

Leg. Finance - House & Senate Finance Comte Files (1973-74) 8899

HB 573, 577, 581, 583, 584, 586, 587, 591, 592 252



RECORDS CERTIFICATION



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James O. Smith
Signature of Camera Operator

4/26/89
Date

"An Act relating to the transfer of sick leave by teachers who change employment."

COMMITTEE REPORT

3/25/74

HOUSE

Mr. Speaker:

Date 3/24

The Committee on FINANCE has had HB 573

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:

<u>[Signature]</u>	recommends: <u>None</u>
_____	recommends:
_____	recommends:
_____	recommends:
_____	recommends:

[Signature] Chairman

Introduced: 2/5/74
Referred: Health, Education &
Social Services and Finance

1 IN THE HOUSE

BY CHANCE

2 HOUSE BILL NO. 573

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 EIGHTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the transfer of sick leave by
7 teachers who change employment."

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

9 * Section 1. AS 14.14 is amended by adding a new section to read:

10 Sec. 14.14.107. TRANSFER OF SICK LEAVE. Any certificated teacher
11 who changes employment from a school district to the state Department
12 of Education or from the department to a school district may transfer
13 all of the cumulative sick leave to the new employer. It is the
14 responsibility of the employee to notify the new employer, within 90
15 days of commencing work, of the number of days to be transferred.
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The Legislature of the State of Alaska
FISCAL NOTE
Second Session - Eighth Legislature

I. REQUEST

Bill Identification: HB 573
 Title: Teacher Transfer of Sick Leave
 Requested by: Legislative Finance Date: 3/26/74
 Return Date Requested: ASAP
 Agency: Education Program: Pre.-Elem.-Sec.

II. FISCAL DETAIL

Budget Request Unit(s) Affected: Financial Support Programs

A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 74	FY 75	FY 76	FY 77	FY 78	FY 79
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		-0-				

B. FUNDING: (Thousands of dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						

C. POSITIONS:

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

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

Considering the limited number of people affected by this proposed legislation, and the remote likelihood that anyone covered by the proposed legislation would be ill for an extended period of time, there would be no cost to the State if the proposed legislation were enacted.

IV. ATTACHMENTS

V. DATE: 3/26/74

PREPARED BY:

Nathaniel H. Cole
Nathaniel H. Cole

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

file w/
HB 573
(HB 573)

March 29, 1974

Honorable Oral Freeman, Chairman
House Finance Committee
Alaska State Legislature
State Capitol
Juneau, Alaska 99801

Dear Representative Freeman:

I am writing to express my views on HB 573 which is scheduled for hearing before your Committee on Saturday, March 30, 1974, at 9:00 am.

I am strongly in favor of any measures, such as this one, designed to facilitate the movement of employees among various public sector employees. Such measures could contribute in some small way to the development of a corps of career public sector specialists in the state. This in turn could lead to more efficient governmental operations.

However, I feel that this bill should be broadened to include all employees of the state and local political subdivisions, rather than only certificated employees. It seems just as important that accountants, nurses, computer programmers, secretaries, etc., be able to change employment without the loss of benefits. In fact, it seems probable to me that more non-teachers than teachers would be likely to transfer in any average year. Why should non-certificated employees be discriminated against by the state?

Sincerely,



Robert E. Jacobs,
Sr. Program Budget Analyst
(Education)

cc: Senator Groh
Rich Guthrie
Marshall Lind
Governor's Office

BJ:lm



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James O. Smith
Signature of Camera Operator

4/26/89
Date

COMMITTEE REPORT

3/20/74

SENATE

Mr. President:

Date 4/8/74

The Committee on FINANCE has had HB 577 am
maximum amount loanable under small business loan program

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 INDIVIDUAL RECOMMENDATIONS 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>	<u>[Signature]</u>
<u>[Signature]</u>	<u>[Signature]</u>	<u>[Signature]</u>

Members NOT concurring in the Majority report:

[Signature] recommends: [Signature]

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

[Signature] Chairman

Introduced: 2/6/74
Referred: Commerce and
Judiciary

1 IN THE HOUSE

BY THE COMMERCE COMMITTEE

2

HOUSE BILL NO. 577

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

EIGHTH LEGISLATURE - SECOND SESSION

5

A BILL

6

For an Act entitled: "An Act relating to the maximum amount loanable under
7 the small business loan program."

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

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* Section 1. AS 45.95.020(a) is amended to read:

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(a) The commissioner of commerce shall, under regulations and
11 policies adopted by him, make small business loans to acquire, finance
12 or refinance or equip businesses, including mining and fishing but
13 not including farming, not exceeding \$100,000 [\$60,000]. The loans
14 shall be secured by acceptable collateral and may not exceed 75 per
15 cent of the appraised value of the collateral offered as security.
16 The rate of interest may not exceed eight per cent a year on the
17 unpaid balance.

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

I. REQUEST

Bill Identification: House Bill 577 am
Title: Maximum Amount Loanable Under the Small Business Program
Requested by: Legislative Finance Date: 3/21/74
Return Date Requested: _____
Agency: COMMERCE Program: DEVELOPMENT

II. FISCAL DETAIL

Budget Request Unit(s) Affected: Economic Development
A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 74	FY 75	FY 76	FY 77	FY 78	FY 79
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	0	0	0	0	0	0

B. FUNDING: (Thousands of dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						

C. POSITIONS:

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

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

Cost of administering this program will not require additional funding.

IV. ATTACHMENTS

V. DATE: 3-22-74 PREPARED BY: Pete Adams, DIRECTOR

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



RECORDS CERTIFICATION



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James O. Smith
Signature of Camera Operator

4/26/89
Date

Introduced: 2/6/74
Referred: State Affairs
and Finance

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

1 IN THE HOUSE

2 HOUSE BILL NO. 581

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 EIGHTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the capital improvements program."

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

8 * Section 1. AS 37.07.040(2) is amended to read:

9 (2) prepare for submission to the governor a biennially
10 [AN ANNUALLY] updated six-year capital improvements program and
11 annually prepare for submission to the governor the proposed capital
12 improvements budget for the coming fiscal year, the latter to include
13 individual project justification with documentation of estimated
14 project cost;

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

I. REQUEST

Bill Identification: HB 581
 Title: Capital Improvements Program
 Requested by: Governor Date: February 28, 1974
 Return Date Requested: _____
 Agency: Administration Program: Budget and Management

II. FISCAL DETAIL

Budget Request Unit(s) Affected: Budget and Management

A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 73	FY 74	FY 75	FY 76	FY 77	FY 78
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL			(5.0)		(5.0)	
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL			(5.0)		(5.0)	

B. FUNDING: (Thousands of dollars)

GENERAL FUND			(5.0)		(5.0)	
FEDERAL FUNDS						
OTHER						

C. POSITIONS:

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

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

Passage of this bill will eliminate the necessity of printing the six-year capital improvements program in the odd numbered fiscal year; thus saving the state an estimated \$5,000 in those alternating years.

IV. ATTACHMENTS

V. DATE: February 28, 1974

PREPARED BY: M. R. Charney

M. R. Charney, Director
 Division of Budget and Management

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

fiscal note

Introduced: 2/6/74
Referred: State Affairs
and Finance

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

1 IN THE HOUSE

2 HOUSE BILL NO. 581

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 EIGHTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the capital improvements program."

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

8 * Section 1. AS 37.07.040(2) is amended to read:

9 (2) prepare for submission to the governor a biennially

10 [AN ANNUALLY] updated six-year capital improvements program and

11 annually prepare for submission to the governor the proposed capital

12 improvements budget for the coming fiscal year, the latter to include

13 individual project justification with documentation of estimated

14 project cost;

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RECORDS



CERTIFICATION

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James O. Smith
Signature of Camera Operator

4/26/89
Date

Introduced: 2/6/74
Referred: Finance

1 IN THE HOUSE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2 HOUSE BILL NO. 583

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 EIGHTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to bond anticipation notes; and
7 providing for an effective date."

