


Leg. Finance - House & Senate Finance Comte Files (1973-74) 206
CSHB 64 cont., HB 65

UNIVERSITY OF ALASKA
1972-73 Expenditures by Region
Unit Expenditures by Student Credit Hour
and Full-Time Equivalent Student
(Working Budget)

UNIVERSITY OF ALASKA  OFFICE OF PLANNING AND INSTITUTIONAL STUDIES Date: 2-20-73

REGION	Admin. & General (1)	Plant (2)	Library (3)	Instruction	Region Total	Central Governance (4)	Total including Central Governance
<u>Northern</u>							
Expenditure	1,486,497	2,043,207	797,693	5,101,246	9,428,643	1,076,112	10,504,755
Per Credit Hr. (83,458)	17.81	24.48	9.56	61.12	112.97	12.89	125.87
Per FTE Student (2,890)	514	707	276	1,765	3,263	372	3,635
Percentage of \$ (9,428,643)	16	22	8	54	100		
<u>Southcentral</u>							
Expenditure	1,416,966	819,063	506,363	3,481,577	6,223,969	710,355	6,934,324
Per Credit Hr. (107,810)	13.14	7.60	4.70	31.29	57.73	6.59	64.32
Per FTE Student (3,478)	407	235	146	1,001	1,790	204	1,994
Percentage of \$ (6,223,969)	23	13	8	56	100		
<u>Southeastern</u>							
Expenditure	172,201	64,341	70,593	380,814	687,949	78,517	766,466
Per Credit Hr. (8,010)	21.50	8.03	8.81	47.54	85.89	9.80	95.69
Per FTE Student (286)	602	225	247	1,332	2,405	275	2,680
Percentage of \$ (687,949)	25	9	10	55	100		
TOTAL EXPENDITURE	3,075,664	2,926,611	1,374,649	8,963,637	16,340,561	1,864,984	18,205,545
Per Credit Hr. (199,278)	15.43	14.69	6.90	44.98	82.00	9.35	91.36
Per FTE Student (6,654)	462	440	206	1,347	2,456	280	2,736
Percentage of \$ (16,340,561)	19	18	8	55	100		

- (1) Includes Administration Expenditures for Region and Campuses with Community College Director offices allocated 50% to Instruction; does not include Central Governance Expenditures.
- (2) Includes 45% of Plant Expenditures on Fairbanks Campus determined by share of total NASF for Instruction and Institutional Support; excludes student housing and research institute space.
- (3) Includes 80% of Library Expenditures for Fairbanks Campus Instruction; excludes Expenditures for Public Service and Research Institutes.
- (4) Includes 80% of Central Governance Expenditures as the Portion for Instruction; this amount is allocated to each Region on the basis of share of the total instructional expenditures by Region.

NOTE: Expenditures are from Current General Fund Operating Accounts only (Restricted fund not included). Credit Hours and Student FTE's are from the U of A Statewide System Academic Credit Only Report.

University of Alaska
1973-74 BUDGET REQUEST BY REGION
Unit Expenditures by Student Credit Hour
and Full-Time Equivalent Student

REGION	ADMIN. & GENERAL (1)		PLANT		LIBRARY		INSTRUCTION		REGION TOTAL		CENTRAL GOVERNANCE (4)		TOTAL INCLUDING CENTRAL GOVERNANCE	
	Maint.	Regents	Maint.	Regents	Maint.	Regents	Maint.	Regents	Maint.	Regents	Maint.	Regents	Maint.	Regents
Northern														
Expenditure	1,719.5	1,787.6	2,638.6	2,735.9	1,246.2	1,366.0	5,767.4	6,197.5	11,371.7	12,087.0	1,242.8	1,295.9	12,614.5	13,382.9
Per Credit Hr. (90,883)	18.92	19.67	29.03	30.10	13.71	15.03	63.46	68.19	125.12	133.00	13.67	14.24	138.80	147.25
Per FTE Student (3,029)	568	590	871	903	411	451	1,904	2,046	3,754	3,990	410	428	4,165	4,418
Percentage of \$ (11,371.7) (12,087.0)	15	15	23	23	11	11	51	51	100	100				
Southcentral														
Expenditure	1,607.4	1,775.5	1,162.3	1,356.5	632.0	924.6	4,367.8	4,648.6	7,769.5	8,705.2	849.1	933.4	8,618.6	9,638.6
Per Credit Hr. (121,517)	13.23	14.61	9.56	11.16	5.20	7.61	35.94	38.25	63.94	71.64	6.99	7.68	70.93	79.32
Per FTE Student (4,052)	397	438	287	335	156	228	1,077	1,147	1,917	2,148	210	230	2,127	2,379
Percentage of \$ (7,769.5) (8,705.2)	21	20	15	16	8	11	56	53	100	100				
Southeastern														
Expenditure	207.0	265.0	76.3	149.5	76.6	128.5	446.3	573.6	806.2	1,116.6	88.1	119.7	894.3	1,236.3
Per Credit Hr. (9,193)	22.52	28.83	8.30	16.26	8.33	13.98	48.55	62.40	87.70	121.46	9.58	13.02	97.28	134.48
Per FTE Student (307)	674	863	249	487	250	419	1,454	1,868	2,626	3,637	287	390	2,913	4,027
Percentage of \$ (806.2) (1,116.6)	26	24	9	13	10	11	55	51	100	100				
TOTAL														
EXPENDITURE	3,533.9	3,828.1	3,877.2	4,241.9	1,954.8	2,419.1	10,581.5	11,419.7	19,947.4	21,908.8	2,180.0	2,349.0	22,127.4	24,257.8
Per Credit Hr. (221,593)	15.95	17.28	17.50	19.14	8.82	10.92	47.75	51.53	90.02	98.87	9.84	10.60	99.86	109.47
Per FTE Student (7,388)	478	518	525	574	265	327	1,432	1,546	2,700	2,965	295	318	2,995	3,283
Percentage of \$ (19,947.4) (21,908.8)	18	18	19	19	10	11	53	52	100	100				

- (1) Includes Administration Expenditures for Region and Campuses with Community College Director offices allocated 50% to Instruction; does not include Central Governance Expenditures.
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NOTE: Expenditures are from Current General Fund Operating Accounts only (Restricted fund not included).
Credit Hours and Student FTE's are from the U of A Statewide System Academic Credit Only Report.
(Expenditures are in thousands of dollars)



UNIVERSITY OF ALASKA
COLLEGE, ALASKA 99701

February 21, 1973

Mr. Rich Guthrie
Fiscal Analyst
Legislative Budget and Audit
Committee
State of Alaska
Pouch WF - State Capitol
Juneau, Alaska 99801

Dear Rich:

The three sets of data on accounts receivable and allowance for doubtful accounts were to have accompanied the February 20 letter to Representative Ose.

I would sincerely appreciate it if you will see that Mr. Ose now receives one set of these enclosures and that you distribute the other two in the same manner as the original letter.

Sincerely,

Harold A. Byrd
Executive Director
Budget Development and Legal
Affairs

HAB:ey
Enclosures

UNIVERSITY OF ALASKA

NATURE OF THE ACCOUNTS RECEIVABLES
ALLOWANCE FOR DOUBTFUL ACCOUNTS

Composition

Amounts owed the University in the form of receivables are due from:

1. Students, employees and others
2. Grants and Contracts

Students, employees and others

Amounts owed by students represent fees and tuition payable on deferred payment basis, library books lost, NSF personal checks, damage to dormitories, rent for married student housing and similar items. Amounts owed by employees, and others cover rents for University housing, utility charges, telephone tolls, pet fees, library charges, parking fines and similar items. During the year the University records over \$1,000,000 of such credit sales.

Every effort is made to collect the amount owed through telephone calls and a series of special letter mailings, normally over a year's span of time. Students are not permitted future enrollments or to obtain transcript of credits until all debts are paid. Attempts are made to collect amounts due from staff from their final paycheck. If collection is not successful, the name and amounts are reviewed at year end for establishment of the Allowance for Doubtful Accounts. These names are turned over to a local collection agency. At the end of the second year, the uncollected amounts are written off as uncollectible.

Grants and Contracts

Receivables from grants and contracts represent reimbursements due from the Federal Government, State of Alaska, and private firms principally for research and training services performed according to the terms agreed to in specific agreements and contracts. Being a non-profit institution, the reimbursements do not include a profit figure but are for direct and indirect expenditures incurred against the specific contract. During the past year approximately \$17,000,000 of such services were performed

The receivables due from grants and contracts are reviewed at year end and allowances established against those for which reimbursement is in doubt. The items are written off only after all hope of receiving reimbursement is gone. Several years may pass before writeoff action is taken.

Independent Audit

In coordination with the University staff, the receivables are reviewed by the University's independent auditors during their conduct of the annual audit. The Allowance for Doubtful Accounts described above is established at that time for the fiscal year under review. A letter at Enclosure 1 from Ray Kohler & Co., Certified Public Accountants, the independent auditors for the University for FY 1972, describes the procedures and standards.

Analysis of FY 1972 Allowance for Doubtful Accounts

A detail breakout of the \$350,000 in the Allowance for Doubtful Accounts as of July 1, 1972 with pertinent descriptive information is provided at Enclosure 2.

RAY KOHLER & CO.
CERTIFIED PUBLIC ACCOUNTANTS
P. O. BOX 607
FAIRBANKS, ALASKA 99707

February 20, 1973

Mr. M. M. Hullinger
Vice-President for Finance and Comptroller
University of Alaska

Dear Mr. Hullinger:

At your request we are writing this letter to clarify certain accounting procedures and principles applicable to the University of Alaska. As independent auditors for the University of Alaska, we conducted an examination and issued our report thereon for the year ended June 30, 1972. Our examination was conducted in accordance with generally accepted auditing standards as prescribed by the American Institute of Certified Public Accountants. Our report expressed our opinion that the University financial statements were in conformity with generally accepted accounting principles. Generally accepted accounting principles are established by the Accounting Principles Board of the American Institute of Certified Public Accountants. In addition, the University reports are, in our opinion, in conformity with the principles and procedures of accounting and financial reporting for institutions of higher education as established by the American Council on Education.

In accordance with those generally accepted accounting principles the University has followed the practice of accounting for its bad debt losses by the reserve method of accounting. This method provides for:

- (1) Doubtful receivables to be carried forward in the accounting records, therefore retaining full accountability over the receivables until all reasonable attempts for their collection have been exhausted.
- (2) Loss from bad debts to be charged against the periods that caused the loss.
- (3) Accounts receivable to be shown in the financial reports at their estimated net realizable value by adjusting the reserve to the amount of loss estimated by analysis of the accounts and supplementary data.

The amount of the reserve requirement at June 30, 1972 was determined after a careful analysis was made of the outstanding receivables, including reimbursable contract expenditures. At June 30, 1972 the review was made by us and the reserve was adjusted according to our findings and recommendations. Prior year records were examined by other independent accountants. It is our opinion that a reserve balance of \$350,000 at June 30, 1972 is necessary to properly state the University's accounts receivable at their net realizable value. An alternative treatment would have required that most of the doubtful accounts be written off as bad debt charges to current and prior year operations.

Mr. M. M. Hullinger
February 20, 1973
Page 2.

The University's reserve for encumbrances represents a segregation or allotment of a portion of the fund balance to provide for commitments and obligations made but not yet liquidated and which are chargeable to the period in which incurred or obligated. In order to establish and maintain budgetary controls, provision must be made for these obligations.

The University follows the practice of recording the obligation by memo records in its internal reports and by an allocation of fund balance at year end. The American Council on Education's Manual on accounting approves an alternative method of accounting for encumbrances, which allows the obligations to be charged directly to expenditures in the period incurred and to present the encumbrance reserve as a liability rather than an allocation of fund balance. The American Institute of Certified Public Accountants has not endorsed this treatment however, and the University's method appears to be the more acceptable method.

As part of our examination, we reviewed the outstanding encumbrances at June 30, 1972 and in our opinion they are fairly stated as presented in the University's financial reports.

If further clarification of any of our audit work is desired, we will be glad to furnish further details.

Very truly yours,

RAY KOHLER & CO.

