial printing. Certain machines need replacement. The Law Library serves a growing number of pro per litigants, which necessitates the purchase of additional public seating and shelving.

**Trial Courts**

**New positions** **406,900**

**First District**

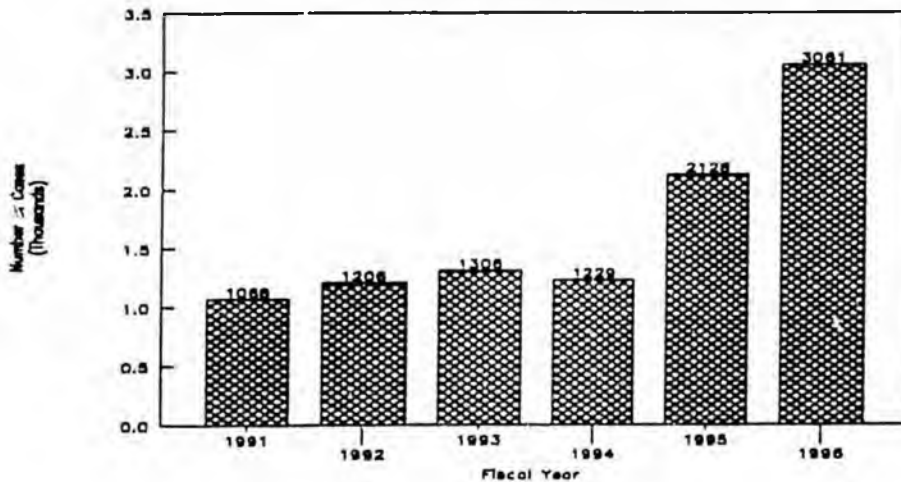
**Library Assistant I, Juneau, 8A, permanent part-time** **\$17,000**

*The court has supported this function with temporary employees for the past 17 years. There is a high turnover rate for temporaries and permanent staff wastes time training new employees. The court has requested this position for many years.*

**Civil Clerk, Juneau, 10A, permanent full-time** **\$37,700**

*The position will provide support to the civil division. The Juneau district court civil caseload has increased 297% in the last four years and 77% in fiscal year 1996. Currently, the court has been using a vacant position from another court to cover the workload. In order to maintain service and process these cases in a timely manner, the new position is necessary.*

**Juneau Trial Courts**  
 Other Civil & Domestic Relations



**Alaska Court System**  
**FY 98 Operating Budget Request**

**Trial Courts (continued)**

**New positions (continued)**

**Third District**

**Law Clerk, Palmer, 13D, permanent full-time** **\$53,600**

*Position to support new superior court judge. Palmer is one of the busiest courts in the state, which reflects the dramatic increase in the area's population. Felony filings have increased 71% and other civil filings have increased 28% over the last four years.*

**Computer Clerk, Anchorage, 12A, permanent full-time** **\$42,900**

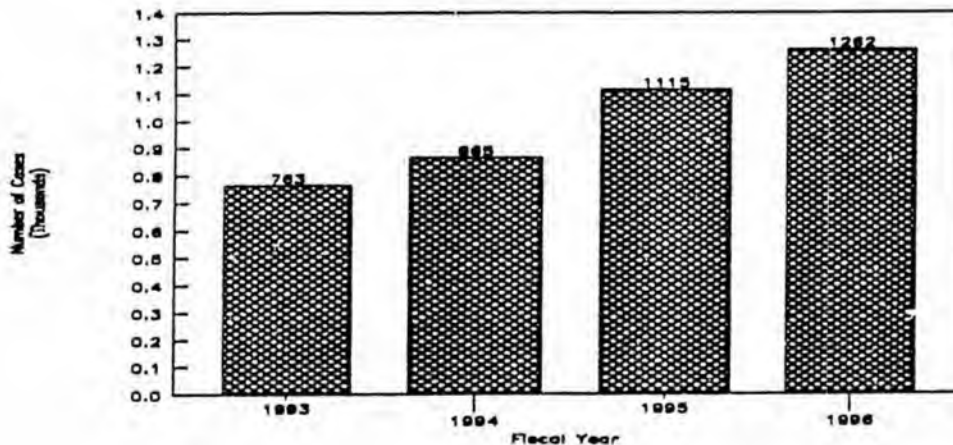
*In recent years, the Legislature has recognized the need for fully automated courts and the related need for technical coordination between criminal justice agencies. Emphasis in this area has produced many benefits, including decreasing the need for new clerical positions while improving service to the public. To gain the fullest advantages of technology, additional computer staff is needed.*