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

9 * Section 1. AS 37.15.310 is amended to read:

10 Sec. 37.15.310. ISSUANCE OF NOTES. The state bond committee
11 shall issue notes for the amounts borrowed with a maturity date not
12 to exceed one year from the date of issue. All the notes and the
13 interest thereon are payable at a fixed place, on or before a fixed
14 time, or at a fixed time from an appropriation made for that purpose
15 or from the proceeds of the sale of bonds [,] in anticipation of which
16 the original note or notes were issued [, UNLESS THE BONDS HAVE NOT
17 BEEN SOLD BY THE MATURITY DATE OF THE NOTES].

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

WILLIAM A. EGAN, GOVERNOR

DEPARTMENT OF COMMERCE

OFFICE OF THE COMMISSIONER / POUCH D -- JUNEAU 99801

February 14, 1974

The Honorable Oral Freeman
Chairman
House Finance Committee
Alaska State Legislature
Pouch V
Juneau, Alaska 99801

Dear Mr. Freeman:

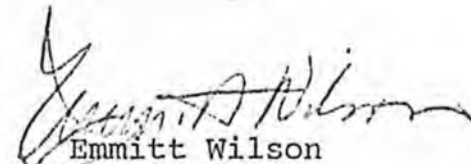
In response to your request for comments on HB 583, I feel, as Chairman of the State Bond Committee, that the Bill is appropriate and I support its enactment.

The Statute as presently written requires payment of interest on bond anticipation notes to be made from the proceeds of the bond sale. This, in effect, reduces the amount of funds available for a specific project or projects for which the bonds were originally authorized. This amendment would authorize the payment of interest on BAN's from a debt service appropriation for that purpose, thereby correcting the existing statutes to more closely reflect legislative intent.

In addition, the amendment as proposed would permit principal payments on these notes to also be made from a debt service appropriation in the event the State was unable to sell the bonds or the market was such as to be in the State's best interest to forestall the sale until a future date.

If I can provide further information, please do not hesitate to contact me.

Sincerely,


Emmitt Wilson
Commissioner



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James A. Smith
Signature of Camera Operator

4/26/89
Date

Introduced: 2/6/74
Referred: Finance

1 IN THE HOUSE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2 HOUSE BILL NO. 584

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 EIGHTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act establishing a federal revenue sharing fund;
7 and providing for an effective date."

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

9 * Section 1. AS 37.05 is amended by adding a new section to read:

10 Sec. 37.05.157. FEDERAL REVENUE SHARING FUND. There is
11 established in the state treasury a trust fund known as the federal
12 revenue sharing fund. Receipts from the federal revenue sharing
13 program shall be deposited in the fund and are available for all
14 purposes not expressly prohibited by the State and Local Fiscal
15 Assistance Act of 1972 (PL 92-512). Interest earned on entitlement
16 funds while in the federal revenue sharing fund are also part of
17 that fund.

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

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

I. REQUEST

Bill Identification: HB 584
 Title: An Act establishing a Fed. Revenue Sharing Fund
 Requested by: Jay Hogan Date: 7 February 1974
 Return Date Requested: 4:30 P.M. Tuesday 12 February 1974
 Agency: Admin. Program: _____

II. FISCAL DETAIL

Budget Request Unit(s) Affected: _____
 A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 74	FY 75	FY 76	FY 77	FY 78	FY 79
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

B. FUNDING: (Thousands of dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						

C. POSITIONS:

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

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

By itself, HB 584 will cost the State nothing. The establishment of this fund is required by PL 92-512. If we refuse to comply with federal restrictions, we should return all amounts received from the revenue sharing program.

IV. ATTACHMENTS

V. DATE: February 7, 1974 PREPARED BY: William C. Mullin, Director

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



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James O. Smith
Signature of Camera Operator

4/26/89
Date

Introduced: 2/6/74
Referred: State Affairs and Finance

BY HAUGEN, BANFIELD, BARBER, BOWMAN,
BRADNER, CHANCE, DEGNAN, ELIASON,
FISCHER, GARDINER, MCGILL, MCVEIGH,
MALONE, J. MILLER, M. MILLER, NAUGHTON,
PARKER, SPECKING, URION AND WINGROVE

1 IN THE HOUSE

2 HOUSE BILL NO. 586

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 EIGHTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act providing for the issuance of general obliga-
7 tion bonds in the amount of \$20,000,000 for the purpose
8 of paying the cost of port facilities development
9 projects; and providing for an effective date."

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

11 * Section 1. For the purpose of paying the cost of port facilities
12 development projects under AS 30.30, general obligation bonds of the state
13 in the principal amount of not more than \$20,000,000 shall be issued and
14 sold. The full faith, credit and resources of the state are pledged to the
15 payment of the principal of and interest and redemption premium, if any, on
16 these bonds. These bonds shall be issued under the provisions of AS 37.15
17 as these provisions read at the time of issuance.

18 * Sec. 2. If the issuance of these bonds is authorized by the qualified
19 voters of the state, a special fund of the state to be known as the "1974
20 Port Facilities Development Fund" shall be established, to which shall be
21 credited the proceeds of the sale of the bonds described in sec. 1 of this
22 Act except for the accrued interest and premiums. There is appropriated
23 from the "1974 Port Facilities Development Fund" to the Department of Public
24 Works the sum of \$20,000,000. The proceeds of these bonds shall be allocated
25 in accordance with the provisions of AS 30.30 as those provisions read at
26 the time of issuance, as follows:

- 27 (1) \$2,500,000 - Anchorage
28 (2) \$2,000,000 - Nome
29 (3) \$1,500,000 - Ketchikan

- 1 (4) \$1,500,000 - Wrangell
- 2 (5) \$1,500,000 - Juneau
- 3 (6) \$1,000,000 - Bethel
- 4 (7) \$1,000,000 - Petersburg
- 5 (8) \$1,000,000 - Sitka
- 6 (9) \$1,000,000 - Kodiak
- 7 (10) \$1,000,000 - Homer
- 8 (11) \$ 750,000 - Haines
- 9 (12) \$ 750,000 - Unalaska
- 10 (13) \$ 750,000 - Skagway
- 11 (14) \$ 500,000 - Dillingham
- 12 (15) \$ 500,000 - Seward
- 13 (16) \$ 500,000 - Pelican
- 14 (17) \$ 500,000 - Kenai
- 15 (18) \$ 500,000 - Kotzebue
- 16 (19) \$ 500,000 - Angoon
- 17 (20) \$ 250,000 - Tanana
- 18 (21) \$ 250,000 - St. Marys
- 19 (22) \$ 250,000 - Kasilof

20 * Sec. 3. If the issuance of these bonds is authorized by the qualified
21 voters of the state, the amount of \$70,000 or as much of that amount as is
22 found necessary, is appropriated from the general fund of the state to the
23 state bond committee to carry out the provisions of this Act and to pay
24 expenses incident to the sale or issuance of the bonds authorized in this
25 Act. The amounts expended from the appropriation authorized by this section
26 shall be reimbursed to the general fund from the proceeds of the sale of the
27 bonds authorized by this Act.

28 * Sec. 4. The question of whether the bonds authorized in this Act are
29 to be issued shall be submitted to the qualified voters of the state at

1 the next state general election and shall read substantially as follows:

2 Proposition

3 State General Obligation Port Facilities

4 Development Bonds \$20,000,000

5 Shall the State of Alaska issue its general obligation
6 bonds in the principal amount of not more than \$20,000,000
7 for the purpose of paying the cost of capital improvements
8 for port facilities development projects?

9 Bonds Yes []

10 Bonds No []

11 * Sec. 5. This Act takes effect on the day after its passage and approval
12 or on the day it becomes law without approval.

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MEMORANDUM


State of Alaska

TO: J. H. Hogan, Director
Division of Legislative Finance

DATE: February 26, 1974

FILE NO:

TELEPHONE NO:

FROM:  Carl Gonder, Budget Analyst
Division of Budget and Management
Department of Administration

SUBJECT: HB 586 Fiscal Note

Review of the fiscal note prepared for HB 586 by Don Stattor, Director of the Division of Waters and Harbors reveals two consequential omissions:

- 1) No analysis of the influence of debt retirement on the General Fund, and
- 2) no statement indicating that the program operating expenses would result in grants totalling less than \$20 million.