Jean B. Schmitt

Jean B. Schmitt, Partner

UNIVERSITY OF ALASKA
ALLOWANCE FOR DOUBTFUL ACCOUNTS
 July 1, 1972

<u>Agency</u>	<u>Description of Work</u>	<u>Amount</u>	<u>Reason and Current Status</u>
1. Alaska Planning and Evaluation Center	Planning services in support of operations of APEC planning operations	\$12,000	Center disappeared leaving extensive debts. Appeal made to Office of Economic Opportunity for reimbursement - a remote possibility
2. Alaska Planning and Evaluation Center	Evaluation services in support of APEC evaluation operations	26,000	Center disappeared leaving extensive debts. Appeal made to Office of Economic Opportunity for reimbursement - a remote possibility
3. Office of Economic Opportunity	Evaluation of Alaska Village Electrical Cooperative and Cooperative Enterprise Development Corporation programs	4,000	Defense Audit Agency disallowance of travel performed in accordance with normal University travel policy but contrary to special provision in contract. Request for retroactive amendment to contract denied by OEO. Writeoff in FY 73.
4. Bureau of Indian Affairs	Cooperative Extension work in middle Kuskokwim area	5,700	Contract clarification of annual carry forward balances requested. Favorable response anticipated.
5. Department of Education	Development of Education and Social Studies curriculum	9,200	Special legislative funding being requested by Dept. of Education
6. National Oceanic & Atmospheric Agency	Relocation of Ionosonde	5,000	Reimbursed in FY 73
7. National Aeronautic and Space Administration	Rocket investigation of causes of communication interference	2,600	Reimbursed in FY 73
8. Department of Army	Range improvement for obtaining routinely atmospheric info for weather forecasting and aircraft navigation (3 times/week)	16,400	Agency official informally requested activity to continue expenditure on project. Reimbursement anticipated.

Encl 2

9.	Department of Commerce	Study of Alaska Fisheries resulting in book "Alaska Fisheries Policy"	53,000	Payment contingent upon acceptance of final report by agency. Can go either way.
10.	Alaska Mobile Homes	Construction techniques for Mobile Homes in Arctic	2,500	Firm went out of business. Write-off in FY 73.
11.	Department of Education	Vocational technical and Vocational Educational Courses	190,600	Net of increased fluctuations in volume of participation. Coupled with accelerations in response time resulted in non responsive course budgets when compared to needs in Community College programs. See Schedule I. Covers FY 70,71 & 72. Write off in FY 73.
12.	Students/Others	Deferred fee payments, library books, etc.	23,000	Most are students dropping out of school before paying deferred fees. Turned over to local collection agency. See Schedule II. Write-off uncollected after 6/30/73 review.
			<u>\$350,000</u>	

SCHEDULE I

COMMUNITY COLLEGES
ALLOWANCE FOR DOUBTFUL ACCOUNTS

<u>YEAR</u>	<u>COMMUNITY COLLEGE</u>	<u>COURSE DESCRIPTION</u>	<u>FUNDING AGENCY</u>	<u>AMOUNT</u>	
FY 72	ACC	Non-Degree Vocational Tech	(State)	\$22,226.50	
		Non-Degree Nursing	(State)	2,596.70	
		Non-Degree Medical Office Assistants	(State)	924.06	
		Non-Degree Medical Lab Assistants	(State)	4,967.33	
		Non-Degree Automotive	(State)	24,765.03	
		Non-Degree Data Processing	(State)	4,208.48	
		Non-Degree Welding	(State)	3,327.68	
		Non-Degree Assoc. Degree Nursing	(State)	3,112.96	
		Non-Degree Air Frames & Power Plant	(State)	6,067.23	
					<u>72,195.87</u>
		FY 71	ACC	Non-Degree-Automotive Tech	(State)
Non-Degree-Welding	(State)			22,104.79	
Non-Degree-Adult Basic Educ.	(State)			19,959.08	
JDCC	Vocational Education		(State)	2,691.16	
			<u>73,486.26</u>		
FY 70	ACC	Non-Degree-Electronic Tech	(State)	934.29	
		Non-Degree-Practical Nursing	(State)	43,935.03	
				<u>44,869.32</u>	
		Total		<u>190,551.45</u>	

RECAP

<u>Community College</u>	<u>Total</u>	<u>Allowance</u>
Anchorage	187,860.29	187,900.00
Juneau-Douglas	<u>2,691.16</u>	<u>2,700.00</u>
	<u>190,551.45</u>	<u>190,600.00</u>

SCHEDULE II

STUDENTS, EMPLOYEES, OTHERS
ALLOWANCE FOR DOUBTFUL ACCOUNTS

<u>NAME</u>	<u>TYPE*</u>	<u>AMOUNT</u>	<u>DESCRIPTION</u>
Ethel R. Hunter	Student	\$184.00	Fees
Gordon L. Jackson	Student	12.50	Fees
Loyal E. Jordon	Student	310.56	Fees
Edward R. Knisley	Student	196.13	Fees
Karen Lang	Other	11.00	Misc.
Elstun Laveson	Student	104.00	Fees
Morrell Lions	Student	119.00	Fees
Marie Ludecker	Employee	13.00	Library
Rob L. Manring	Student	81.95	Library
Gregory J. Marciniac	Student	637.00	Fees
Harvey Marlin	Other	15.00	Misc.
Glenn Milo	Student	75.00	Fees
Donelda A. Mullen	Student	41.25	Fees
Nina Nathan	Student	46.00	Fees
Walter E. Nolan	Student	125.00	Fees
Allen A. Oskolkoff	Student	76.00	Fees
Thomas W. Parker	Student	404.42	Fees
Donald Phipps	Student	11.00	Misc.
Janet Rabich	Student	16.00	Misc.
Terry A. Reed	Student	362.79	Fees
Garold A. Reid	Student	64.00	Fees
Charles L. Rowett	Employee	778.20	Rent
Theresa Sandland	Student	712.45	Fees
Rich Seigel	Student	96.22	Fees
Harvey Severance	Student	265.00	Fees
Levi Tetpon	Student	10.25	Fees
Richard Thompson	Student	603.00	Fees
Glenn E. Tinker	Student	207.00	Fees
David D. Wallen	Student	117.00	Fees
Michael Warner	Student	59.00	Fees
Anne Wherry	Other	57.00	Misc.
Nancy E. Williams	Student	79.45	Fees
David M. Wood	Student	54.00	Fees
Valerie Alldrige	Student	478.00	Fees
Berit H. Anderson	Student	340.00	Fees
Patrick S. Armstrong	Student	508.00	Fees
Rose A. Atuk	Student	179.09	Fees
Norman Bastiem	Student	138.00	Fees
Glenn W. Beaudry	Employee	100.00	Advance
Monica Bettisworth	Student	444.27	Fees
Marilyn K. Blankenship	Student	27.00	Fees
Jerry K. Bolton	Student	293.00	Fees
Delbert A. Bolton	Student	214.50	Fees
Colleen Carey	Student	782.00	Fees
Albert H. Clough	Employee	12.50	Misc.
Christopher Conway	Employee	390.00	Rent
William H. Cuffel	Student	41.09	Fees
Owen D. Davenport	Student	217.00	Fees
Maurice Deback	Student	79.00	Fees
Donna Dexter	Student	32.60	Fees
Stevens Drapeau	Student	85.00	Fees

Theodore W. Dundras	Student	7.00	Fees
Monroe Eakon	Student	20.00	Fees
Richard Eliason	Student	77.00	Fees
William Engles	Student	69.00	Fees
John A. Firmin	Student	192.50	Fees
Lynn D. Fivey	Student	88.50	Fees
Dale Fosdick	Student	104.50	Fees
Gregory J. Galik	Student	75.50	Fees
William H. Graham	Student	132.00	Fees
Donna J. Griswold	Student	99.00	Fees
Raymond J. Halderman	Student	117.00	Fees
Carol Dunlap	Student	57.41	Fees
Tanya J. Hishmen	Student	58.00	Fees
Alaska Data Processing	Other	557.38	Computer Use
Helen Warner	Other	115.06	Computer Use
Carl T. Peter	Student	13.45	Misc.
Martha Reynolds	Student	108.00	Fees
Randall B. Russell	Student	267.67	Fees
Danny F. Sheardown	Student	253.00	Fees
Jack W. Stafford	Student	2.50	Misc.
Michael A. Stanford	Student	61.42	Fees
Thomas Stump	Student	122.00	Fees
Daniel E. Sullivan	Student	42.21	Fees
Thomas A. Sumey	Student	216.00	Fees
Albert K. Kowcher	Student	432.99	Fees
Linda A. Leonhardt	Student	238.19	Fees
Jackie L. Lewis	Student	328.15	Fees
Garth E. Logan	Student	827.10	Rent
Abigail S. Lundfelt	Other	4.76	Misc.
Michael J. Malone	Student	1,663.60	Fees
David McKecknie	Student	323.20	Fees
C. Peter McRoy	Employee	174.75	Travel
James Miller	Employee	24.21	Misc.
Iris Clark	Student	163.00	Fees
Albert Clough	Employee	12.50	Misc.
Ethel or Peter Jack	Student	2.00	Misc.
James E. James Jr.	Employee	4.00	Misc.
Samuel J. Jeffcoat	Student	103.00	Fees
Laura F. Johnson	Student	105.74	Fees
Ken Kaner	Student	99.37	Fees
Peter B. Kinneen	Student	25.50	Library
Barbara J. Knowles	Employee	29.09	Misc.
Robert Hinricks	Student	96.50	Fees
Douglas F. Herring	Student	95.95	Fees
Roy R. Houston	Student	170.75	Fees
Pete D. Howard	Employee	20.00	Misc.
Mary B. Hyry	Student	279.79	Fees
Gina M. Ireland	Student	134.00	Fees
Robin W. Isto	Student	23.00	Fees
Michael D. Tilley	Student	222.75	Fees
Franklin Trigg	Other	3.80	Misc.
Elaine B. Tweiten	Student	281.00	Fees
Lloyd A. Washter	Other	8.00	Misc.
Charles L. Williams	Student	93.00	Fees
John Fedorak	Student	70.00	Fees
Joy Foster	Student	11.50	Library
Jerry L. Gage	Student	142.00	Fees
James J. Gale	Other	11.95	Library

Michael A. George	Student	69.98	Fees
Barbara Gladfelter	Other	16.00	Library
Roger L. Greve	Student	569.00	Fees
Milo S. Griffin	Student	17.00	Misc.
Linda L. Guillen	Student	922.00	Fees
Jack O. Hakkila	Employee	424.83	Rent
Harold G. Cook	Student	169.30	Fees
Perbia Cooper	Student	117.25	Fees
Muriel A. Crook	Student	23.85	Fees
Mary E. Duccy	Student	58.00	Fees
Ricardo V. Ernst	Other	114.25	Misc.
Barbara Ester	Student	519.48	Fees
Melvin D. Fairbanks	Student	87.00	Fees
Janice A. Boschker	Student	72.25	Fees
John T. Brosky	Student	127.75	Fees
Anne Burnstein	Student	119.45	Fees
Sheila D. Campbell	Student	667.12	Fees
Sandra L. Chapple	Student	89.00	Fees
Mary E. Coner	Other	13.95	Library
Edward Aisenbrey	Student	157.00	Fees
David Alvanna	Student	10.89	Misc.
Gary B. Antoni	Student	496.00	Fees
Isabelle S. Bifell	Student	107.10	Fees
M. Gaye Billington	Student	253.65	Fees
Brian L. Blair	Employee	<u>11.04</u>	Other

GRAND TOTAL

\$24,719.10

* Individuals identified as students and employees are former students and employees. Students and former students are not permitted to enroll or obtain transcript of credits until all debts are paid. Attempts are made to collect amounts due from employees from their final pay check. Names have been turned over to local collection agency.



Alaska State Legislature

631.0
286

Senate

JUNEAU, ALASKA

MEMORANDUM

TO: Legislative Finance
Committees

DATE: 1/26/73

FROM: Rich Guthrie,
Fiscal Analyst *RG*

SUBJ: U. of A. Supplemental -
HB 64; Comments on U.
of A. Letter of 10/27/72

FUNDS REQUESTED	OVEREXPENDITURE ITEM	COMMENTS
<i>OUT</i> \$ 940.0	Accrued annual leave	Disallowed by Governor in order that U. of A. policy regarding annual leave will be consistent with that of state agencies.
(See memo of 2/16/71 for breakdown of \$551.0 request)		
<i>OK</i> \$ 280.0	Staff retirement employee contri- bution matching rate	Classified employees rate raised from 7% to 8% by Ch 109, SLA 1970. Signed by Governor on 5/6/70. Teachers rate raised from 2.5% to 3.5% by Ch 138, SLA 1970. Signed by Governor on 5/20/70. Both bills signed early enough to allow 1% adjustment in working budget?
<i>OK</i> \$ 114.0	Increased insurance premiums	Memo states that \$319.0 required for FY 71 insurance premium. How- ever, only \$272.1 budgeted for FY 72 (ref. p. 891, FY 73 budget). Why less in FY 72 in spite of additional property?
<i>OK</i> \$ 100.0	Unusual winter	(no comment)
<i>OK</i> \$ 57.0	Remodeling office space for Dept. of Natural Resources	Not properly chargeable to the U. of A? Why hasn't Natural Resources paid the balance? Supplemental to Natural Resources instead?