**Family Court Master, Anchorage, 24A, permanent full-time** **\$90,600**  
*and*

**In-Court Clerk, Anchorage, 12A, permanent full-time** **\$41,800**

*The case filings in the Family and Children's court have grown significantly over the last four years. New domestic violence laws required many more hearings.*

**Anchorage Trial Courts**  
**Children's Matters Filings**



**Alaska Court System**  
**FY 93 Operating Budget Request**

**Trial Courts (continued)**

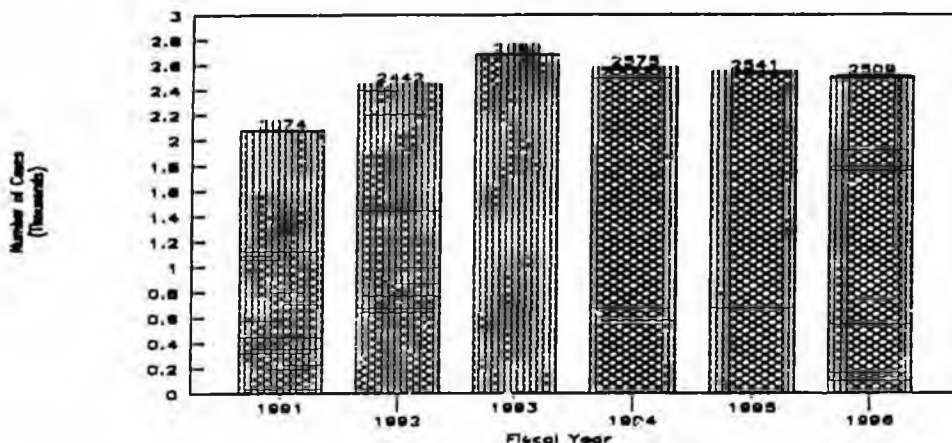
**New positions (continued)**

**Third District**

**Domestic Violence Clerk, Anchorage, 10A, permanent full-time** **\$37,700**

*The expansion of Anchorage police force has greatly increased the number of domestic relations interventions. Clerk will provide assistance to the petitioners, which will allow the magistrate to attend to judicial proceedings.*

**Anchorage Trial Courts**  
**Domestic Violence Filings**



**Fourth District**

**Court Clerk I, Fourth District, 8A, permanent part-time** **\$12,100**

*With growing clerical needs in several Fourth Judicial District courts, this position will be used to augment staffing where most needed. Currently, the court with the greatest need is Bethel.*

**Supporting All Districts to comply with federal mandates**

**Standing Master, Anchorage, 24A, permanent part-time, 5 months** **\$36,800**  
*and*

**In-Court Clerk, Anchorage, 12A, permanent part-time, 5 months** **\$17,900**  
*and*

**Court Clerk II, Anchorage, 10A, permanent part-time, 6 months** **\$18,800**

*During the most recent session, legislation was passed which requires license revocation in the event that an individual is delinquent in child support payments. This law applies to certain occupational licenses and driver's licenses. The licensee may request a judicial review for these revocations.*

**Alaska Court System**  
**FY 98 Operating Budget Request**

**Trial Courts (continued)**

**Unfunded Rent increases** **\$87,300**

Since 1990, cost-of-living adjustments have increased space rents in the following locations: Aniak, Cordova, Galena, Haines, Homer, Hoonah, Kiana, Naknek, Petersburg, Sand Point, Unalakleet and Unalaska

**Operations and maintenance funding for the Kenai Trial Courts** **40,000**

The Kenai Trial Courts are underfunded for operation and maintenance of the facility. The shortfall is due to under-estimating the costs of operations during the planning of the facility.