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

I. REQUEST

Bill Identification: House Bills 586 and 587
 Title: \$20,000,000 general obligation bonds for port facilities development
 Requested by: Legislative Finance Date: 2/13/74
 Return Date Requested: 2/20/74
 Agency: Department of Public Works Program: Development

II. FISCAL DETAIL

Budget Request Unit(s) Affected: Water and Harbors Program
 A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 74	FY 75	FY 76	FY 77	FY 78	FY 79
100 PERSONAL SERVICES		44.0	46.0	48.5	51.0	53.5
200 TRAVEL		3.0	3.5	4.0	4.5	5.0
300 CONTRACTUAL		1.0	1.0	1.5	1.5	2.0
400 COMMODITIES		.5	.5	.5	.5	.5
500 EQUIPMENT		2.0				
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.		3,949.5	3,949.0	3,945.5	3,942.5	3,939.0
TOTAL		4,000.0	4,000.0	4,000.0	4,000.0	4,000.0

B. FUNDING: (Thousands of dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER G.O. Bonds		4,000.0	4,000.0	4,000.0	4,000.0	4,000.0

C. POSITIONS:

PERMANENT/TEMPORARY	/	2 /	2 /	2 /	2 /	2 /
MAN MONTHS (P./T.)	/	24 /	24 /	24 /	24 /	24 /

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

It is assumed that the program will be administered by the Division of Water and Harbors as an addition to the existing smallcraft harbor facilities development program. Since the bonds will be disbursed to the local governments for direct contract payments or reimbursement for funds expended in the completion of approved projects, only two new positions are projected. One public works planner would assume the administrative responsibilities related to the program including the processing, review, and analysis of applications, priority programming, coordination with local government officials and necessary paper flow. One engineering position will be required to review and analyze required engineering and economic feasibility studies and to assist in the compilation of appropriate data necessary

IV. ATTACHMENTS

- for reports and recommendations to the Commissioner.
1. Detail of personal services (Form 13)
 2. Special Report "Funding Local Port Development Projects".

V. DATE: 2/15/74

PREPARED BY: Don Statter

Don Statter, Director
 Division of Water and Harbors

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

SPECIAL REPORT

FUNDING LOCAL PORT DEVELOPMENT PROJECTS

STATE OF ALASKA
DIVISION OF WATER AND HARBORS
DEPARTMENT OF PUBLIC WORKS

Don Statter
Director

R.T. Meketa
Public Works Planner

November 1973

INTRODUCTION

The importance of waterborne commerce in the history of Alaska requires little explanation for it would be difficult to imagine development without waterborne commerce. From ancient native life styles, to our present complex civilization, waterways have provided the primary means of travel, communication and the exchange of ideas and commodities.

It is fortunate that nature has provided Alaska with a vast coastline and extensive navigable river system but it is unfortunate that the full employment of this natural transportation base has never been realized. Both major and minor ports are, in most cases, undersized, outmoded and inadequate to meet today's needs. Recent changes in shipping techniques and the trend toward larger vessels have, and will, require drastic improvements in port facilities. These problems have already led to relatively high overall tariff rates and unless basic improvements are made it appears that general rate increases will follow, which in turn, will create a transportation burden detrimental to the economy of the State and its people.

FINANCING PORT DEVELOPMENT

State - No agency of the State government currently has a program or funding for the development of deep draft port facilities. The Department of Public Works has participated in the development of some shallow draft and medium draft dock facilities as well as Marine Highway System ferry terminal improvements but activity has been limited due to funding restrictions.

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The Economic Development Administration (Department of Commerce), through the Public Works and Development Act of 1965, has been the primary source for funding port facility development in Alaska in recent years. Projects have ranged from multi-million dollar complex facilities through simple, time tested and proven timber dock structures to handle the needs of the smaller communities. The amount of federal participation is dependent on several factors and, in some cases, may approach 100%. The time from inception to completion will vary from project to project but three years is usually considered as average. Projects are sponsored by local governments who prepare the necessary applications, finance the non-federal share of funding, and operate and maintain the completed facilities.

THE PROBLEM

The President's proposed Federal budget for fiscal year 1974 calls for drastic reductions in the funding level of the Public Works and Development Act of 1965. Considering the present economic condition of most communities this will signal a virtual halt to any new port development or expansion projects. Unless new sources of revenue can be found to carry on this vital function the situation will become more critical.

THE ALTERNATIVES

Of the various alternatives examined, only four were found to warrant detailed analysis. They are:

1. Utilize new or proposed new sources of federal revenue sharing or grant monies.
2. The State assume the past role of EDA through a program of cost sharing grants and loans.
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4. The creation of a statewide Port Authority with full bonding and taxing authority.

ANALYSIS OF ALTERNATIVES

Federal - New programs proposed by the President to replace planned funding cutbacks include Special Revenue Sharing for Urban Community Development (Better Communities Act). The extent to which grant allocations from this program would be made available for port development in Alaska is unknown at this time. However, a preliminary analysis of available information leads to the conclusion that emphasis will be shifted from physical to social requirements. It is expected that funding will begin in fiscal year 1975.

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State - A modest bond proposal to provide funds for local Port Development project on a cost sharing basis would appear to be a realistic alternative. The program could be administered through the Department of Public Works with only a very nominal increase in staff required. This would allow for the completion of badly needed port improvements during the interim period of State and Federal fiscal adjustment without creating an unnecessary hardship on State or local government budgets.

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CONCLUSIONS & RECOMMENDATION

Alaska's ports play an important role in the social and economic well being of the State. Existing inadequate facilities and the attendant inefficiencies result in transportation costs higher than necessary creating an almost unbearable burden on many of the State's residents. Many communities desire and need port facilities but lack the ability to fund these improvements. Past sources of federal financial assistance are disappearing and the outlook for their restoration is doubtful. The probability of the legislature creating a statewide port authority in the current period of fiscal uncertainty would have to be considered very remote. Therefore, of the alternatives examined, a statewide general obligation bond proposal to provide grants for locally sponsored port development projects is considered to be the most feasible. This would essentially amount to the creation of an interim state program designed to replace the federal government's defunct Economic Development Administration.

CONCLUSIONS & RECOMMENDATION (con't)

It is expected that procedures developed and used by EDA in processing similar proposals under the federal program would be used as a guide in allocating port development grants under the provisions of the state program. Priorities would be established by the state. First consideration would be given to those communities who had completed preliminary cost: benefit and engineering feasibility studies for federal EDA funds prior to the termination of that program. Second consideration would be given to those proposed projects conceived prior to the end of the EDA activity but not yet advanced to the study or application stages. In all cases justification and priority would be measured largely by the relationship of the project to the overall transportation needs of the State.

Recognizing that it may be many years before new sources of funding assistance are available to local governments it is recommended that appropriate legislation be initiated immediately. The proposed legislation, if enacted into law, should provide for a bond measure in the amount of 20 million dollars. The proceeds from the sale of these bonds would be used specifically for the purpose of providing financial assistance to local governments for the construction of marine oriented port development projects.