OK
-0- Attempt to
collect & report
back next session -
documentation.

OK
-0- Collect from
Nat. Res. & if not
collected before next
session, report back.

FUNDS REQUESTED	OVEREXPENDITURE ITEM	COMMENTS
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OK

\$ 631.0	FY 71 overexpend. by Southcentral Region (primarily Anchorage)	<p>Reported causes:</p> <ol style="list-style-type: none"> 1. Central business office at Fairbanks 2. Delayed mailing of invoices from Anchorage to Fairbanks. 3. Inadequate purchasing requisition & control procedures. 4. Inadequate monthly financial reporting procedures. 5. Change in student enrollment characteristics from part-time to more full-time --- resultant loss in fees collected per FTE student. <p>Present actions to correct causes:</p> <ol style="list-style-type: none"> 1. Decentralization --- business manager and registrar for Southcentral Region. 2. Southcentral now responsible for fiscal control.
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-0- \$ 685.0

*For. Fin.
FY 1972
Surplus \$43,000*

FY 72 overexpend. by Southcentral Region (Anch)	<p>Why overexpended two years in a row? Corrective actions adequate? FY 73 predictions?</p> <p>The <u>total</u> U. of A. appropriation was <u>not</u> overexpended in FY 72. Funds were transferred from the Northern Region to cover the overexpenditure in Southcentral.</p>
---	--

TOTAL FUNDS REQUESTED:	\$ 2,807.0
REGENTS' REDUCTION (unexplained):	<u>(199.0)</u>
REGENTS' REQUEST:	\$ 2,608.0
GOVERNOR'S REDUCTION:	<u>(940.0)</u>
GOVERNOR'S RECOMMENDATION:	\$ 1,668.0
LEGISLATIVE RECOMMENDATION: (intent, adjustments)	114.0

1,554.0
57.0
1497.0

*1497
1,011
486*

WILLIAM R. WOOD
PRESIDENT



UNIVERSITY OF ALASKA
OFFICE OF THE PRESIDENT
COLLEGE, ALASKA
October 27, 1972

2) they interpret Const. (E), state...
not allowing expenditures beyond
appropriations
3) we appropriate all money - fed. -
state & other
HB 64



RECEIVED
NOV - 1 1972
GOVERNOR'S OFFICE

The Honorable William A. Egan
Governor of Alaska
Pouch A
Juneau, Alaska 99801

Dear Governor Egan:

As you are aware, the financial statements of the University shows a deficit which, although small when compared to the total annual operating expenditures, presents serious difficulties in progressive budgeting and aggravates the cash flow problem.

The origin of this deficit, accumulated mostly in 1971 and 1972, is complex and in analysis was generally beyond the University's control. It can be broken down into the following three contributing factors:

- 1. *To be handled same as state - use UTO funds available on annual basis.*
The request by the University auditors for recognition of the accrued annual leave that had been accumulated over the years by the employees of the University. This currently amounts to approximately \$940,000. *Gov. deleted.*
- 2. Other events occurred that caused us to spend approximately \$551,000 of monies that were not anticipated at the time of developing the budget. This information is covered in a letter to Commissioner Joseph R. Henri, dated February 16, 1971, which is attached.
- 3. The University administration did not anticipate the full extent of demand in the Anchorage area for educational programs or the cost of operating the new physical facilities made available by the people of the State of Alaska. As a result, the expenditures exceeded the funds available by \$631,000 for fiscal year 1971. *(See "Causes" on R. Guthrie notes)*

In 1972, demands in Anchorage again exceeded budget allowances to the extent of \$685,000. The fact that the total receipts and disbursements in that year balanced indicates the many difficult decisions made by the Board of Regents

The Honorable William A. Egan

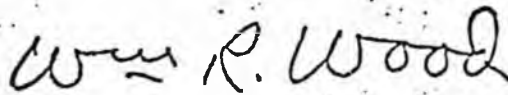
-2-

October 27, 1972

during the year and the heavy drain placed on the quality of other justified and approved programs within the University. This represents a loss that cannot be made good by redistribution of funds within the strictures you have wisely placed on total State spending. *Total approp. for FY73 not overexpended - programs cut back in No. Region (Fbx) to cover Anc. overexpand.*

After long deliberation, the Board of Regents instructed me to request your assistance in rectifying this situation through a supplemental appropriation in the amount of \$2,608,022 early in the 8th Legislature.

Sincerely,



William R. Wood
President

WRW:cb

Attachment



UNIVERSITY OF ALASKA
COLLEGE, ALASKA 99701

February 16, 1971

Commissioner Joseph R. Henri
Department of Administration
State of Alaska
Pouch C
Juneau, Alaska 99801

Dear Commissioner Henri:

This is to request that the University of Alaska be authorized a supplemental appropriation for fiscal year 1970-71 for the following reasons:

Signed 5/20/70 - Benefits from 5% - 7% for teachers by Ch 138, SEA 1970
Signed 5/6/70 - Benefits from 7% - 8% for classified by Ch 109, SLA 1970

1. On June 23, 1970, a memorandum was issued by the Commissioner of Administration establishing the employee matching contribution rates for the staff retirement to be effective July 1, 1970. The effect of this change to the University, subsequent to the working budget approval, is projected to cost \$280,000.

NOTE: Only ~~allotted~~ ^{allotted} ~~amount~~
\$272.1 (FY72 Auth.)

In fiscal year 1969-70, the University paid \$135,000 in premiums for its insurance. In developing the 1970-71 working budget, it was estimated that as a result of the increased value of University assets, and losses suffered nationally by insurance companies, the annual premium would approximate \$205,000. In late July, the results of our negotiation with the insurance company indicated that our premium for the year ^{FY 1971} would amount to \$319,000, or \$114,000 in excess of our estimates.

(Ref: p 891, FY73
Budget Work book)

3. The unusual winter (snow in excess of 114 inches and extended periods of below zero temperatures) has made excessive demands on our budgets for reasons of employee overtime and rental of additional equipment for snow removal, heating costs, and numerous repairs to the heating and water systems at an estimated cost of \$100,000.

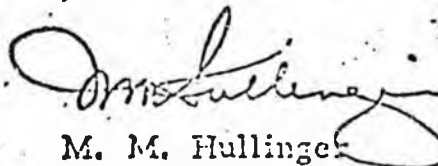
Commissioner Joseph R. Henri
February 16, 1971
Page Two

4. The cost of preparing office space for the Department of Natural Resources on the College campus, at the request of the Governor, in the amount of \$118,146.95 (less a payment by the Department of \$61,000) has caused the University to absorb an unbudgeted charge in the amount of \$57,146.95.

*Chg to Dept.
of Nat. Res.?*

For the reasons presented, we are requesting additional funds in the amount of \$551,146.95. These amounts can be substantiated by specific details. Please let me know if there is additional information you need prior to honoring this request.

Sincerely,



M. M. Hullinger
Vice President for Finance
and Comptroller

alh

WILLIAM R WOOD
PRESIDENT



UNIVERSITY OF ALASKA
OFFICE OF THE PRESIDENT
COLLEGE, ALASKA
October 27, 1972

1) we handle insurance to
2) they interpret const. (of state) as
not allowing expenditures beyond
appropriations
3) we appropriate all money - fed. -
state & other
HB 64



RECEIVED
NOV - 1 1972
GOVERNOR'S OFFICE

The Honorable William A. Egan
Governor of Alaska
Pouch A
Juneau, Alaska 99801

Dear Governor Egan:

As you are aware, the financial statements of the University shows a deficit which, although small when compared to the total annual operating expenditures, presents serious difficulties in progressive budgeting and aggravates the cash flow problem.

The origin of this deficit, accumulated mostly in 1971 and 1972, is complex and in analysis was generally beyond the University's control. It can be broken down into the following three contributing factors:

1. The request by the University auditors for recognition of the accrued annual leave that had been accumulated over the years by the employees of the University. This currently amounts to approximately \$940,000.
2. Other events occurred that caused us to spend approximately \$551,000 of monies that were not anticipated at the time of developing the budget. This information is covered in a letter to Commissioner Joseph R. Henri, dated February 16, 1971, which is attached.
3. The University administration did not anticipate the full extent of demand in the Anchorage area for educational programs or the cost of operating the new physical facilities made available by the people of the State of Alaska. As a result, the expenditures exceeded the funds available by \$631,000 for fiscal year 1971.

How
2 funds?

In 1972, demands in Anchorage again exceeded budget allowances to the extent of \$685,000. The fact that the total receipts and disbursements in that year balanced indicates the many difficult decisions made by the Board of Regents

UNIVERSITY OF ALASKA

The Honorable William A. Egan

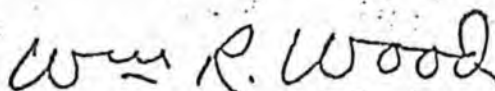
-2-

October 27, 1972

during the year and the heavy drain placed on the quality of other justified and approved programs within the University. This represents a loss that cannot be made good by redistribution of funds within the strictures you have wisely placed on total State spending.

After long deliberation, the Board of Regents instructed me to request your assistance in rectifying this situation through a supplemental appropriation in the amount of \$2,608,022 early in the 8th Legislature.

Sincerely,



William R. Wood
President

WRW:cb

Attachment



UNIVERSITY OF ALASKA

COLLEGE, ALASKA 99701

February 16, 1971

Commissioner Joseph R. Henri
Department of Administration
State of Alaska
Pouch C
Juneau, Alaska 99801

Dear Commissioner Henri:

This is to request that the University of Alaska be authorized a supplemental appropriation for fiscal year 1970-71 for the following reasons:

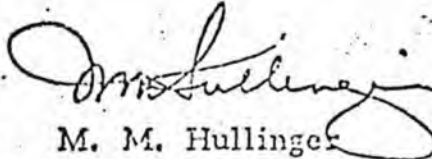
1. On June 23, 1970, a memorandum was issued by the Commissioner of Administration establishing the employee matching contribution rates for the staff retirement to be effective July 1, 1970. The effect of this change to the University, subsequent to the working budget approval, is projected to cost \$280,000.
2. In fiscal year 1969-70, the University paid \$135,000 in premiums for its insurance. In developing the 1970-71 working budget, it was estimated that as a result of the increased value of University assets, and losses suffered nationally by insurance companies, the annual premium would approximate \$205,000. In late July, the results of our negotiation with the insurance company indicated that our premium for the year would amount to \$319,000, or \$114,000 in excess of our estimates.
3. The unusual winter (snow in excess of 114 inches and extended periods of below zero temperatures) has made excessive demands on our budgets for reasons of employee overtime and rental of additional equipment for snow removal, heating costs, and numerous repairs to the heating and water systems at an estimated cost of \$100,000.

Commissioner Joseph R. Henri
February 16, 1971
Page Two

4. The cost of preparing office space for the Department of Natural Resources on the College campus, at the request of the Governor, in the amount of \$118,146.95 (less a payment by the Department of \$61,000) has caused the University to absorb an unbudgeted charge in the amount of \$57,146.95.

For the reasons presented, we are requesting additional funds in the amount of \$551,146.95. These amounts can be substantiated by specific details. Please let me know if there is additional information you need prior to honoring this request.

Sincerely,



M. M. Hullinger
Vice President for Finance
and Comptroller

alh

WILLIAM P WOOD
PRESIDENT



UNIVERSITY OF ALASKA
OFFICE OF THE PRESIDENT
COLLEGE, ALASKA
October 24, 1972

RECEIVED
OCT 30 1972
GOVERNOR'S OFFICE

The Honorable William A. Egan
Governor of Alaska
Pouch A
Juneau, Alaska 99801

Dear Governor Egan:

The Board of Regents has requested that I secure your assistance in obtaining legislation to establish a working capital fund for the University.

Such a fund would be a fixed liability on the books of the University, and would not be used as a part of the annual operating budget. The University, like any other ongoing organization, has current assets other than cash, such as petty cash funds, accounts receivable and inventories. A working capital fund is necessary to provide the monies for payment of the amounts owed vendors when such charges are due.

I am enclosing a copy of a letter to Mr. Hullinger by Commissioner Henri, dated April 4, 1972, indicating your endorsement of the working capital fund concept, and that you would be receptive to the introduction of such legislation during the first session of the 8th Legislature. At that time, Commissioner Henri recommended the appropriation of \$600,000, with the possibility of another \$600,000 in the following year. Your consideration to combine these two appropriations, and provide \$1,200,000 at this time would be greatly appreciated.