**Increase juror fees by \$2.50 to \$27.50 a day** **103,000**

The current \$25 a day allowance for jury duty has not changed since 1981 despite a nearly 50% increase in the CPI. Jurors must pay for parking, child care, transportation and other costs while serving. Jury service impacts over 25,000 Alaskans each year. The court system has requested an increase in the fee to \$30 a day for many years. We are now requesting an incremental increase of 10% to \$27.50. The court will continue to request additional funding until the rate is increased to \$30 a day.

**New equipment** **15,300**

Funding for a replacement mail processor in Fairbanks

**Leasehold improvements** **20,000**

Funding to build separate witness and jury deliberation rooms in Delta Junction.

**Total FY 98 Increments** **\$3,028,400**

- (1) impose, as a condition of making the order, that the client give security, in form and amount to be directed, to satisfy the lien when determined in an action;
- (2) summarily inquire into the facts on which the claim of a lien is founded, and determine it; or
- (3) direct the trial of the controversy by a jury, or refer it, and upon the verdict or report determine it as in other cases. (§ 54-6-8 ACLA 1949)

#### NOTES TO DECISIONS

**Security for release of files.** — In cases where the attorney did not terminate the relation, the client cannot compel the attorney, or former attorney, to deliver up papers or documents on which the attorney has a retaining lien, unless the client pays the amount due the attorney, or furnishes adequate security for the payment of what may be due or subsequently found to be due the attorney. *Miller v. Paul*, 615 P.2d 615 (Alaska 1980).

Where the adequacy of the lien is not contested, courts have provided for a lien against the eventual proceeds of a lawsuit as security for turning over files in an attorney's possession. *Miller v. Paul*, 615 P.2d 615 (Alaska 1980).

In determining what constitutes adequate security for relinquishment, the trial court should consider a number of factors and set forth the basis for the decision. *Miller v. Paul*, 615 P.2d 615 (Alaska 1980).

Factors to be weighed in determining what security, if any, should be required for release of files should include, among others (a) whether there was just cause for discharging the attorney; (b) whether the

attorney initiated the withdrawal; (c) the client's ability to provide security or to pay the fee; (d) the importance of the files to the client; (e) the ethical obligations of an attorney; (f) whether the fee is disputed, and, if so, the reasonable amount of any lien to be charged; (g) whether the amount due the attorney is contingent or fixed; and (h) whether part of the sum due is for costs advanced by the attorney which may justify reimbursement before ordering release of the files. *Miller v. Paul*, 615 P.2d 615 (Alaska 1980).

A trial court may exercise its discretion in determining whether it is just to require a client's home to be encumbered as a condition for release of an attorney's files under certain circumstances. However, only in an extreme case would the requirement of encumbering a home be justified. Under AS 09.35.090 (now see AS 09.38.010), the Alaska legislature has, with certain exceptions, exempted homesteads from judicial sale, evincing a policy in favor of preserving rights to a homestead. *Miller v. Paul*, 615 P.2d 615 (Alaska 1980).

Quoted in *In re Sea Catch, Inc.*, 36 Bankr. 226 (Bankr. D. Alaska 1983).