13
PERSONAL SERVICES
REQUEST FOR NEW POSITION
FY 75

AGENCY	Public Works	CATEGORY	07	code
DIVISION	Water and Harbors	PROGRAM	73	Development
		SUBPROGRAM	03	Comm. Development
		ELEMENT		Water and Harbors
		SUB-ELEMENT		

POSITION TITLE: Public Works Planner

TYPE OF POSITION: Permanent Full-time

NEW ESTABLISHED

RANGE: 20

LOCATION: Juneau

FY 75 FUNDING SOURCE: G.O. Bonds

M/C: C

PRIORITY: _____

PAGE / LINE: _____

TYPE OF EXPENDITURE	AMOUNT	DETAIL OF RELATED EXPENSES
PERSONAL SERVICES	20,407	17,592 and benefits 2,815
EQUIPMENT	1,000	Office furniture and equipment
OTHER	2,000	Travel, per diem, commodities, services
TOTAL	23,407	

FUNDING SOURCE	PROJECTIONS			
	FY 76	FY 77	FY 78	FY 79
G.O. Bonds for Port Facilities Development	23,500	25,000	26,500	28,000
TOTAL EXPENSES				

EXPLANATION:

GOVERNOR APPROVED DISAPPROVED

LEGISLATURE APPROVED DISAPPROVED

CERTIFICATION BY AGENCY HEAD _____

DATE _____

PCN	LOCATION	EFFECTIVE DATE	APPROVED BY:	RANGE	CLASS CODE	APPROVED CLASSIFICATION

13

FY 75

PERSONAL SERVICES
REQUEST FOR NEW POSITION

AGENCY	Public Works	CATEGORY	07	code	Development
DIVISION	Water and Harbors	PROGRAM	73		Comm. Development
		SUB PROGRAM	03		Water & Harbors Fac.
		ELEMENT			
		SUB-ELEMENT			

POSITION TITLE: Construction Engineer III

RANGE: 22

LOCATION: Juneau

TYPE OF POSITION: Permanent Full-time

NEW ESTABLISHED: YES NO

M/C: C

PRIORITY: _____

PAGE / LINE: _____

FY 75 FUNDING SOURCE

PERSONAL SERVICES	23,650	G.0 Bonds	20,388 and benefits 3,262	DETAIL OF RELATED EXPENSES
EQUIPMENT	1,000			Office furniture and equipment
OTHER	2,500			Travel, per diem, commodities, services
TOTAL	27,150			

PROJECTIONS

	FY 76	FY 77	FY 78	FY 79
TOTAL EXPENSES				
G.0 Bonds for Port Facilities Development	27,500	29,500	31,000	33,000

EXPLANATION:

GOVERNOR APPROVED DISAPPROVED

LEGISLATURE APPROVED DISAPPROVED

CERTIFICATION BY AGENCY HEAD _____

DATE _____

PCN	LOCATION	EFFECTIVE DATE	APPROVED BY:	RANGE	CLASS CODE	APPROVED CLASSIFICATION

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

I. REQUEST

Bill Identification: All G.O. Bond Authorization Bill.
Title: _____
Requested by: Jay Hogan Date: 2-20-74
Return Date Requested: ASAP
Agency: Administration Program: Debt Service

II. FISCAL DETAIL

Budget Request Unit(s) Affected: Debt Service
A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 73	FY 74	FY 75	FY 76	FY 77	FY 78
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
800 Debt Service				15.0	45.0	60.0
TOTAL	--	--	--	15.0	45.0	60.0

B. FUNDING: (Thousands of dollars)

GENERAL FUND				15.0	45.0	60.0
FEDERAL FUNDS						
OTHER						

C. POSITIONS:

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

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

Dollars above are per \$1 million. If, for instance, a \$30 million bond issue is being considered, the above amounts should be multiplied by 30.

IV. ATTACHMENTS

Assumptions and schedule for additional years

V. DATE: 2-26-74 PREPARED BY: M. R. Charney

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

MEMORANDUM

State of Alaska

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

DATE: February 22, 1974

FILE NO:

TELEPHONE NO:

FROM: Murray D. Snyder, Capital Planner
Division of Budget and Management
Department of Administration

SUBJECT: Future Year Cost Per 1.0
Million New G.O. Bond
Authorization

The effect of approval in FY 75 per each 1.0 million in new General Obligation Bond authorization on the debt amortization cost is approximately as follows:¹

	Amount of Interest and Principal Due Per 1M (in thousands)
FY 75	00.0
FY 76 (Interest only assuming 25% authorization issued)	15.0
FY 77 (Interest only assuming 75% auth. had been issued)	45.0
FY 78 (Interest only assuming 100% auth. had been issued)	60.0
FY 79 (Interest and principal payment)	64.7 ²
FY 80 (Interest and principal payment)	73.8
FY 81 (Interest and principal payment)	77.6
FY 82 (Interest and principal payment)	79.5
FY 83 (Interest and principal payment)	84.2
FY 84 (Interest and principal payment)	85.4
FY 85 (Interest and principal payment)	83.4
FY 86 (Interest and principal payment)	80.4
FY 87 - 95 (not computed)	

1. Assumed interest rate of 6%
2. Principal repayment amounts based on recent experience



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

Introduced: 2/6/74
Referred: State Affairs and
Finance

BY HAUGEN, BANFIELD, BOWMAN, BRADNER,
CHANCE, ELIASON, FISCHER, GARDINER,
MCGILL, MALONE, J. MILLER, M. MILLER,
NAUGHTON, PARKER, SPECKING, URION
AND WINGROVE

1 IN THE HOUSE

2 HOUSE BILL NO. 587

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 EIGHTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act providing for state assistance in the con-
7 struction of port facilities; and providing for an
8 effective date."

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

10 * Section 1. AS 30 is amended by adding a new chapter to read:

11 TITLE 30. HARBORS, NAVIGATION AND SHIPPING.

12 CHAPTER 30. STATE PARTICIPATION IN PORT FACILITIES DEVELOPMENT.

13 Sec. 30.30.010. STATE GRANTS FOR PORT FACILITIES CONSTRUCTION.

14 To the extent funds are appropriated by the legislature, or from the
15 proceeds from the sale of bonds, the state may make grants to munici-
16 palities to finance a portion of the cost of constructing local,
17 regional or state port facilities. The state shall participate only
18 in those projects approved by the governor on recommendation of the
19 commissioner of public works.

20 Sec. 30.30.020. CRITERIA FOR ESTABLISHING ELIGIBILITY FOR PORT
21 FACILITIES CONSTRUCTION GRANTS. (a) Before a grant may be awarded
22 under this chapter, the commissioner of public works shall determine
23 that

24 (1) the grant is for a justifiable, economically feasible
25 project;

26 (2) the project is endorsed by resolution of the governing
27 body of the sponsoring municipality on its own behalf, or on behalf
28 of a service area in an organized borough if a service area is estab-
29 lished to finance and construct port facilities and operate and

1 maintain them once constructed; and

2 (3) the municipality can clearly demonstrate its ability to
3 finance the local share of project costs.

4 (b) No grant may be awarded under this chapter for any port
5 facilities development project until a study of its justification and
6 economic feasibility is conducted and submitted with the application
7 for the grant. The project must be justifiable on the basis of public
8 convenience and necessity. To facilitate a determination of economic
9 feasibility the commissioner shall require the applicant to furnish
10 those engineering studies of the project's practicality and other
11 economic forecasts and financial data and other technical information
12 that he considers necessary. The study shall be conducted by consul-
13 tants, engineers or other technical experts, who may or may not be
14 officers or employees of the municipality making application for a grant,
15 approved by the commissioner in advance of the conduct of the study
16 and of the submission of an application for a grant under this chapter.

17 Sec. 30.30.030. LIMITATION ON GRANTS. Grants for the development
18 of port facilities may not exceed

19 (1) 90 per cent of project costs for municipalities under
20 2,000 population;

21 (2) 80 per cent of project costs for municipalities of
22 2,000 - 25,000 population; or

23 (3) 70 per cent of project costs for municipalities over
24 25,000 population.

25 Sec. 30.30.040. DISPOSITION OF STATE LANDS FOR PORT FACILITIES
26 DEVELOPMENT PROJECTS. The division of lands of the Department of
27 Natural Resources, subject to the applicable provisions of AS 38.05
28 and 38.10, may convey title or other interests in state land, provide
29 for the exchange of state land, or make other arrangements with

1 respect to state land that may be necessary to complete projects for
2 which a state grant is approved under this chapter.

3 Sec. 30.30.050. COMBINED PORT AND FERRY TERMINAL FACILITIES. A
4 grant may be awarded under this chapter for a port facilities develop-
5 ment project that includes, or combines, state ferry terminal facilities
6 as a part of the project. However, the state shall pay the proportion-
7 ate project costs attributable to the ferry terminal including but not
8 limited to vehicle staging areas, transfer spans and aprons, passenger
9 terminal facilities and offices, docks and other docking facilities
10 for ferry vessels.

11 Sec. 30.30.060. REGULATIONS. The commissioner of public works
12 shall promulgate regulations under the Administrative Procedure Act
13 (AS 44.62) that he considers necessary to carry out the provisions of
14 this chapter.