I am enclosing a copy of an analysis of the actual cash balances covering the last quarter of the 1972 fiscal year for your information. This analysis of cash balances shows why we had difficulties during the last four months of the fiscal year and why we are unable to pay bills or satisfy the requests from vendors during this period.

We sincerely appreciate any assistance that you can provide and assure you that we will continue to do everything possible to enhance the long standing reputation of the University of Alaska as being a responsible entity within the total operating activity of the State of Alaska.

Sincerely,

William R. Wood
President

cc: Commissioner Henri

STATE OF ALASKA

WILLIAM A. EGAN, GOVERNOR

DEPARTMENT OF ADMINISTRATION

OFFICE OF THE COMMISSIONER / BUCH C -- JUNEAU 99301

4 April 1972

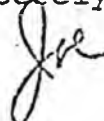
Mr. Max Mullinger
University of Alaska
P. O. Box 127
College, Alaska 99701

Dear Max:

Enclosed herewith are drafts of the two bills relating to a working capital fund for the University, one creating the fund, and the other appropriating \$600,000. We feel it is too late in the session for the administration to introduce these this year. Governor Egan endorses the concept, and will introduce the legislation in the first session of the eighth legislature. Furthermore, we would not voice administrative objection were you to find an independent sponsor from among the legislative membership.

With kind regards, I remain . . .

Sincerely yours,



JOSEPH R. HENRI
Commissioner

JRH/kh

cc: Honorable William A. Egan

IN THE HOUSE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

HOUSE BILL NO.

IN THE LEGISLATURE OF THE STATE OF ALASKA

SEVENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An act establishing a working capital reserve fund for the University of Alaska; and providing for an effective date."

IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

* Section 1. AS 14.40 is amended by adding a new section to read:

Sec. 14.40.295. WORKING CAPITAL RESERVE FUND. There is established in the treasury of the University of Alaska the University of Alaska working capital reserve fund. The fund consists of money appropriated by the state for the purpose of providing current working capital for the University of Alaska and is not available for appropriation by the Board of Regents.

* Sec. 2. This Act takes effect on the day after its passage and approval on the day it becomes law without approval.

THE HOUSE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

HOUSE BILL NO.

IN THE LEGISLATURE OF THE STATE OF ALASKA

SEVENTH LEGISLATURE - SECOND SESSION

A BILL

or an Act entitled: "An Act appropriating to the University of Alaska
working capital reserve fund and providing for an
effective date."

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

* Section 1. The sum of \$600,000 is appropriated from the general fund to
the University of Alaska working capital reserve fund established in AS
14.40.295.

* Sec. 2. This Act takes effect on the day after its passage and approval
or on the day it becomes law without approval.

UNIVERSITY OF ALASKA

Actual Cash Balances 1972

	April	May	June
Cash Balance per books	<u>\$(1,256,529.24)</u>	<u>\$(1,174,219.77)</u>	<u>\$(2,126,307.57)</u>
Receipts:			
State Appropriation	1,293,000.00	1,284,000.00	-0-
Grants & Contracts	1,863,805.06	997,047.47	593,098.43
Other	<u>465,121.41</u>	<u>477,487.12</u>	<u>1,555,701.04 *</u>
Total Receipts	<u>3,611,926.47</u>	<u>2,758,534.59</u>	<u>2,149,699.47</u>
Cash Available	<u>2,355,397.23</u>	<u>1,584,314.82</u>	<u>23,391.90</u>
Disbursements:			
Gross Payroll	1,904,777.30	2,128,797.42	1,650,344.69
Other	<u>1,624,839.70</u>	<u>1,591,824.97</u>	<u>1,847,138.14</u>
Total Expenditures	<u>3,529,617.00</u>	<u>3,710,622.39</u>	<u>3,497,482.82</u>
Ending Balance	(1,174,219.77)	(2,126,307.57)	(3,474,090.92)

* Includes \$975,000 of the 1.9 million received to purchase the AMU land.

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

November 24, 1972

Dr. William R. Wood
President
University of Alaska
College, Alaska 99701

Dear President Wood:

I have spent the past few days giving careful thought to your letters of October 24 and 27. As you will recall, these letters dealt with a working capital fund for the University and a request for consideration of a supplemental appropriation.

As you know, I am in agreement with the concept of a working capital fund. At this moment I intend to introduce legislation to create a working capital reserve. I feel it would be less strenuous on the State's budget if we were able to build the fund gradually over a period of fiscal years. Until the overall State budget is completed, I cannot determine what amount would be requested from the Legislature.

I had discussed the supplemental appropriation at length with Commissioner Henri and other budget personnel in the Department of Administration. Upon very definite evidence that the University's deficit cannot be otherwise resolved, I will give careful consideration to a supplemental request from the First Session of the Eighth Legislature. Both Commissioner Henri and I agree that any thought given to a supplemental request would be greatly influenced by your position and that of the Regents to three stipulations:

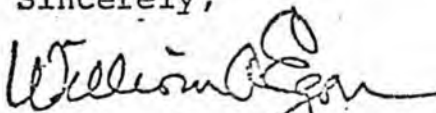
1. That the Fiscal Year 1974 State budget and all succeeding budgets entail the appropriation of all University money. In this we specifically mean money from the State General Fund, anticipated Federal receipts, and any other revenue source.
2. That the Board of Regents by formal resolution express the understanding of the University that pursuant to the Constitution of the State and the pertinent statutes, the University cannot expend beyond legislative appropriations any more than can any State agency.

November 24, 1972

3. Should it be determined clearly that significant savings can be realized to the State by the utilization of the Department of Administration's marketing of University insurance, the University will agree to this procedure beginning in the 1974 fiscal year.

It is my understanding that a meeting of the Board of Regents is scheduled for November 30. I would hope that the subjects set out above will be discussed. Let me assure you of my personal commitment to insuring orderly, controlled progress throughout our State Government, and most particularly the University System.

Sincerely,



William A. Egan
Governor

The Legislature of the State of Alaska
FISCAL NOTE
First Session - Eighth Legislature

I. REQUEST

Bill Identification: House Bill 64
 Title: An act making a supplemental appropriation to the University of Alaska
 Requested by: Legislative Finance Date: 1/12/73
 Return Date Requested: ASAP
 Agency: Budget and Management Program: Post-Secondary and Adult Education

II. FISCAL DETAIL

Budget Request Unit(s) Affected: ALL - University of Alaska

A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 73	FY 74	FY 75	FY 76	FY 77	FY 78
100 PERSONAL SERVICES	-0-	-0-	-0-	-0-	-0-	-0-
200 TRAVEL	-0-	-0-	-0-	-0-	-0-	-0-
300 CONTRACTUAL	-0-	-0-	-0-	-0-	-0-	-0-
400 COMMODITIES	-0-	-0-	-0-	-0-	-0-	-0-
500 EQUIPMENT	-0-	-0-	-0-	-0-	-0-	-0-
600 LAND & STRUCTURES	-0-	-0-	-0-	-0-	-0-	-0-
700 GRANTS, CLAIMS, ETC.	-0-	-0-	-0-	-0-	-0-	-0-
Other (See Below)	1,688.0	-0-	-0-	-0-	-0-	-0-
TOTAL	1,688.0	-0-	-0-	-0-	-0-	-0-

B. FUNDING: (Thousands of dollars)

GENERAL FUND	1,688.0	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS	-0-	-0-	-0-	-0-	-0-	-0-
OTHER	-0-	-0-	-0-	-0-	-0-	-0-

C. POSITIONS:

PERMANENT/TEMPORARY	0 / 0	0 / 0	0 / 0	0 / 0	0 / 0	0 / 0
MAN MONTHS (P./T.)	0 / 0	0 / 0	0 / 0	0 / 0	0 / 0	0 / 0

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

The University, while operating in the black during FY 72, continues to show an accumulated deficit from prior years in its annual audit report of \$2,608,000. This amount is essentially made up of the following items:

Reserve for Bad Debts	\$350,000	Reserve for Encumbrances	\$388,000
Reserve for Accrued Leave	\$940,000	Operating Losses	\$930,000

After consultation with University officials and the Certified Public Accountants performing the most recent audit, the administration believes that the University has now established sufficient accounting controls (as evidenced by their performance in FY 72) to prevent further overexpending. We believe the slate should now be wiped clean on past errors, however we also believe that the full deficit is not worthy of funding. We disagree that the Reserve for Accrued Leave is a proper liability against prior appropriations - but against future appropriations. Accordingly it is recommended that only the three remaining items, totaling \$1,668,000, be funded.

IV. ATTACHMENTS

V. DATE: 1/16/73

PREPARED BY: M. R. Charney, Director

Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

CSHB 64

January 11, 1973

The Honorable Tom Fink
Speaker of the House
Alaska State Legislature
Juneau, Alaska 99801

Dear Mr. Speaker:

Pursuant to the Uniform Rules of the Legislature,
I am transmitting a bill making a supplemental
appropriation to the University of Alaska.

The bill appropriates \$1,668,000 to the University
of Alaska to cover accumulated deficits from prior
years. The appropriation is to be allocated as
follows: \$350,000 for reserve for bad debts;
\$338,000 for reserve for encumbrances; and
\$930,000 for operating losses.

Sincerely,

William A. Egan
Governor



RECORDS CERTIFICATION



I, the undersigned, an employee of the State of Alaska, do hereby certify that the microfilm images on this microform are accurate reproductions of the original records of the State of Alaska as accumulated during the regular course of business, and that it is the established policy and practice of this State to microfilm its records and to dispose of the original records after microfilm reproductions have been made.

James O. Smith
Signature of Camera Operator

4/26/89
Date

"An Act making supplemental appropriations to the Alaska State-Operated School System; and providing for an effective date."

COMMITTEE REPORT

HOUSE

2/12/73

Mr. Speaker:

Date Feb 20, 1973

The Committee on Finance has had NB 65

under consideration. A Majority of the members of the Committee

() recommends it DO PASS

() recommends it DO NOT PASS

recommends it DO PASS WITH ATTACHED AMENDMENT(S)

() recommends it BE REPLACED WITH CS FOR _____ AND THAT

CS FOR _____ DO PASS

() "and" recommends it BE REFERRED TO THE _____

COMMITTEE

() reports it back WITHOUT RECOMMENDATION

() "other"

Members signing the Majority report:

<u>[Signature]</u>	<u>[Signature]</u>	_____
<u>[Signature]</u>	<u>[Signature]</u>	_____
<u>[Signature]</u>	<u>[Signature]</u>	_____
<u>[Signature]</u>	<u>[Signature]</u>	_____

Members NOT concurring in the Majority report:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

[Signature] Chairman

An Act making supplemental appropriations to the Alaska State-Operated School System; and providing for an effective date."

COMMITTEE REPORT

1-12-73

HOUSE

Mr. Speaker:

Date Feb 5 1973

The Committee on FINANCE has had HB 65

under consideration. A Majority of the members of the Committee

recommends it DO PASS

recommends it DO NOT PASS

recommends it DO PASS WITH ATTACHED AMENDMENT(S)

recommends it BE REPLACED WITH CS FOR _____ AND THAT

CS FOR _____ DO PASS

"and" recommends it BE REFERRED TO THE _____

COMMITTEE

reports it back WITHOUT RECOMMENDATION

"other"

Members signing the Majority report:

<u>[Signature]</u>	<u>[Signature]</u>	_____
<u>[Signature]</u>	<u>[Signature]</u>	_____
<u>[Signature]</u>	<u>[Signature]</u>	_____
_____	_____	_____

Members NOT concurring in the Majority report:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

[Signature] Chairman

Introduced: 1/12/73
Referred: Finance

1 IN THE HOUSE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2 HOUSE BILL NO. 65

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 EIGHTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act making supplemental appropriations to the
7 Alaska State-Operated School System; and providing for
8 an effective date."

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

10 * Section 1. The sum of \$661,600 is appropriated from the general fund to
11 the Alaska State-Operated School System for the fiscal year ending June 30,
12 1972.

13 * Sec. 2. The sum of \$1,351,400 is appropriated from the general fund to
14 the Alaska State-Operated School System for the fiscal year ending June 30,
15 1973.

16 * Sec. 3. This Act takes effect on the day after its passage and approval
17 or on the day it becomes law without approval.

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BILL ASSIGNMENT

TO: Rep. Ose

FROM: E. D. Hillstrand
Chairman
House Finance Committee

BILL NO.: HOUSE BILL NO. 65

TITLE: Supplemental to S.O.S.