### Article 3. Commissioner of Public Safety.

#### Section

100. Duty of the commissioner in the supreme court  
110. Duty of the commissioner in the court of appeals, the superior court, and district courts

#### Section

120. General authority and duty of the commissioner  
130. Assistance for commissioner  
140. Definitions

**Sec. 22.20.100. Duty of the commissioner in the supreme court.** The commissioner is the executive officer of the supreme court and shall serve and execute all process issued by the supreme court or a justice of the supreme court, and shall attend the supreme court, and has the authority necessary for the execution of these duties. (§ 2 ch 95 SLA 1960; am § 21 ch 71 SLA 1972)

**Sec. 22.20.110. Duty of the commissioner in the court of appeals, the superior court, and district courts.** When required by the supreme court, and except as otherwise provided in AS 18.66.160, the commissioner shall serve and execute all process issued by the court of appeals, the superior court, and the district courts; attend to and wait upon grand and petit juries; maintain order; attend the sessions of the courts; and exercise the power and perform the duties concerning all matters within the jurisdiction of the courts as may be assigned. The commissioner is the executive officer of the court of appeals, the superior court, and district courts. (§ 3 ch 95 SLA 1960; am § 17 ch 12 SLA 1980; am § 2 ch 27 SLA 1986; am § 37 ch 64 SLA 1996)

**Effect of amendments.** — The 1986 amendment inserted "and except as otherwise provided in AS 25.35.040," in the first sentence and made minor punctuation changes throughout the section.

The 1996 amendment, effective July 1, 1996, made a section reference substitution near the beginning of the first sentence.

**Sec. 22.20.120. General authority and duty of the commissioner.** The authority necessary for the lawful performance of the duties of execution of service of process, seizure and detention of property, the sale of property forfeited or levied upon, and arrest of persons, in connection with civil matters, is vested in the commissioner. Any court of the state issuing any process may direct the process for execution of service to the commissioner or the designee of the commissioner. (§ 4 ch 95 SLA 1960; am § 22 ch 71 SLA 1972)

**Legislative history reports.** — For report on ch. 71, SLA 1972 (HCSSB 383 am H), see 1972 House Journal, p. 898.

**Sec. 22.20.130. Assistance for commissioner.** (a) The commissioner shall be assisted in the execution of the authority and duty vested by AS 22.20.100 — 22.20.140 by members of the division of state troopers or Alaska state constabulary who the commissioner designates. The commissioner is responsible on official bond for the acts of all persons designated under this subsection. The persons designated under this subsection have the same authority and duty granted to the commissioner and are subject to orders of the courts of the state in the same manner as the commissioner. They are responsible to the commissioner and to the courts, and shall be executive officers of the courts.

(b) The commissioner has the responsibility of providing sufficient personnel to effectively execute the authority and duty vested by AS 22.20.100 — 22.20.140, and shall adopt the necessary regulations within the Department of Public Safety for the efficient direction, control and discipline of the members designated by the commissioner under this section. (§ 5 ch 95 SLA 1960; am § 10 ch 117 SLA 1968)

**Sec. 22.20.140. Definitions.** In AS 22.20.100 — 22.20.140

- (1) "commissioner" means the commissioner of public safety;
- (2) "district courts" includes sessions presided over by a magistrate;
- (3) "process" means any summons, writ, process, order, or subpoena. (§ 1 ch 95 SLA 1960; am § 34 ch 8 SLA 1971)

#### Article 4. Judicial Council.

##### Section

200. DNA evidence information

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**Effective dates.** — Section 1, ch. 10, SLA 1995, which enacted this article, took effect January 1, 1996.

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**Sec. 22.20.200. DNA evidence information.** The judicial council shall periodically review and distribute information relevant to the technical, legal, and scientific use of deoxyribonucleic acid (DNA) profiles in criminal proceedings to

- (1) judges and magistrates;
- (2) the Department of Law;
- (3) the Public Defender Agency;
- (4) the office of public advocacy. (§ 1 ch 10 SLA 1995)

**Editor's notes.** — Section 3, ch. 10, SLA 1995 provides that this section "applies to all convictions occurring on or after January 1, 1996 for a crime against a person, as that term is defined in AS 44.41.035."