15 Sec. 30.30.070. DEFINITIONS. In this chapter

16 (1) "commissioner" means commissioner of public works;

17 (2) "department" means department of public works;

18 (3) "municipality" means a general law municipal corporation
19 and political subdivision, which is a first or second class borough or
20 city, or a third class borough, incorporated under the laws of the
21 state, including a home rule first class borough or city, or a unifi-
22 cation of these;

23 (4) "port facilities" means docks, wharves, bulkheads,
24 seawalls, landfills, warehouses, staging areas, transfer spans and
25 aprons, lifting equipment and similar structures together with the
26 necessary equipment and facilities required to accommodate waterborne
27 commerce and shipping, including but not limited to combined port and
28 ferry terminal facilities;

29 (5) "project costs" means the cost of financing or

1 borrowing, site acquisition and rights-of-way, planning, engineering
2 and designing, construction, equipment acquisition and installation,
3 but does not include the cost of operation or maintenance of the port
4 facilities once constructed or the cost of feasibility studies required
5 in making application for a grant under this chapter.

6 * Sec. 2. This Act takes effect July 1, 1974.
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The Legislature of the State of Alaska
 FISCAL NOTE
 Second Session - Eighth Legislature

I. REQUEST

Bill Identification: House Bills 586 and 587
 Title: \$20,000,000 general obligation bonds for port facilities development
 Requested by: Legislative Finance Date: 2/13/74
 Return Date Requested: 2/20/74
 Agency: Department of Public Works Program: Development

II. FISCAL DETAIL

Budget Request Unit(s) Affected: Water and Harbors Program

A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 74	FY 75	FY 76	FY 77	FY 78	FY 79
100 PERSONAL SERVICES		44.0	46.0	48.5	51.0	53.5
200 TRAVEL		3.0	3.5	4.0	4.5	5.0
300 CONTRACTUAL		1.0	1.0	1.5	1.5	2.0
400 COMMODITIES		.5	.5	.5	.5	.5
500 EQUIPMENT		2.0				
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.		3,949.5	3,949.0	3,945.5	3,942.5	3,939.0
TOTAL		4,000.0	4,000.0	4,000.0	4,000.0	4,000.0

B. FUNDING: (Thousands of dollars)

GENERAL FUND	FY 74	FY 75	FY 76	FY 77	FY 78	FY 79
FEDERAL FUNDS						
OTHER G.O. Bonds		4,000.0	4,000.0	4,000.0	4,000.0	4,000.0

C. POSITIONS:

PERMANENT/TEMPORARY	FY 74	FY 75	FY 76	FY 77	FY 78	FY 79
MAN MONTHS (P./T.)	/	2 /	2 /	2 /	2 /	2 /
	/	24 /	24 /	24 /	24 /	24 /

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

It is assumed that the program will be administered by the Division of Water and Harbors as an addition to the existing smallcraft harbor facilities development program. Since the bonds will be disbursed to the local governments for direct contract payments or reimbursement for funds expended in the completion of approved projects, only two new positions are projected. One public works planner would assume the administrative responsibilities related to the program including the processing, review, and analysis of applications, priority programming, coordination with local government officials and necessary paper flow. One engineering position will be required to review and analyze required engineering and economic feasibility studies and to assist in the compilation of appropriate data necessary

IV. ATTACHMENTS

for reports and recommendations to the Commissioner.

1. Detail of personal services (Form 13)
2. Special Report "Funding Local Port Development Projects".

V. DATE: 2/15/74

PREPARED BY: Don Statter

Don Statter, Director
 Division of Water and Harbors

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

SPECIAL REPORT

FUNDING LOCAL PORT DEVELOPMENT PROJECTS

STATE OF ALASKA
DIVISION OF WATER AND HARBORS
DEPARTMENT OF PUBLIC WORKS

Don Statter
Director

R.T. Meketa
Public Works Planner

November 1973

INTRODUCTION

The importance of waterborne commerce in the history of Alaska requires little explanation for it would be difficult to imagine development without waterborne commerce. From ancient native life styles, to our present complex civilization, waterways have provided the primary means of travel, communication and the exchange of ideas and commodities.

It is fortunate that nature has provided Alaska with a vast coastline and extensive navigable river system but it is unfortunate that the full employment of this natural transportation base has never been realized. Both major and minor ports are, in most cases, undersized, outmoded and inadequate to meet today's needs. Recent changes in shipping techniques and the trend toward larger vessels have, and will, require drastic improvements in port facilities. These problems have already led to relatively high overall tariff rates and unless basic improvements are made it appears that general rate increases will follow, which in turn, will create a transportation burden detrimental to the economy of the State and its people.

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CONCLUSIONS & RECOMMENDATION (con't)

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Recognizing that it may be many years before new sources of funding assistance are available to local governments it is recommended that appropriate legislation be initiated immediately. The proposed legislation, if enacted into law, should provide for a bond measure in the amount of 20 million dollars. The proceeds from the sale of these bonds would be used specifically for the purpose of providing financial assistance to local governments for the construction of marine oriented port development projects.

13

FY 75

PERSONAL SERVICES
REQUEST FOR NEW POSITION

AGENCY	CATEGORY	code	
Public Works	PROGRAM	07	Development
DIVISION	SUB-PROGRAM	73	Comm Development
Water and Harbors	ELEMENT	03	Water and Harbors
	SUB-ELEMENT		

POSITION TITLE		Public Works Planner	RANGE	20	LOCATION	Juneau	APPROVED CLASSIFICATION
TYPE OF POSITION		Permanent Full-time	M/C:	C	PRIORITY	PAGE / LINE	
TYPE OF EXPENDITURE	FY 75		DETAIL OF RELATED EXPENSES				
	AMOUNT	FUNDING SOURCE					
PERSONAL SERVICES	20,407	G.O. Bonds	17,592 and benefits 2,815				
EQUIPMENT	1,000		Office furniture and equipment				
OTHER	2,000		Travel, per diem, commodities, services				
TOTAL	23,407						

PROJECTIONS		FY 76	FY 77	FY 78	FY 79	RANGE
TOTAL EXPENSES						
FUNDING SOURCE	G.O. Bonds for Port Facilities Development	23,500	25,000	26,500	28,000	APPROVED BY:
						EFFECTIVE DATE
						LOCATION

EXPLANATION:

GOVERNOR	APPROVED <input type="checkbox"/>	LEGISLATURE	APPROVED <input type="checkbox"/>	CERTIFICATION BY AGENCY HEAD	DATE
	DISAPPROVED <input type="checkbox"/>		DISAPPROVED <input type="checkbox"/>		

13

FY 75

PERSONAL SERVICES
REQUEST FOR NEW POSITION

AGENCY	CATEGORY	code	
Public Works	07	Development	
DIVISION	PROGRAM	73	Comm. Development
Water and Harbors	SUB PROGRAM	03	Water & Harbors Fac.
	ELEMENT		
	SUB-ELEMENT		

POSITION TITLE		Construction Engineer III		RANGE	22	LOCATION	Juneau
TYPE OF POSITION		Permanent Full-time		NEW	X	PAGE / LINE	
		ESTABLISHED		M/C:	C		
TYPE OF EXPENDITURE	FY 75		DETAIL OF RELATED EXPENSES				
	AMOUNT	FUNDING SOURCE					
PERSONAL SERVICES	23,650	G.O. Bonds	20,388 and benefits 3,262				
EQUIPMENT	1,000		Office furniture and equipment				
OTHER	2,500		Travel, per diem, commodities, services				
TOTAL	27,150						

PROJECTIONS		FY 76	FY 77	FY 78	FY 79
TOTAL EXPENSES					
FUNDING SOURCE	G.O. Bonds for Port Facilities Development	27,500	29,500	31,000	33,000

EXPLANATION:

GOVERNOR	APPROVED <input type="checkbox"/>	DISAPPROVED <input type="checkbox"/>	LEGISLATURE	APPROVED <input type="checkbox"/>	DISAPPROVED <input type="checkbox"/>	CERTIFICATION BY AGENCY HEAD	DATE
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APPROVED CLASSIFICATION

CLASS CODE

RANGE

APPROVED BY:

EFFECTIVE DATE

LOCATION

PCN



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

Original sponsor: Randolph, Ose
and Wingrove

Offered: 4/19/74
Referred: Rules

Berry

1 IN THE HOUSE

BY THE JUDICIARY COMMITTEE

2 CS FOR HOUSE BILL NO. 591

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 EIGHTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to closed hunting areas adjacent to
7 highways."