DATE OF ASSIGNMENT: January 15, 1973

COMMENTS

This bill has been referred to you for your review and research and eventual presentation to the committee for their consideration.

HB 65 Mr. Ose reported that HOUSE BILL 65 (Supplemental to State-Operated Schools) is very "fouled up" and that

1/18/73 Mr. Stanley Friese would be called to Juneau to speak on the bill.

HOUSE BILL NO. 77 was referred to the Finance Committee.

HB
65

The Finance Committee has had HOUSE BILL NO. 65 (making supplemental appropriations to the Alaska State-Operated School System; and providing for an effective date) under consideration and a majority of the members of the Committee recommends it do pass with the amendment offered on page 251 of the journal. The report was signed by Mr. Hillstrand, Chairman, and concurred in by Hillstrand, Warwick, Freeman, Saylor, Haugen, Barber, Specking and Ferguson.

HOUSE BILL NO. 65 was referred to the Rules Committee for placement on the calendar.

The Speaker stated that without objection, the Finance Committee report on HOUSE BILL NO. 65 would not be read and it would be printed in the journal. There being no objection, it was so ordered and the report appears as follows:

"FINANCE COMMITTEE REPORT"

on

HOUSE BILL NO. 65

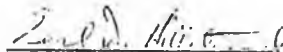
February 19, 1973

The Honorable Tom A. Pink
Speaker of the House

Subject: HOUSE BILL NO. 65 "An Act making supplemental appropriations to the Alaska State-Operated School System; and providing for an effective date."

In view of the controversy generated from consideration of paragraph #5 of our committee report on the above-identified measure, the committee respectfully requests its deletion from said report.

HB
65


Earl D. Hillstrand
Chairman
House Finance Committee


Ernie Haugen

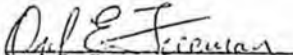
Al Use


Edward G. Barber


Bud Saylor


Frank R. Ferguson


Keith Specking


Oral E. Freeman


Andy Warwick

HB 154 The Commerce Committee has had HOUSE BILL NO. 154 (relating to the revocation of motor vehicle operator's license) under consideration and a majority of the members of the Committee recommends it be replaced with COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 154 (same title) and that COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 154 do pass. The report was signed by Mr. Randolph, Chairman, and concurred in by Randolph, Bowman, Tillion, Meekins, Urton, Fischer and J. Miller.

HOUSE BILL NO. 154 was referred to the Judiciary Committee.

HB 18 The Judiciary Committee has had HOUSE BILL NO. 18 (relating to legislation and ballot measures authorizing the issuance of general obligation bonds) under consideration and a majority of the members of the Committee recommends it be replaced with COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 18 (same title) and that COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 18 do pass. The report was signed by Mr. Tillior, Chairman, and concurred in by Tillion, Orsini, Malone and McVeigh. Not concurring were Chance and Banfield, who have no recommendations.

HOUSE BILL NO. 18 was referred to the Finance Committee.

HB 12 The Judiciary Committee has had HOUSE BILL NO. 12 (relating to liability for damage to underground utilities; and providing for an effective date) under consideration and a majority of the members of the Committee recommends it be replaced with COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 12 (same title) and that COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 12 do pass. The report was signed by Mr. Tillion, Chairman, and concurred in by Tillion, Orsini, Malone, McVeigh and Banfield. Not concurring was Chance, who has no recommendation.

HOUSE BILL NO. 12 was referred to the Rules Committee for placement on the calendar.

The report was signed by Mrs. Beirne, Chairman, and concurred in by Fritz, Petersen, Malone, Hackney, Hartig and Beirne.

HOUSE BILL NO. 29 was referred to the Finance Committee.

The Health, Education and Social Services Committee has had HOUSE BILL NO. 77 (relating to state aid for retirement of school construction debt; and providing for an effective date) under consideration and a majority of the members of the Committee recommends it be replaced with COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 77 (same title) and that COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 77 do pass. The report was signed by Mrs. Beirne, Chairman, and concurred in by Meekins, Petersen, Hackney, Hartig, Fritz and Beirne. HB 77

The Finance Committee has had HOUSE BILL NO. 65 (making supplemental appropriations to the Alaska State-Operated School System; and providing for an effective date) under consideration and a majority of the members of the Committee recommends it do pass with the following amendment:

Amendment No. 1 by the Finance Committee:

Page 1, line 10: Change "\$661,600" to "\$518,200".

Page 1, line 13: Change "\$1,351,400" to "\$1,302,500".

The report was signed by Mr. Hillstrand, Chairman, and concurred in by Warwick, Freeman, Haugen, Specking, Ferguson, Ose and Hillstrand. Not concurring was Barber, who has no recommendation.

HOUSE BILL NO. 65 was referred to the Rules Committee for placement on the calendar.

The Speaker stated that without objection, the Finance Committee report on HOUSE BILL NO. 65 would not be read and it would be printed in the journal. There being no objection, it was so ordered and the report appears as follows:

"FINANCE COMMITTEE REPORT

ON

HOUSE BILL 65

Section 1.

The Finance Committee recommends that a total supplemental general fund appropriation of \$518,200 be granted to State Operated Schools to cover actual overexpenditures for fiscal year 1972. This is a reduction of \$143,400 from the Governor's recommended supplemental of \$661,600. Comparison of the Governor's Recommendation and the Finance Committee Recommendation are as follows:

Unpaid Obligation	Governor's Recommend.	Finance Comm. Rec.
University of Alaska	\$ 73,500	\$ 30,800
Division of Buildings	588,100	487,400
TOTAL	\$661,600	\$518,200

The Finance Committee has reduced the amount requested for the University of Alaska based upon revised information submitted by State Operated Schools. The committee recommendation will allow State Operated Schools to reimburse the University of Alaska for contractual obligations incurred in developing the Advisory School Board policy manual.

After reviewing the request for additional funds to pay obligations due the Division of Buildings for maintenance services to schools, it appears that inadequate requisition, work order, and billing procedures by both State Operated Schools and the Division of Buildings have contributed to this overexpenditure. State Operated Schools has satisfied this committee that these procedures have been improved and that newly instituted controls will ensure proper fiscal management.

HB
65

The reason for reducing the Governor's request for this item is based upon State Operated Schools testimony that they authorized expenditure of only \$487,400. Therefore, the committee recommends a supplemental appropriation of \$487,400 for this item.

Section 2.

The committee recommends that a supplemental general fund appropriation of \$1,302,500 be authorized to cover anticipated overexpenditures for FY 1973. This reduction of \$48,900 from the Governor's recommendation was based upon revised information submitted by State Operated Schools.

Based upon the original Legislative Authorization for FY 1973 (Ch 204, SLA 1972), a detailed breakdown of the supplemental is as follows:

Item	FY 1973 Leg. Auth. (Ch 204, SLA 72)	Committee Recommend.	Revised FY 1973 Auth.
Personal Services	\$25,153,700	\$ 187,100	\$25,340,800
Travel	238,800	(58,500)	180,300
Contractual Services	4,500,000	2,158,000	6,658,000
Commodities	3,302,000	(486,200)	2,815,800
Equipment	987,500	(497,900)	489,600
Land	25,000	-0-	25,000
	<u>\$34,207,000</u>	<u>\$1,302,500</u>	<u>\$35,509,500</u>

Committee intent is as follows:

PERSONAL SERVICES: Allows \$22,100 for two new permanent positions @ 5 months each (Budget Officer; Director of Plant Facilities); allows \$165,000 to fund anticipated vacant position reduction to be withheld by the Department of Administration per Ch 204, SLA 1972 (Section 10). Other requested increases are disallowed.

TRAVEL: Allows \$169,000 for FY 1973 travel as requested in Revised Program 73-29. Allows additional \$11,300 for extra-curricular student travel.

CONTRACTUAL SERVICES: The committee has determined that contractual services were underfunded in FY 1973. Based upon FY 1972 actual expenditure records, the original \$4,500,000 FY 1973 appropriation will be expended upon the following fixed cost items:

Non-Resident Student Tuition	\$1,682,000
Building Maintenance	1,300,000
Building Utilities	1,100,000
Building Rents	275,000
ASHA Bonds	166,500
	<u>\$4,523,500</u>

Additional items allowed by the committee include:

Pupil Transportation	\$ 789,000
Fire Insurance	312,000
ARTTC--U of A & AMU contracts	275,000
Bilingual	80,000
Alaska Rural Schools Project	126,000
Nome-Beltz High School	168,000

Instructional TV (Fairbanks, Borough contract)	40,000	46
Exceptional Children	23,000	65
Central Office and Warehouse rent (PERCY, Food Services)	95,000	
Equipment rental	48,000	
Dept. of Admin., Data Processing	18,000	
Annual Audit	11,500	
Communications	84,000	
Freight	65,000	
	<u>\$6,658,000</u>	

COMMODITIES: The Revised FY 1973 Authorization is intended to cover only expenditures to date and to provide for emergency purchases.

EQUIPMENT: The Revised FY 1973 Authorization is intended to allow for only emergency purchases.

GENERAL INTENT: Based upon review of the causes that led to the current supplemental request, the committee recommends that the following administrative actions be implemented immediately to assure proper fiscal control of and accountability for the recommended supplemental:

1. The Department of Administration is directed to cooperate with State Operated Schools in developing a fiscal accounting and reporting system that will meet State Operated Schools criteria. The system shall provide State Operated Schools management with information that they require to properly administer the funds authorized and to carry out intent of items #2 through #4 which follow.
2. State Operated Schools is directed to improve enrollment projection procedures in order that more accurate budget requests shall be submitted in the future. In addition, it is recommended that future budgets or expenditure authorizations be based upon per pupil cost.
3. The State Operated Schools central administration shall establish procedures immediately which delegate the Regional Superintendents the responsibility for assuring that the Legislative Authorization is not overexpended in their allocations for overtime, temporary help, travel, contractual services, commodities and equipment categories. Regional Superintendents shall establish procedures that will ensure proper fiscal and administrative control by principals or head teachers within their region.
4. The State Operated Schools central administration shall take necessary personnel actions to ensure that the Legislative Authorization is not overexpended in the personal services category. Suggested actions include not filling certificated positions that become vacant. However, if vacancies must be filled, it shall be accomplished by transferring teachers between schools or assigning specialists to classroom duties. It is also suggested that these actions be taken primarily in the larger rural and military schools.
5. The committee recommended supplemental does not include additional general funds for the Bilingual program authorized by Ch 173, SLA 1972, for supplemental federal programs authorized after July 1, 1973, or for Ch 197, SLA 1972 (number of school board members).

HB
65

6. State Operated Schools shall submit a written report to members of the Legislative Finance Committees within 30 days after this bill becomes law. The report shall outline the actions that have been taken and will be taken to implement the legislative intent.

Earl D. Hillstrand
 EARL D. HILLSTRAND
 For the Committee"

HB
110

The Resources Committee has had HOUSE BILL NO. 110 (making a special appropriation to the Department of Public Safety, Division of fish and wildlife protection, for the purpose of leasing a helicopter; and providing for an effective date) under consideration and a majority of the members of the Committee recommends it do pass with the following amendment:

Amendment No. 1 by the Resources Committee:

Page 1, lines 8 - 9: Delete "a helicopter" and insert "equipment".

Page 1, line 13: Delete "a helicopter" and insert "equipment".

Page 1, line 15: Delete everything after "§ Sec. 2." and insert "This Act takes effect on the day after its passage and approval or on the day it becomes law without approval."

The report was signed by Mr. McGill, Chairman, and concurred in by McGill, Hartig, Degnan, Laktonen, Huber, Naughton and Guy. Not concurring were J. Miller, who recommends do not pass unless amended, and Wilson, who has no recommendation.

HOUSE BILL NO. 110 was referred to the Finance Committee.

The Speaker stated that without objection, the Resources Committee report on HOUSE BILL NO. 110 would not be read and it would be printed in the journal. There being no objection, it was so ordered and the report appears as follows:

"HOUSE RESOURCES COMMITTEE REPORT

on

HOUSE BILL NO. 110

The Resources Committee has met and approved HOUSE BILL NO. 110 intending that the monies be spent on a helicopter and other enforcement equipment badly needed for the Division of Enforcement, Department of Public Safety, enabling them to do a better job of enforcement of our fisheries in Alaska.

The Legislature of the State of Alaska
 FISCAL NOTE
 First Session - Eighth Legislature

I. REQUEST

Bill Identification: House Bill 65
 Title: An act making supplemental appropriations to the AK State-operated Schools...
 Requested by: Legislative Finance Date: 1/12/73
 Return Date Requested: ASAP
 Agency: Budget and Management Program: Pre-School Elementary and Secondary Education

II. FISCAL DETAIL

Budget Request Unit(s) Affected: _____

A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 72	FY 73	FY 75	FY 76	FY 77	FY 78
100 PERSONAL SERVICES	-0-	158.0	-0-	-0-	-0-	-0-
200 TRAVEL	-0-	68.5	-0-	-0-	-0-	-0-
300 CONTRACTUAL	661.6	534.9	-0-	-0-	-0-	-0-
400 COMMODITIES	-0-	590.0	-0-	-0-	-0-	-0-
500 EQUIPMENT	-0-	-0-	-0-	-0-	-0-	-0-
600 LAND & STRUCTURES	-0-	-0-	-0-	-0-	-0-	-0-
700 GRANTS, CLAIMS, ETC.	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL	661.6	1,351.4	-0-	-0-	-0-	-0-

B. FUNDING: (Thousands of dollars)

GENERAL FUND	661.6	1,351.4	-0-	-0-	-0-	-0-
FEDERAL FUNDS	-0-	-0-	-0-	-0-	-0-	-0-
OTHER	-0-	-0-	-0-	-0-	-0-	-0-

C. POSITIONS:

PERMANENT/TEMPORARY	0 / 0	2 / 0	0 / 0	0 / 0	0 / 0	0 / 0
MAN MONTHS (P./T.)	0 / 0	10 / 0	0 / 0	0 / 0	0 / 0	0 / 0

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

See Attachment I

IV. ATTACHMENTS:

Memorandums from Alaska State-operated Schools

V. DATE: 1/16/73

PREPARED BY: M. R. Charney, Director

Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

ATTACHMENT I

FY 1972 Request

<u>Budget Request Unit</u>	<u>Budget</u>	<u>Expenditures</u>	<u>Balance</u>
Non-Resident Tuition	\$ 1,343,600	\$ 1,343,143	\$ 457
Area Schools	26,754,434	26,773,843	(19,409)
Bilingual Education	247,866	244,060	3,806
ARTTC	1,076,200	978,872	97,328
ARSP	140,934	140,934	-0-
Special Education	543,300	529,062	14,238
Central Office	<u>1,383,800</u>	<u>1,366,079</u>	<u>17,721</u>
TOTAL	\$31,490,134	\$31,375,993	\$114,141

Unpaid Obligations:

To Vendors	48,816	
To University of Alaska	138,758	
To Division of Buildings	<u>588,122</u>	<u>(775,696)</u>
Additional Funding Required		661,555

FY 1973 Request

<u>Budget Categories</u>	<u>Original Legislative Appropriation</u>	<u>Revised Legislative Appropriation</u>	<u>Anticipated Expenditures</u>	<u>Projected Ending Balance</u>
100 Personnel Services New Positions (Budget Officer - Range 21 and Director of Plant Management, Range 24)	\$25,153.7	\$25,153.7	\$25,311.7	(\$ 158.0)
200 Travel	245.8	169.0	237.5	(68.5)
300 Contractual Services	4,501.5	5,981.0	6,515.9	(534.9)
400 Commodities	3,303.5	2,300.7	2,890.7	(590.0)
500 Equipment	987.5	587.6	587.6	-0-
800 Land	<u>25.0</u>	<u>25.0</u>	<u>25.0</u>	<u>-0-</u>
	\$34,217.0	\$34,217.0	\$35,568.4	(\$1,351.4)

STATE OF ALASKA

DEPARTMENT OF PUBLIC WORKS

OFFICE OF THE COMMISSIONER / POUCH Z — JUNEAU 99801

WILLIAM A. EGAN, GOVERNOR

copy furnished Dec
2-21-73

February 14, 1973

Re: HB 65, Supplemental
Appropriation, Alaska
State-Operated Schools
DB 19-0000

The Honorable Earl D. Hillstrand
Alaska State Representative
Pouch V
Juneau, Alaska 99801

Dear Representative Hillstrand:

As a result of the House Finance Committee Hearings held on February 2 and 3, 1973, we are furnishing information concerning State-Operated Schools' supplemental request for \$588,122.00 for payment to the Division of Buildings.

In 1971, the Division of Buildings estimated that approximately \$2,043,541.00 would be required to perform an adequate maintenance program for State-Operated Schools in Fiscal Year 1972. State-Operated Schools, after the budget was approved, advised the Division of Buildings that approximately \$1,784,126.00 would be available for Fiscal Year 1972. The Division of Buildings developed a program to operate on the reduced expenditure.

State-Operated Schools was in financial difficulties in Fiscal Year 1972. The Division of Budget and Management informed State-Operated Schools that expenditures must be curtailed. It is our understanding that Mr. Jacobs, Division of Budget and Management, suggested that one area from which funds may be obtained was by curtailing the maintenance program. In March, 1972, Mr. Henry Gilbertson, Chief of Plant Maintenance and Operation for State-Operated Schools, contacted Mr. Albert Hookstra, Building Management Specialist II of the Division of Buildings, to determine if the maintenance program could be reduced. Based on information furnished by Mr. Hookstra, Mr. Gilbertson advised his superiors that the maintenance program could be reduced \$584,126.00. Unfortunately, Mr. Hookstra was in no position to furnish such information and had failed to include in his estimate the necessary additives for employees benefits, overhead, outstanding bills, and freight charges for delivering materials to the sites. Furthermore, Mr. Hookstra was unaware of the projects under contract and planned for contracts. His responsibilities were limited to routine maintenance by state forces and his estimate to Mr. Gilbertson only included work under his jurisdiction.

To compound the problem, Mr. Gilbertson did not believe it necessary to verify the estimate with Mr. Hookstra's immediate supervisor, Mr. Jesse Boyer, or with the Chief of Maintenance for the Division of Buildings. The reason given was that State-Operated Schools had to have the information immediately and there was no time to confer with superiors in the Division of Buildings. When Mr. Boyer returned to Anchorage after a few days in Juneau, he was informed the maintenance program had to be held to \$1,200,000.00. He reviewed Mr. Hookstra's work and found the estimate inaccurate. Mr. Boyer informed Mr. Gilbertson of the error and was told it was too late, the authorization had already been reduced. It should be remembered that all of this action occurred within a few days.

After Mr. Boyer informed Mr. Gilbertson that the estimate furnished by Mr. Hookstra was inaccurate, a conference was held in Anchorage. Mr. Boyer and Mr. Hookstra represented the Division of Buildings and Donald Breimo, Mr. G. Lee Hayes and Mr. Henry Gilbertson represented State-Operated Schools. Mr. Boyer informed State-Operated Schools that maintenance would be curtailed but to complete necessary work, pay outstanding bills, and meet payrolls, an additional estimated \$50,000.00 would be needed. Mr. Breimo assured Mr. Boyer that for work that was necessary and authorized by State-Operated Schools, an expenditure over and above the \$1,200,000.00 would be allowed and the Division of Buildings would be reimbursed accordingly. Mr. Breimo stated that Mr. Gilbertson would be authorized to approve all expenditures after March 17, 1972, and that Mr. Gilbertson's authorization would be honored. Unfortunately, the agreement was not reduced to writing but Mr. Gilbertson's authorization does appear on all subsequent work orders and purchases. State-Operated Schools was, therefore, aware that an over expenditure would occur, was necessary, and was authorized by them.

The Division of Buildings reduced the maintenance program but expenditures had been incurred which could not be reduced. Materials were on order, in shipment, and some projects in progress had to be completed. When the Fiscal Year ended, the Division of Buildings had held expenditures to \$1,300,877.23 against a reduced authorization of \$1,200,000.00.

State-Operated Schools, however, was unable to honor the reduced program of \$1,200,000.00. The following table recapitulates the cash flow involved.

Fiscal Year 1972 Authorization	\$ 1,784,126.00
Reduced in March	- 584,126.00
Revised Authorization	\$ 1,200,000.00
Expenditures incurred by Buildings	\$ 1,301,380.63
S.O.S. reimbursed Buildings in 1972	- 712,601.00
Supplemental Request Required	\$ 588,779.63

February 14, 1973

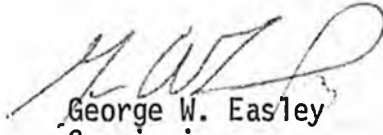
The Division of Buildings' records show the supplemental request should be \$588,779.63 instead of the \$588,122.00 requested by State-Operated Schools.

The Division of Buildings, in the past, has billed State-Operated Schools once at the end of the Fiscal Year. Even though the maintenance program was reduced by \$584,126.00, the Division of Buildings has had a total maintenance budget of over \$3,300,000.00. All charges going into the accounting system were against the \$3,300,000.00. No over expenditure was ever indicated on the accounting records for the Division of Buildings because as far as the computer knew, there was money available. Therefore, the various vendors have all been paid and there are no outstanding bills.

In reviewing the circumstances as contained in this letter, I find that Mr. Hookstra was in error in failing to immediately contact the Director of Buildings when the nature of the request of Mr. Gilbertson was made known. I am not confident, however, that by so doing, he would have altered the expenditure of \$1,301,380.63. It could, obviously, not have changed the amount of funds available.

This represents the facts of the matter as they relate to the over expenditure by the Division of Buildings.

Sincerely,



George W. Easley
Commissioner

cc: Mr. Stanley H. Freise
Superintendent
State-Operated Schools

STATE
of ALASKA

MEMORANDUM

TO: Myrton R. Charney, Director
Division of Budget and Management
Department of Administration

DATE : November 15, 1972

FROM: Stanley Friese
Superintendent
Alaska State-Operated School System

SUBJECT: Supplemental Appropriation -
FY 1972 Changes

HR 65

661.6 - Final

The most recent accounting information received on Fiscal Year 1972 expenditures indicates that an additional \$560,832 must be requested before remaining obligations to the State Division of Buildings and the University of Alaska can be paid by Alaska State-Operated Schools.

A summary of the 1972 Budget Request Units, expenditures and unpaid obligations is shown on Attachment I. A positive balance of \$114,141 is sufficient to liquidate all outstanding obligations to vendors as soon as receiving reports and invoices are received by this office. However, only \$65,325 remains to pay contracts totaling \$138,758 with the University and \$487,399 with the Division of Buildings.

The primary reasons for the financial difficulties experienced in 1972 can be attributed essentially to Contractual Services in the Area Schools BRU. Attachment II summarizes the major contractual expenditure categories. With the exception of utilities, the budget originally submitted by Alaska State-Operated Schools would have been sufficient. The budget figure for utilities was suggested by the Department of Education and it was not until September of this year that the actual amount was known to us. In addition to being underfunded for utilities, the Governor's budget request for Alaska State-Operated Schools was reduced by \$1,000,000, requiring an additional \$375,300 cut in Contractual Services by this office.

S. F.

Stanley Friese

SF:jlc

Attachments

ALASKA STATE-OPERATED SCHOOLS
 1972 BUDGET AND EXPENDITURES
 (Excluding Supplemental Federal Programs)

<u>Budget Request Unit</u>	<u>Budget</u>	<u>Expenditures</u>	<u>Balance</u>
Non-Resident Tuition	\$ 1,343,600	\$ 1,343,143	\$ 457
Area Schools	26,754,434	26,773,843	(19,409)
Bilingual Education	247,866	244,060	3,806
ARTTC	1,076,200	978,872	97,328
ARSP	140,934	140,934	-0-
Special Education	543,300	529,062	14,238
Central Office	<u>1,383,800</u>	<u>1,366,079</u>	<u>17,721</u>
TOTAL	\$31,490,134	\$31,375,993	\$114,141

Unpaid Obligations:

To Vendors	48,816	
To University of Alaska	138,758	(775,696)
To Division of Buildings	<u>487,399</u>	<u>-(674,973)</u>

Additional Funding Required

661,555
-(560,832)

500,000
What?