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

9 * Section 1. AS 16.05 is amended by adding a new section to read:

10 Sec. 16.05.785. AREAS ADJACENT TO HIGHWAYS CLOSED TO TAKING OF
11 GAME. In addition to other areas closed by law or regulation, a strip
12 one-fourth mile wide on each side of state highways numbers 1, 2, 3,
13 4, 5, 6 and 9 is closed to the taking of big game.

14 * Sec. 2. AS 16.05.900(a) is amended to read:

15 (a) A person who violates secs. 785, 830, 870 - 895, or 920 of
16 this chapter or any rule or regulation promulgated under this chapter
17 is guilty of a misdemeanor and, upon conviction, is punishable by a
18 fine of not more than \$1,000 or by imprisonment for not more than six
19 months, or by both. A person who violates a rule or regulation
20 promulgated under this chapter for the regulation of commercial
21 fisheries shall be punished as provided in sec. 720 of this chapter.
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POOR COPY

ALASKA STATE LEGISLATURE

EIGHTH Legislature SECOND Session

HOUSE BILL NO. ... 591 ..

By RANDOLPH, OSE AND WINGROWE

"An Act relating to closed hunting areas adjacent to highways."

CSHP 591 (Judiciary)
BY JUDICIARY

Offered: 4/19/74
Referred: Rules

Title: Same

Hunting areas adjacent/highways

Introduced in the House . 2/7/ . , 19 . 74

HISTORY IN THE HOUSE

19 74
Feb * Read first time and referred to Committee on Resources and Judiciary

Mar 19 Reported back with recommendation that Resources refer w/CS 5 do pass, 3 noes, 2 do not pass - to Judiciary

Apr 19 Judiciary report of CS (929) do pass 70 yea
Read second time and

Apr 21 CS HB 591 (Judiciary) adopted read

Apr 21 Read third time and

Apr 22 Reconsideration taken up

PASS	Yea	73	24
	Nays	16	16
	Absent		
	Excused	1	0

Effective Date

PASS	Yea		
	Nays		
	Absent		
	Excused		

Apr 21 notice of reconsideration
Apr 22 Reported correctly engrossed
Apr 22 Signed by Speaker
Apr 22 Sent to Senate

June Casper
CHIEF CLERK OF THE HOUSE

HISTORY IN THE SENATE

19 74
4 27 Read first time and referred to Committee on Resources; Finance

4 27 Reported back with recommendation that do pass to Finance

Read second time and

Read third time and

PASS	Yea		
	Nays		
	Absent		
	Excused		

Effective Date

PASS	Yea		
	Nays		
	Absent		
	Excused		

Reported correctly engrossed
Signed by President
Returned to House

SECRETARY OF THE SENATE

HISTORY IN THE HOUSE

19
Received from Senate

Reported correctly enrolled

Sent to Governor

..... By Governor

Filed with Lt. Governor

Chapter No.

Original sponsor: Randolph, Ose
and Wingrove

Offered: 4/19/74
Referred: Rules

1 IN THE HOUSE

BY THE JUDICIARY COMMITTEE

2 CS FOR HOUSE BILL NO. 591

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 EIGHTH LEGISLATURE - SECOND SESSION

5 A BILL

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7 highways."

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

9 * Section 1. AS 16.05 is amended by adding a new section to read:

10 Sec. 16.05.785. AREAS ADJACENT TO HIGHWAYS CLOSED TO TAKING OF
11 GAME. In addition to other areas closed by law or regulation, a strip
12 one-fourth mile wide on each side of state highways numbers 1, 2, 3,
13 4, 5, 6 and 9 is closed to the taking of big game.

14 * Sec. 2. AS 16.05.900(a) is amended to read:

15 (a) A person who violates secs. 785, 830, 870 - 895, or 920 of
16 this chapter or any rule or regulation promulgated under this chapter
17 is guilty of a misdemeanor and, upon conviction, is punishable by a
18 fine of not more than \$1,000 or by imprisonment for not more than six
19 months, or by both. A person who violates a rule or regulation
20 promulgated under this chapter for the regulation of commercial
21 fisheries shall be punished as provided in sec. 720 of this chapter.
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Original sponsor: Randolph, Ose
and Wingrove

Offered: 3/19/74
Referred: Judiciary

1 IN THE HOUSE

BY THE RESOURCES COMMITTEE

2 CS FOR HOUSE BILL NO. 591

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 EIGHTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to closed hunting areas adjacent to
7 highways."

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

9 * Section 1. AS 16.05 is amended by adding a new section to read:

10 Sec. 16.05.785. AREAS ADJACENT TO HIGHWAYS CLOSED TO TAKING OF
11 BIG GAME. In addition to other areas closed by law or regulation, a
12 strip no less than one quarter mile wide on each side of a state high-
13 way within the primary or secondary system as defined in AS 19.27.110,
14 is closed to the taking of big game. However, the local advisory
15 committee for the game management unit or subunit in which the highway
16 is located may extend the closure on each side of a highway under this
17 section, if its members expressly authorize it. In the case of game
18 management units or subunits in which more than one local advisory
19 committee functions, the authorization shall be by majority vote of all
20 members of all local advisory committees for that unit or subunit.
21 Only active local advisory committees are authorized to vote under this
22 section.

23 * Sec. 2. AS 16.05.900(a) is amended to read:

24 (a) A person who violates secs. 785, 830, 870 - 895, or 920 of
25 this chapter or any rule or regulation promulgated under this chapter is
26 guilty of a misdemeanor and, upon conviction, is punishable by a fine of
27 not more than \$1,000 or by imprisonment for not more than six months,
28 or by both. A person who violates a rule or regulation promulgated
29 under this chapter for the regulation of commercial fisheries shall

be punished as provided in sec. 720 of this chapter.

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Introduced: 2/7/74
Referred: Resources and
Judiciary

1 IN THE HOUSE

BY RANDOLPH, OSE AND WINGROVE

2 HOUSE BILL NO. 591

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 EIGHTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to closed hunting areas adjacent to
7 highways."

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

9 * Section 1. AS 16.05 is amended by adding a new section to read:

10 Sec. 16.05.785. AREAS ADJACENT TO HIGHWAYS CLOSED TO TAKING OF
11 GAME. In addition to other areas closed by law or regulation, a strip
12 one mile wide on each side of a state highway within the primary,
13 secondary, or interstate system, as defined in AS 19.27.110, is closed
14 to the taking of game.

15 * Sec. 2. AS 16.05.900(a) is amended to read:

16 (a) A person who violates secs. 785, 830, 870 - 895, or 920 of this
17 chapter or any rule or regulation promulgated under this chapter is
18 guilty of a misdemeanor and, upon conviction, is punishable by a fine
19 of not more than \$1,000 or by imprisonment for not more than six months,
20 or by both. A person who violates a rule or regulation promulgated
21 under this chapter for the regulation of commercial fisheries shall
22 be punished as provided in sec. 720 of this chapter.
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COMMITTEE REPORT

4/23/74

SENATE

Mr. President:

Date _____

The Committee on ~~XXXXX~~ FINANCE has had CSHB 591 (Jud)

closed hunting areas adjacent to highways 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:

_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Members NOT concurring in the Majority report:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ Chairman

CORRECTION

**THIS DOCUMENT
HAS BEEN REPHOTOGRAPHED
TO ASSURE LEGIBILITY**

COMMITTEE REPORT

4/23/74

SENATE

Mr. President:

Date _____

The Committee on ~~XXXXX~~ ~~XXXXX~~ FINANCE has had CSHB 591 (Jud) closed hunting areas adjacent to highways 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:

Members NOT concurring in the Majority report:

_____ recommends:
 _____ recommends:
 _____ recommends:
 _____ recommends:
 _____ recommends:

_____ Chairman

COMMITTEE REPORT

4/22

SENATE

FINANCE

Mr. President:

Date 4/24/74

The Committee on RESOURCES ~~CSHB 591 (Judicial)~~ had CSHB 591 (Jud)
(closed hunting areas adjacent to highways)
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:

[Signature] _____

[Signature] _____

[Signature] _____

Members NOT concurring in the Majority report:

[Signature] recommends: no rec.