Total 1,200.0 of encumbrances?

bill 1,305,250

S.O. 8040 1213,62
350,000 proposed revised FY73
+ then reversed

1,200,000
1,067,601
 132,399

1,067,601
 242,649

General maint.

rec'd by [unclear]

AREA SCHOOLSCONTRACTUAL SERVICES

<u>Major Expenditures</u>	<u>Budget Submitted by ASOSS</u>	<u>Actual 1972 Expenditures</u>	<u>Difference</u>
Rents & Leases	\$ 274,800	\$ 286,069	\$ (11,269)
ASHA Bond Payments	199,600	167,459	32,141
Freight	111,450	65,567	45,883
Repairs	89,975	26,978	62,991
Telephone & Postage	49,725	84,163	(34,438)
Fire Insurance	182,200	295,880	(113,680)
Other Contractual	213,150	179,850	33,300
Savings			14,928
Utilities	<u>654,400</u>	<u>1,050,932</u>	(396,592)
Subtotal	\$1,775,300	\$2,156,958	\$(381,658)
Legislative Reduction	(375,300)		(375,300)
Budget Reallocation	<u>129,800</u>	<u> </u>	<u>129,800</u>
Totals	\$1,529,800	\$2,156,958	\$(627,158)

TO: M. R. Charney, Director
Division of Budget & Management
Department of Administration

DATE : December 19, 1972

FROM: Kent Dawson *KD*
Program Budget Analyst
Division of Budget & Management
Department of Administration

SUBJECT: Buildings F. Y. 72
S. O. S. Overruns

According to Tom Gallagher of Internal Audit the State accounting records (as of October 31, 1972) show the following for F. Y. 72 (Buildings-S. O. S.).

<u>Buildings:</u>	Expenditures	\$1,300,723.43
	Received from S.O.S.	712,601.00
	Total S.O.S. owes Buildings	<u>\$ 588,122.43</u>

Consequently the supplemental appropriation now being considered by the Governor and the Budget Review Committee should be for that amount - \$588.1.

cc: Bob Jacobs

February 19, 1973

The Honorable Tom A. Fink
Speaker of the House

Subject: HOUSE BILL NO. 65 "An Act making supplemental appropriations to the Alaska State-Operated School System; and providing for an effective date."

In view of the controversy generated from consideration of paragraph #5 of our committee report on the above-identified measure, the committee respectfully requests its deletion from said report.

Earl D. Hillstrand
Chairman
House Finance Committee

Ernie Haugen

Al Ose

Edward G. Barber

Bud Saylor

Frank R. Ferguson

Keith Specking

Oral E. Freeman

Andy Warwick

THIS BILL RESOLUTION

has been prepared by the staff of the Legislative Council in response to the request and at the direction of the sponsor. The staff has attempted to place it in proper legal and clerical form subject to any special limitations or instructions of the sponsor. Member requests are kept confidential by the staff and any announcement of intent to have a document drafted or introduced remains the prerogative and responsibility of the sponsoring member in dealing with colleagues and other persons. The Council or its staff may not endorse or comment on policy matters involved in a bill or resolution. The substance and merits of a bill or resolution are the responsibility of the sponsor.

*Will not
use
ca
BT*

Delivered to sponsor: 2-5-73

Original sponsor: Rules Committee by
request of the Governor

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 65

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 EIGHTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act making supplemental appropriations to the
7 Alaska State-Operated School System; and providing
8 for an effective date."

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

10 * Section 1. The sum of \$519,200 is appropriated from the general fund to
11 the Alaska State-Operated School System for the fiscal year ending June 30,
12 1972.

13 * Sec. 2. The sum of \$1,302,500 is appropriated from the general fund to
14 the Alaska State-Operated School System for the fiscal year ending June 30,
15 1973.

16 * Sec. 3. This Act takes effect on the day after its passage and approval
17 or on the day it becomes law without approval.

Original sponsor: Rules Committee by
request of the Governor

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BY THE FINANCE COMMITTEE

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11 the Alaska State-Operated School System for the fiscal year ending June 30,
12 1972.

13 * Sec. 2. The sum of \$1,302,500 is appropriated from the general fund to
14 the Alaska State-Operated School System for the fiscal year ending June 30,
15 1973.

16 * Sec. 3. This Act takes effect on the day after its passage and approval
17 or on the day it becomes law without approval.

Original sponsor: Rules Committee by
request of the Governor

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 65

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 EIGHTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act making supplemental appropriations to the
7 Alaska State-Operated School System; and providing
8 for an effective date."

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11 the Alaska State-Operated School System for the fiscal year ending June 30,
12 1972.

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15 1973.

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17 or on the day it becomes law without approval.

HB 65

I RURAL - CERTIFICATED 100

OBJECT CODE

*For comparison
to expenditure*

-1-	-2-	-3-	-4-	-5-	-6-	-7-	-8-	-9-
EM	1972 ACTUAL	1973 LEGISLATIVE APPROPRIATION	1973 REV. LEGISLATIVE APPROPRIATION	EXPENDED TO OCT. 31, 1972	ADDITIONAL KNOWN COMMITMENTS	PROJECTED MINIMUM EXPENDITURES FOR 72'-73'	MINIMUM REQUIREMENTS 72'-73'	SUPPLEMENT REQUEST NOV., 1972
Teachers (491.5):						7,575,457		
F.B. (10%)						1,210,473		
Principals (16)						354,561		
F.B. (13.5%)						47,866		
Superintendents						402,437		
F.B. (12.5%)						54,329		
Sp. Education						250,396		
F.B. (10%)						40,063		
AIRC						236,127		
						31,877		
Billing						32,131		
F.B. (13.5%)						4,338		
Extra Pay/Extra Duty						38,445		

II ON-BASE - CERTIFICATED

OBJECT CODE

-1-	-2-	-3-	-4-	-5-	-6-	-7-	-8-	-9-
ITEM	1972 ACTUAL	1973 LEGISLATIVE APPROPRIATION	1973 REV. LEGISLATIVE APPROPRIATION	EXPENDED TO OCT. 31, 1972	ADDITIONAL KNOWN COMMITMENTS	PROJECTED MINIMUM EXPENDITURES FOR 72'-73'	MINIMUM REQUIREMENTS 72'-73'	SUPPLEMENT REQUEST NOV., 1973
Teachers (453) F.S. 16%						6,825,337 1,092,054		
Principals (26) F.S. 13.5						592,621 30,004		
Superintendents (5) F.S. 13.5						129,298 17,455		
Sp. Education (11) F.S. 16%						146,422 23,427		
Extra Pay/Extra						26,500		
					TOTAL	8,933,118		

III CENTRAL OFFICE - CERTIFICATED

OBJECT CODE

-1-	-2-	-3-	-4-	-5-	-6-	-7-	-8-	-9-
ITEM	1972 ACTUAL	1973 LEGISLATIVE APPROPRIATION	1973 REV. LEGISLATIVE APPROPRIATION	EXPENDED TO OCT. 31, 1972	ADDITIONAL KNOWN COMMITMENTS	PROJECTED MINIMUM EXPENDITURES FOR 72'-73'	MINIMUM REQUIREMENTS 72'-73'	SUPPLEMENT REQUEST NOV., 1972
Superintendent F.B. 13.5						33,000 4,455		
Administration F.B. 13.5						135,975 25,473		
Personnel F.B. 13.5						130,357 17,598		
RCY F.B. 13.5						42,575 5,748		
					TOTAL	445,181		

IV PARAPROFESSIONALS

OBJECT CODE

-1-	-2-	-3-	-4-	-5-	-6-	-7-	-8-	-9-
ITEM	1972 ACTUAL	1973 LEGISLATIVE APPROPRIATION	1973 REV. LEGISLATIVE APPROPRIATION	EXPENDED TO OCT. 31, 1972	ADDITIONAL KNOWN COMMITMENTS	PROJECTED MINIMUM EXPENDITURES FOR 72'-73'	MINIMUM REQUIREMENTS 72'-73'	SUPPLEMENT REQUEST NOV., 197
c-Base F.B.						132,631 22,547		
ural F.B.						185,511 31,537		
ilingual F.B.						137,739 22,038		
RTIC F.B.						459,876 78,179		
					TOTAL	1,070,058		

V RURAL - CLASSIFIED PERSONNEL

OBJECT CODE

-1-	-2-	-3-	-4-	-5-	-6-	-7-	-8-	-9-
ITEM	1972 ACTUAL	1973 LEGISLATIVE APPROPRIATION	1973 REV. LEGISLATIVE APPROPRIATION	EXPENDED TO OCT. 31, 1972	ADDITIONAL KNOWN COMMITMENTS	PROJECTED MINIMUM EXPENDITURES FOR 72'-73'	MINIMUM REQUIREMENTS 72'-73'	SUPPLEMENTAL REQUIREMENTS NOV., 1972
Clerical Benefits (B) @ 17%						120,705 20,520		
Temporary Benefits						92,469 5,548		
Food Service Benefits						222,169 37,820		
Temporary Benefits						353,332 21,201		
Ag. M.P. S.O. P.S.						905,062 153,996		
S.O. Temporary						424,528 25,472		
Bilingual P.S.						7,824 1,330		
P.S. P.S.						7,272 1,236		
					TOTAL	2,101,201		

VI. ON-BASE - CLASSIFIED PERSONNEL

OBJECT CODE

-1-	-2-	-3-	-4-	-5-	-6-	-7-	-8-	-9-
ITEM	1972 ACTUAL	1973 LEGISLATIVE APPROPRIATION	1973 REV. LEGISLATIVE APPROPRIATION	EXPENDED TO OCT. 31, 1972	ADDITIONAL KNOWN COMMITMENTS	PROJECTED MINIMUM EXPENDITURES FOR 72'-73'	MINIMUM REQUIREMENTS 72'-73'	SUPPLEMENTAL REQUESTS NOV., 1972
Clerical F.B.						229,152 39,007		
Temp. Clerical F.B.						59,555 3,573		
Food Service P F.B.						29,942 3,560		
Food Service T F.B.						14,816 2,519		
W/OP (P)						841,060 142,980		
W/O						91,713 5,503		
Bus. A/c						17,722 1,063		

VII CENTRAL OFFICE - CLASSIFIED

OBJECT CODE

-1-	-2-	-3-	-4-	-5-	-6-	-7-	-8-	-9-
ITEM	1972 ACTUAL	1973 LEGISLATIVE APPROPRIATION	1973 REV. LEGISLATIVE APPROPRIATION	EXPENDED TO OCT. 31, 1972	ADDITIONAL KNOWN COMMITMENTS	PROJECTED MINIMUM EXPENDITURES FOR 72'-73'	MINIMUM REQUIREMENTS 72'-73'	SUPPLEMENTAL REQUESTS NOV., 1972
<u>Clerical</u>								
Instructional Services F.B.						10,908 1,854		
Board of Directors F.B.						5,265 895		
Superintendent F.B.						9,768 1,660		
PERCY F.B.						52,200 8,874		
Administrative F.B.						273,480 46,492		
<u>Technical</u>								
PERCY F.B.						27,084 4,605		
Administrative Services (P)						150,250 25,980		
Temporary Hire F.B.						77,443 4,643		
					TOTAL	701,404		

Travel - 200

OBJECT CODE

-1-	-2-	-3-	-4-	-5-	-6-	-7-	-8-	-9-
EM	1972 ACTUAL	1973 LEGISLATIVE APPROPRIATION	1973 REV. LEGISLATIVE APPROPRIATION	EXPENDED TO OCT. 31, 1972	ADDITIONAL KNOWN COMMITMENTS	PROJECTED MINIMUM EXPENDITURES FOR 72'-73'	MINIMUM REQUIREMENTS 72'-73'	SUPPLEMENT REQUEST NOV., 1972
Travel								
Instruct.	18,572	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Leg. & Main.	2,148	52.1	-0-	7,510	2,500	39,990	30,000	50,000
Regional								
Spec.	30,000	53.3	41,500	9,297	4,648	46,055	60,000	18,900
Allgovt.	15,763	10.6	10,600	1,900	627	8,073	10,600	-0-
RTS	30,251	23.5	31,400	8,282	2,733	20,385	31,400	-0-
Receipts								
Children	4,310	10.0	10,000	3,330	1,110	5,560	10,000	-0-
Base								
Instruct.	18,572	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Leg. & Main.	-0-	20.0	-0-	-0-	-0-	-0-	-0-	-0-
Spec.	-0-	20.0	-0-	-0-	-0-	-0-	-0-	-0-
Allgovt.								
RTS	3,016	7.3	6,500	1,850	925	3,725	6,500	-0-
Receipts								
Children	-0-	10.0	5,000	192	-0-	4,808	5,000	-0-

TRAVEL

OBJECT CODE

1-	-2-	-3-	-4-	-5-	-6-	-7-	-8-	-9-
	1972 ACTUAL	1973 LEGISLATIVE APPROPRIATION	1973 REV. LEGISLATIVE APPROPRIATION	EXPENDED TO OCT. 31, 1972	ADDITIONAL KNOWN COMMITMENTS	PROJECTED MINIMUM EXPENDITURES FOR 72'-73'	MINIMUM REQUIREMENTS 72'-73'	SUPPLEMENTAL REQUEST NOV., 1972
Central Office								
Struct. Services	18,621	13.0	12,000	2,074	634	9,242	12,000	0-
NY	1,355	4.0	4,000	142	0-	3,858	4,000	0-
Board of Directors	22,081	24.0	25,000	1,943	1,943	21,114	25,000	0-
Admin- strative	5,387	7.0	7,000	949	313	5,738	7,000	0-
In- quiries	22,806	11.0	16,000	2,547	840	12,613	16,000	0-

300- CONTRACTUAL - NON-RESIDENT TUITION

OBJECT CODE

-1-	-2-	-3-	-4-	-5-	-6-	-7-	-8-	-9-
EM	1972 ACTUAL	1973 LEGISLATIVE APPROPRIATION	1973 REV. LEGISLATIVE APPROPRIATION	EXPENDED TO OCT. 31, 1972	ADDITIONAL KNOWN COMMITMENTS	PROJECTED MINIMUM EXPENDITURES FOR 72'-73'	MINIMUM REQUIREMENTS 72'-73'	SUPPLEMENT REQUEST NOV., 1972
non- resident tuition	1,343,143	1,600,000	1,400,000	-0-	-0-	1,400,000	1,400,000	-0-
			<u>300 - CONTRACTUAL - School Operations</u>					
abstract.	184,063		150,000				334,771	184,771
sch. ad. develop.								
freight								
equip. repairs								
postage								
printing								
equip. rental								
food services	20,810		20,000	3,425	-0-	16,575	20,000	-0-
upil transp.	-0-		789,500	84,832	-0-	704,668	789,500	-0-

Handwritten notes:
 126,000
 43,000
 3,000 - 11/17/72

300 - CONTRACTUAL - SCHOOL OPERATIONS (Continued)

OBJECT CODE

-1-	-2-	-3-	-4-	-5-	-6-	-7-	-8-	-9-
ITEM	1972 ACTUAL	1973 LEGISLATIVE APPROPRIATION	1973 REV. LEGISLATIVE APPROPRIATION	EXPENDED TO OCT. 31, 1972	ADDITIONAL KNOWN COMMITMENTS	PROJECTED MINIMUM EXPENDITURES FOR 72'-73'	MINIMUM REQUIREMENTS 72'-73'	SUPPLEMENTAL REQUEST NOV., 1972
Bldg. Maint. Operations								
Rents Leases	286,069		235,000	61,165	-0-	213,825	275,000	40,000
Util.	1,030,992		975,000	122,441	-0-	977,559	1,100,000	125,000
Fire Insur.	295,880		312,000	-0-	312,000	-0-	312,000	-0-
ASMA Bond	167,459		165,000	165,000	-0-	-0-	165,000	-0-
Freight	30,181		30,000	300	-0-	29,670	30,000	-0-
Telep.	33,577		30,000	5,675	-0-	24,325	30,000	-0-
Other	47,958		66,000	18,336	-0-	53,664	66,000	-0-
Contract with Div. of Bldgs.	1,200,000		1,080,000	531,530	60,000	608,470	1,200,000	120,000
Education Admin. Support	70,771		70,000	8,472		61,528	70,000	-0-

300 CONTRACTUAL - SPECIAL PROGRAMS

OBJECT CODE

-1-	-2-	-3-	-4-	-5-	-6-	-7-	-8-	-9-
ITEM	1972 ACTUAL	1973 LEGISLATIVE APPROPRIATION	1973 REV. LEGISLATIVE APPROPRIATION	EXPENDED TO OCT. 31, 1972	ADDITIONAL KNOWN COMMITMENTS	PROJECTED MINIMUM EXPENDITURES FOR 72'-73'	MINIMUM REQUIREMENTS 72'-73'	SUPPLEMENT REQUEST NOV., 1972
Bilingual	115,070		80,000	23,446		56,554	80,000	-0-
RTTC	254,691		275,000	3,789		27,211	275,000	-0-
Bilingual Schools Project	140,934		100,000	3,109		123,102	126,211	26,211
Receipt. Students	29,018		30,000	3,402		26,598	30,000	-0-

300. CONTRACTUAL - CENTRAL OFFICE

OBJECT CODE

-1-	-2-	-3-	-4-	-5-	-6-	-7-	-8-	-9-
ITEM	1972 ACTUAL	1973 LEGISLATIVE APPROPRIATION	1973 REV. LEGISLATIVE APPROPRIATION	EXPENDED TO OCT. 31, 1972	ADDITIONAL KNOWN COMMITMENTS	PROJECTED MINIMUM EXPENDITURES FOR 72'-73'	MINIMUM REQUIREMENTS 72'-73'	SUPPLEMENTARY REQUIREMENTS NOV., 1973
Instruct Services	43,930.00		5,000.00	1,056.00		3,934.00	5,000.00	-0-
PERCY	20,000.00		15,000.00	1,406.00		13,594.00	15,000.00	-0-
Board of Directors	3,815.00		10,000.00	2,708.00	10,200.00	15,000.00	36,908.00	26,908.00
Supt.	3,992.00		3,500.00	-0-	-0-	3,500.00	3,500.00	-0-
Admin. Services	129,316.00		140,000.00	52,954.00	12,000.00	87,049.00	152,000.00	12,000.00
TOTAL	5,471,689	4,500,000	5,981,000	1,278,857.00	512,200.00	4,724,836.00	6,515,890.00	534,890.00

COMMODITIES

OBJECT CODE
400

	-2-	-3-	-4-	-5-	-6-	-7-	-8-	-9-
EX	1972 ACTUAL	1973 LEGISLATIVE APPROPRIATION	1973 REV. LEGISLATIVE APPROPRIATION	EXPENDED TO OCT. 31, 1972	ADDITIONAL KNOWN COMMITMENTS	PROJECTED MINIMUM EXPENDITURES FOR 72'-73'	MINIMUM REQUIREMENTS 72'-73'	SUPPLEMENT REQUEST NOV., 197
Instruct.	865,471		736,200	952,200	30,000	40,000	1,022,200	236,000
Food Serv.	479,488		431,900	214,600	100,000	163,400	460,000	48,100
Maint. & Operation	1,089,274		941,600	1,029,693	100,000	50,000	1,779,693	238,093
Gen. & Admin.	27,647		25,900	34,256	-0-	5,000	39,256	13,356
Bilingual	2,000		2,100	180	-0-	1,920	2,100	-0-
NTTC	3,000		4,000	2,200	-0-	1,800	4,000	-0-
Except. Children	15,200		20,000	11,575	-0-	8,425	20,000	-0-
Central files	141,035		143,500	124,034	2,000	17,416	143,500	-0-
Total Commodities		3,302,000						

EQUIPMENT

OBJECT CODE
509

	-2-	-3-	-4-	-5-	-6-	-7-	-8-	-9-
	1972 ACTUAL	1973 LEGISLATIVE APPROPRIATION	1973 REV. LEGISLATIVE APPROPRIATION	EXPENDED TO OCT. 31, 1972	ADDITIONAL KNOWN COMMITMENTS	PROJECTED MINIMUM EXPENDITURES FOR 72'-73'	MINIMUM REQUIREMENTS 72'-73'	SUPPLEMENTAL REQUEST NOV., 1972
Construct:	322,700		505,600	353,900	-0-	121,560	475,450	-0-
Food service	3,000		5,000	5,500	-0-	-0-	5,500	-0-
Maint. & operations	4,600		50,000	43,400	-0-	6,500	50,000	-0-
Fun. & Admin. support	679		10,000	21,000	-0-	-0-	21,000	-0-
Bilingual	1,100		1,600	448	-0-	1,152	1,600	-0-
TTC	6,300		400	276	-0-	124	400	-0-
Child care	2,900		5,000	3,300	-0-	1,700	5,000	-0-
General Office	20,400		10,000	4,300	4,059	20,271	20,640	-0-



ALASKA STATE-OPERATED SCHOOL SYSTEM

650 International Airport Road
Anchorage, Alaska 99502

November 16, 1972

To: Myrton R. Charney, Director
Division of Budget and Management
Department of Administration

From: Stanley Friese, Superintendent
Alaska State-Operated Schools

Subject: Supplemental Appropriations - Fiscal Year 1973
HB 65

A thorough analysis of our budget for 1972-73 indicates that a supplemental request for \$1,351,400 must be submitted if the Alaska State-Operated School System is to provide educational services for the remainder of the 1972-73 school year to military dependent children and children in the rural areas of Alaska.

The Alaska State-Operated School System request is based on the opinion that the Alaska State Legislature funded the ASOSS appropriation without adequate information. The Legislature appropriated \$4,500,000 for Contractual Services. However, the ASOSS actual expenditure for FY '72 in that object code was \$5,471,689. These are contractual obligations for such items as utilities, rents and pupil transportation that are required to operate the district.

The information contained in the ASOSS budget, as submitted to the Legislature, was inadequate as the direct result of not having historical records upon which to base a budget. Examples of the problem are: Utilities were budgeted at \$650,000 and the actual cost of utilities was \$1,050,000; Pupil Transportation was budgeted at \$640,000 while the actual cost was \$789,500. Not until a print out of the budget for FY '72 was received in October of 1972 was it apparent that the FY '73 budget was completely inadequate to fund our program for this year.

Alaska State-Operated School System has also experienced unforeseen increased costs due to its separation from the Department of Education. There is an urgent need to employ a Budget Officer, Director of Plant Management and Director of Personnel.

Other factors which have increased the costs of operation include the opening of nine secondary programs in compliance with the new rules and

Myrton R. Charney
November 16, 1972
Page -2-

regulations of the Department of Education. Law suits are pending for the lack of our ability to open other secondary education programs.

A summary of the ASOSS supplemental budget request is as follows:

<u>Budget Categories</u>	<u>Original Legislative Appropriation</u>	<u>Revised Legislative Appropriation</u>	<u>Anticipated Expenditures</u>	<u>Projected Ending Balance</u>
100 Personnel Services	25,153.7	25,153.7	25,311.7	(158.0)
200 Travel	245.8	169.0	237.5	(68.5)
300 Contractual Services	4,501.5	5,981.0	6,515.9	(534.9)
400 Commodities	3,303.5	2,300.7	2,890.7	(590.0)
500 Equipment	987.5	587.6	587.6	-0-
800 Land	25.0	25.0	25.0	-0-
	<u>34,217.0</u>	<u>34,217.0</u>	<u>35,568.4</u>	<u>(1,351.4)</u>

The ASOSS will operate a program within the financial limitations of our budget. However, unless a supplemental appropriation is approved, the ASOSS must delete and reduce programs below the present level of operations. Of most significance, it will be necessary to close all schools and dismiss the field personnel one week in advance of the regular date which schools are closed for the summer.

We do appreciate this opportunity of presenting the hard facts of the financial crises that we face in assuming, for the first time, fiscal responsibility for the operation of this district.


S. F.

SF:hj



ALASKA STATE-OPERATED SCHOOL SYSTEM

650 International Airport Road
Anchorage, Alaska 99502

November 16, 1972

A supplemental request is this date being submitted to Governor Egan seeking an additional amount of \$1,351,400 which if approved, would allow the Alaska State-Operated School System to function for the remainder of this year.

In the event this request is not approved it will be necessary to make the following adjustments in our program:

Personnel Services

- | | |
|---|----------------|
| 1. Terminate all teacher aides January 1, 1973 | \$206,700 |
| 2. Terminate Food Service Personnel March 1, 1973 | <u>228,450</u> |
| | 435,150 |

Programs

- | | |
|---|---------------|
| 1. Early closure of schools (one week) | 397,618 |
| 2. Terminate Food Service program for last quarter | 165,400 |
| 3. Terminate Instructional TV contract with Fairbanks | <u>20,000</u> |
| | 583,018 |

Travel

- | | |
|---|---------------|
| 1. Regional Superintendents travel (supplemental request) | 18,500 |
| 2. Maintenance Travel (supplemental request) | <u>50,000</u> |
| | 68,500 |

Equipment

1. Instruction \$100,000

Contractual

1. Department of Buildings
(supplemental request) 120,000

2. Board of Directors
(supplemental request) 5,000

3. Instruction (supplemental request)
(Bethel house/flight training) 25,000

4. Food Services 10,000
160,000

Commodities

1. Exceptional Children 6,000

Positions Which Will Enable The
State-Operated Schools To Assume
Their Assigned Responsibility

1. Division Building/Maintenance 16,540

2. Division of Personnel 12,233

3. Electronic Technician 8,944

4. Budget Officer 15,264

5. Payroll Supervisor 1,814

6. Secretary to Board 6,160
60,955

Total \$1,413,623