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

[Signature] Chair



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

MEMORANDUM

State of Alaska

TO:

Jay Hogan, Director
Legislative Finance

DATE: April 22, 1974

FILE NO: 023.4

TELEPHONE NO: 465-2865

FROM:

Nathaniel H. Cole, *Not file* Director
Administrative Services

SUBJECT: FY'75 Costs of Several Bills

- | | | | |
|----|---|---------------|-------------------|
| 1. | SCS for CSHB 180 - Total Cost | | <u>\$ 110,400</u> |
| | 100: Personnel | | 74,900 |
| | 2503 Director (Range 26A) | \$30,036 | |
| | 1243 Research Analyst II (Range 16A) | 14,916 | |
| | 939 Adm. Asst. (12A) | 11,268 | |
| | <u>777 Stat. Clerk II (9A)</u> | <u>9,324</u> | |
| | 4462 Sub-Total | 64,544 | |
| | Benefits | <u>10,327</u> | |
| | Total Personnel | <u>74,871</u> | |
| | 200: Travel | | 13,000 |
| | 10 members traveling @ \$250 average cost
per meeting for four | | |
| | Regional Meeting = \$10,000 | | |
| | State Travel - \$ 3,000 | | |
| | 300: Contractual | | 20,000 |
| | Communications, etc. | \$ 2,000 | |
| | Xeroxing & Mag. Card Typewriter | 3,500 | |
| | Space Rental | 6,000 | |
| | Professionals furnished for
special assistance | 9,500 | |
| | 400: Commodities | | 1,000 |
| | 500: Equipment | | 1,500 |
| | Desks, Typewriters, Chairs, etc. for 4 personnel | | |
| | Note 1: Sec. 2 of SCSCSHB 180 conflicts with Sec. 2 of SCSCSHB 181. | | |
| | Note 2: Student Financial Aid BRU should encompass the above \$97,600
or the total amount should be placed under a new BRU entitled
"Post Secondary Commission. | | |
| 2. | SCSCSHB 181 - No additional cost - see above note. | | |
| 3. | SB 457 - No change from Fiscal Note dated 3/7/74.
F.Y. '75 Cost | | <u>\$165,000</u> |

Jay Hogan, Director, Legislative Finance -2-

April 22, 1974

4. CSHB 592 - Total F.Y. '75 Cost

~~\$446,700~~ ~~\$1,000,000~~
\$200,000

Sec. 1: 18,000 (3-5 yr. olds) x 1% = 180 students or
21 instructional units @ 18,690.75 (Av. State
Support) = \$392,500, *less \$242,500 present funding = \$150,000*

Sec. 3: 10 students @ Av. \$5,420 each = ~~\$54,200~~ *\$50,000*

5. HB 694

a) at \$1,250 increase per instructional unit

$4250 \times \$1250 \times 92.6\% = \underline{\$4,918,912}$

b) at \$1500 increase per instruction unit

$4250 \times \$1500 \times 92.6\% = \underline{\$5,903,250}$

COMMITTEE REPORT

3/12/74

HOUSE

Mr. Speaker:

Date 4/10/74

The Committee on FINANCE has had ~~HB~~ HB 592

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 ^{HB 592} CS FOR HB 592 AND THAT

^{HB 592} CS FOR HB 592 DO PASS

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

COMMITTEE

() reports it back WITHOUT RECOMMENDATION

() "other"

Members signing the Majority report:

<u>Freeman</u>	<u>Boyer</u>	_____
<u>Wardwick</u>	<u>Boyer</u>	_____
<u>Haugen</u>	<u>Boyer</u>	_____
<u>Boyer</u>	<u>Boyer</u>	_____

Members NOT concurring in the Majority report:

Freeman recommends: Do NOT pass unless amended

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

W. Freeman Chairman

Introduced: 2/7/74
Referred: Health, Education &
Social Services and Finance

BY THE HEALTH, EDUCATION AND
SOCIAL SERVICES COMMITTEE BY
REQUEST OF THE INTERIM COMMITTEE
ON PRE-HIGHER EDUCATION

1 IN THE HOUSE

2 HOUSE BILL NO. 592

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 EIGHTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to special education for exceptional
7 children."

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

9 * Section 1. AS 14.17.031(a)(3) is amended to read:

10 (3) the number of units from special education determined
11 from sec. 41(d) of this chapter as approved by the department; and

12 * Sec. 2. AS 14.17.041(d) is amended to read:

13 (d) Special education schedule:

14 ADM	No. Instructional Units
15 <u>Full-Time Equivalent</u>	
16 5 - 8	1
17 9 - 15	2
18 16 - 23	3
19 24 - 32	4
20 33 and over	4 plus 1 for each
	9 pupils or fraction
	of 9 [m]

23 * Sec. 3. AS 14.30.180 is amended to read:

24 Sec. 14.30.180. PURPOSE. It is the purpose of secs. 180 - 350
25 of this chapter to provide competent education services for the excep-
26 tional children [OF LEGAL SCHOOL AGE] in the state who are at
27 least three years of age and for whom the regular school facilities are
28 inadequate or not available.

29 * Sec. 4. AS 14.30.285 is repealed and re-enacted to read:

1 Sec. 14.30.285. TRANSFERS OF EXCEPTIONAL CHILDREN. (a) The
2 Department of Education shall institute a statewide program for the
3 education of exceptional children, to insure that whenever possible
4 children are educated in the state at locations in or near their
5 resident school district.

6 (b) The identified exceptional child may be sent to another
7 school district or in-state educational program if the child resides
8 in a district or school attendance area where an adequate program of
9 education for an exceptional child is not available and if the commis-
10 sioner of education determines that another school district or in-
11 state educational program is adequate to meet his needs. If the
12 school district approves the enrollment of the exceptional child in
13 another school district or in-state institution and the child is en-
14 rolled, the child's education expenses shall be paid as follows:

15 (1) the sending school district shall pay the receiving
16 district or institution an amount of money equal to the sending dis-
17 trict's local cost per pupil rate;

18 (2) The Department of Education shall pay the remainder of
19 the annual cost of the child's education above that provided for in
20 (1) of this subsection.

21 (c) The identified exceptional child may be sent out of the
22 state for special education if the child resides in a district or
23 school attendance area where the educational program offered is not
24 appropriate for the needs of the child and if the commissioner of
25 education determines it is not feasible for the child to be enrolled
26 in a special program in the state. If the Department of Education
27 approves the enrollment of an exceptional child in an out-of-state
28 institution and the child is enrolled in the institution, the child's
29 education expenses shall be paid as follows:

1 (1) The school district or the Board of Directors for
2 State-Operated Schools shall pay an amount equal to the local contri-
3 bution toward the cost of education per pupil.

4 (2) The Department of Education shall pay whichever of the
5 following amounts is less, but not to exceed \$6,000:

6 (A) 75 per cent of the annual cost of the child's
7 education; or

8 (B) an amount which, when added to the contribution in
9 (1) of this subsection, equals the total cost of the child's
10 education.

11 (3) The parent or guardian shall pay the remainder of the
12 cost unless the commissioner determines upon the basis of standards
13 set by him that the parent or guardian is unable to pay all or part of
14 the remainder of the cost. The Department of Education shall pay the
15 remainder of the cost which the parent or guardian is unable to pay.

16 (d) For the purposes of this section a child's education expen-
17 ses are limited to the actual cost of necessary care, transportation
18 and instruction, including room and board, while attending the
19 designated institution.

20 (e) The Department of Education shall establish, by regulation,
21 diagnostic procedures for the educational assessment of exceptional
22 children which is to be done before approval of the in-state transfer
23 or the out-of-state placement.

24 * Sec. 5. AS 14.30.295 is repealed.

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Original Sponsor: Health, Education and
Social Services Committee by request of
the Interim Committee on Pre-Higher Education

Offered: 3/12/74
Referred: Finance

1 IN THE HOUSE

BY THE HEALTH, EDUCATION AND
SOCIAL SERVICES COMMITTEE

2

CS FOR HOUSE BILL NO. 592

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

EIGHTH LEGISLATURE - SECOND SESSION

5

A BILL

6

For an Act entitled: "An Act relating to special education for exceptional
7 children."

8

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

9

* Section 1. AS 14.17.031(a)(3) is amended to read:

10

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11

from sec. 41(d) of this chapter as approved by the department; and

12

* Sec. 2. AS 14.17.041(d) is amended to read:

13

(d) Special education schedule:

14

ADM

No. Instructional Units

15

Full-Time Equivalent

16

5 - 8

1

17

9 - 15

2

18

16 - 23

3

19

24 - 32

4

20

33 and over

4 plus 1 for each 9 pupils

21

or fraction of 9 [m]

22

* Sec. 3. AS 14.30.180 is amended to read:

23

Sec. 14.30.180. PURPOSE. It is the purpose of secs. 180 - 350 of

24

this chapter to provide competent education services for the exceptional

25

children [OF LEGAL SCHOOL AGE] in the state who are at least three years

26

of age and for whom the regular school facilities are inadequate or not

27

available.

28

* Sec. 4. AS 14.30.191 is repealed and re-enacted to read:

29

Sec. 14.30.191. EDUCATIONAL ASSESSMENT. (a) Before placement in

1 a special education program and not less than once a year for as long
2 as the child is assigned to a special education program, an exceptional
3 child shall receive an educational assessment for the identification and
4 classification of the learning, mental and physical status of the child.

5 (b) Upon completion of the assessment and before placement, the
6 school district shall provide to the parent or guardian of each excep-
7 tional child, an opportunity for consultation about the assessment. A
8 consultation will be available after each reevaluation of the condition
9 and placement of the exceptional child.

10 (c) If a parent or guardian believes that the educational assess-
11 ment of his child is in error, he may request an independent examination
12 and evaluation of the child. If a substantial discrepancy exists between
13 the educational assessment of the school district and the independent
14 evaluation, and if the parent or guardian so requests, a hearing shall
15 be held before a hearing officer in order to resolve the discrepancy
16 between evaluations and to determine the appropriate educational program
17 placement for the exceptional child. The Department of Education shall
18 adopt regulations for the conduct of hearings authorized by this section,
19 for the appointment and qualifications of the hearing officer. Regula-
20 tions adopted and proceedings conducted under this section are subject to
21 the Administrative Procedure Act.

22 (d) The Department of Education and the Department of Health and
23 Social Services shall cooperatively establish by regulation diagnostic
24 standards for the identification and classification of the learning,
25 mental and physical status of exceptional children. Standards relating
26 to special education programs, individual or general, shall remain the
27 responsibility of the Department of Education in conjunction with the
28 local education agency.

29 * Sec. 5. AS 14.30.285 is repealed and re-enacted to read:

1 Sec. 14.30.285. TRANSFERS OF EXCEPTIONAL CHILDREN. (a) The
2 Department of Education shall institute a statewide program for the
3 education of exceptional children, to insure that whenever possible
4 children are educated in the state at locations in or near their resi-
5 dent school district.

6 (b) The identified exceptional child may be sent to another
7 school district or in-state educational program if the child resides
8 in a district or school attendance area where an adequate program of
9 education for an exceptional child is not available and if the commis-
10 sioner of education determines that another school district or in-state
11 educational program is adequate to meet his needs. If the school
12 district approves the enrollment of the exceptional child in another
13 school district or in-state institution and the child is enrolled, the
14 child's education expenses shall be paid as follows:

15 (1) the sending school district shall pay the receiving
16 district or institution an amount of money equal to the sending dis-
17 trict's local cost-per-pupil rate;

18 (2) the Department of Education shall pay the remainder of
19 the annual cost of the child's education above that provided for in
20 (1) of this subsection.

21 (c) The identified exceptional child may be sent out of the state
22 for special education if the child resides in a district or school
23 attendance area where the educational program offered is not appropriate
24 for the needs of the child and if the commissioner of education deter-
25 mines it is not feasible for the child to be enrolled in a special pro-
26 gram in the state. If the Department of Education approves the enroll-
27 ment of an exceptional child in an out-of-state institution and the child
28 is enrolled in the institution, the child's education expenses shall be
29 paid by the Department of Education.

1 (d) For the purposes of this section a child's education expenses
2 are limited to the actual cost of necessary care, transportation and
3 instruction, including room and board, while attending the designated
4 institution.

5 (e) The educational assessment of an exceptional child which
6 indicates that the educational program which is locally available is
7 inappropriate for the needs of the child shall conform to the standards
8 set out in sec. 191 of this chapter.

9 * Sec. 6. AS 14.30.295 is repealed.
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A comparison the statewide special education/unit ratio (8.40) with the statewide elementary pupil/unit ratio (18.6) reveals a relationship of .45 special education students to one elementary student.¹ By multiplying next years estimated number of units needed for special education (303) by this factor (.45) we can calculate the amount of units necessary to fulfill the functions of the first section of H.B. 592. This amount, 136 units, when multiplied by the statewide average per unit amount (\$18,690.75) equals a net cost of 2.54 million.

Elementary student/unit ration was used since most special education programs occur in elementary schools.

exceptional children at this time must undergo a somewhat difficult administrative procedure [AS 14.03.080(c)]. Section 3 of H.B. 592 (as amended) will relieve the districts of some of the administrative paperwork necessitated by the above mentioned section of Alaska Statute.

Fiscal impact of such a provision can be determined by estimating the total numbers of children ages 3 to 5 and applying an incidence factor of 1%. It is assumed that most pre-schoolers identified will have exceptionalities of a severe nature. This group composes about 2% of the total population nation-wide. Pre-school programs for this population will grow slowly resulting in the optimistic projection of 180 students the first year (1% X 18,000). Translated in terms of finances this represents 21 units at the state average of 8.4 children/unit. This amounts to a total cost factor of \$392,505 in new revenues needed for this section.

The final section of this Bill combines two former sub-sections of chapter 14 [14.30.285 and 14.30.295]. The effect of this section is to make compatible both the in-state and out-of-state transfer process with a reduction of paper work and time involved. The in-state transfers will not require any additional revenues and the only change in the out-of-state transfers will be the elimination of the \$6,000 ceiling on tuition costs. Currently there are 10 students being transferred out-of-state at state expense. The total impact of this section is estimated to be \$54,167. It is anticipated that the number of students transferred out-of-state for educational reasons will continue to reduce as programs within state become more and more appropriate to their needs.

Currently a district providing special education services to its exceptional children receives one foundation support unit for each multiple of nine children enrolled in the program. Simultaneously, the district may lose a foundation unit for every multiple of 18 so enrolled (19-23 in larger districts). This perplexing situation, analogous to taking two steps forward and one back, is the result of a carry-over from a more traditional program concept when special education programs were completely separate self-contained autonomous classes within a district; this is no longer the case.

Mainstreaming, the current term used to denote the integration of special students into the regular school program (whenever practicable), is hampered by this method of funding. For example, if a district has a special education program with 86 students it would be funded for 10 units. According to the current formula this would amount to between \$202,500 and \$182,250 in state funds depending on the percentage of state support to the district. At the same time a district received its special education funding it would lose 5 units from its regular program funds (as much as \$101,250). This is the result of subtracting the special education enrollment from the regular school enrollment. It is quite apparent that this system of funding could often be detrimental to a district's total educational program. A conscientious district could therefore be penalized by providing the needed special services to its exceptional children. Conceivably this penalty is borne by the students in the regular classes.

The Bill under discussion (H.B. 592) will alleviate this problem by changing the funding system for special education from separate to complementary. This will be consistent with the philosophic concept that special education supplements rather than supplants the regular education programs in a district.

As always, a prime consideration of any funding change is the total cost. This is calculated by computing the number of units that were removed from each district's regular program as a result of the subtraction of their special education enrollment.