

LEG. FINANCE - BILLS 1975 - 1976 590

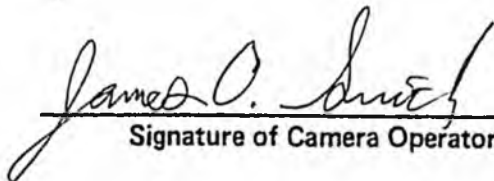
SB 619 thru SB 635 590

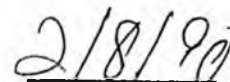


RECORDS CERTIFICATION



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.


Signature of Camera Operator


Date

COMMITTEE REPORT

SENATE

2/6/76

Mr. President:

Date _____

The Committee on Finance has had SB 619
relating to public employees' retirement system
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

619
fin

Introduced: 2/6/78
Referred: Finance

1 IN THE SENATE

BY WILLIS

2 SENATE BILL NO. 619

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the public employees' retirement
7 system."

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

9 * Section 1. AS 39.35 is amended by adding a new section to read:

10 Sec. 39.35.155. INSTITUTIONS FOR THE MENTALLY RETARDED. All non-
11 profit corporations which provide intensive residential care for mentally
12 retarded persons may elect to be included in the system.

ALASKA STATE LEGISLATURE

NINTH... Legislature SECOND... Session

SENATEBILL..... NO. 619.....

By WILLIS.....

"An Act relating to the public employees' retirement system."

public employees' retire. system

Introduced in the Senate 2/6/....., 19... 76

HISTORY IN THE SENATE

19 76

2 6

Read first time and referred to Committee on Finance

Reported back with recommendation that

Read second time and

Read third time and

PASS Effective Date
Yeas Yeas
Nays Nays
Absent Absent
Excused Excused

Reconsideration

PASS Effective Date
Yeas Yeas
Nays Nays
Absent Absent
Excused Excused

Reported correctly engrossed
Signed by President
Sent to House

SECRETARY OF THE SENATE

HISTORY IN THE HOUSE

19

Read first time and referred to Committee on

Reported back with recommendation that

Read second time and

Read third time and

PASS Effective Date
Yeas Yeas
Nays Nays
Absent Absent
Excused Excused

Reconsideration

PASS Effective Date
Yeas Yeas
Nays Nays
Absent Absent
Excused Excused

Reported correctly engrossed
Signed by Speaker
Returned to Senate

CHIEF CLERK OF THE HOUSE

HISTORY IN THE SENATE

19

Received from House

Reported correctly enrolled

Sent to Governor

..... By Governor

Filed with Lt. Governor

Chapter No.

Introduced: 2/6/76
Referred: Finance

1 IN THE SENATE

BY WILLIS

2 SENATE BILL NO. 619

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - SECOND SESSION

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Introduced: 2/6/76
Referred: Finance

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BY WILLIS

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James O. Smith
Signature of Camera Operator

2/8/90
Date

COMMITTEE REPORT

2/9/76

SENATE

Mr. President:

Date _____

The Committee on FINANCE has had SB 623
special appropriation to Department of Highways for stream clearance
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

623 fin

Introduced: 2/9/76
Referred: Finance

BY THE RULES COMMITTEE BY REQUEST OF
THE LEGISLATIVE COUNCIL SUBCOMMITTEE
ON TRANSPORTATION

1 IN THE SENATE

2 SENATE BILL NO. 623

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act making a special appropriation to the Depart-
7 ment of Highways for stream clearance; 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 \$50,000 is appropriated from the general fund to
11 the Department of Highways, which shall be used, in cooperation with the
12 Department of Fish and Game, to clear dead falls and dams from Willow River,
13 from the George Parks Highway bridge east to a point four miles upstream;
14 this stream clearance project will permit king salmon to go upstream to spawn-
15 ing grounds and will prevent further flooding and extreme glaciation of roads
16 and residential areas in the vicinity of that river.

17 * Sec. 2. The unexpended and unobligated portion of this appropriation
18 lapses into the general fund June 30, 1977.

19 * Sec. 3. This Act takes effect immediately in accordance with AS 01.10.-
20 070(c).

ALASKA STATE LEGISLATURE

NINTH... Legislature SECOND Session

SENATE BILL..... NO. 623..

By THE RULES COMMITTEE BY.....
REQUEST OF THE LEGISLATIVE
COUNCIL SUBCOMMITTEE ON
TRANSPORTATION

"An Act making a special
appropriation to the Department
of Highways for stream clearance
and providing for an effective
date."

spec. approp. to Dept. Highways
for stream clearance

Introduced in the Senate ... 2/9..., 1976.

HISTORY IN THE SENATE

19 76

Read first time and referred
to Committee on

2 9

Finance

Reported back with
recommendation that

Read second time and

Read third time and

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reconsideration	
PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reported correctly engrossed
Signed by President
Sent to House

SECRETARY OF THE SENATE

HISTORY IN THE HOUSE

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Signed by Speaker
Returned to Senate

CHIEF CLERK OF THE HOUSE

HISTORY IN THE SENATE

19

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..... By Governor

Filed with Lt. Governor

Chapter No.

Introduced: 2/9/76
Referred: Finance

BY THE RULES COMMITTEE BY REQUEST OF
THE LEGISLATIVE COUNCIL SUBCOMMITTEE
ON TRANSPORTATION

1 IN THE SENATE

2 SENATE BILL NO. 623

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - SECOND SESSION

5 A BILL

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Introduced: 2/9/76
Referred: Finance

BY THE RULES COMMITTEE BY REQUEST OF
THE LEGISLATIVE COUNCIL SUBCOMMITTEE
ON TRANSPORTATION

1 IN THE SENATE

2 SENATE BILL NO. 623

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - SECOND SESSION

5 A BILL

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Introduced: 2/9/76
Referred: Finance

BY THE RULES COMMITTEE BY REQUEST OF
THE LEGISLATIVE COUNCIL SUBCOMMITTEE
ON TRANSPORTATION

1 IN THE SENATE

2 SENATE BILL NO. 623

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - SECOND SESSION

5 A BILL

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James O. Smith
Signature of Camera Operator

2/8/90
Date

COMMITTEE REPORT

2/24/76

SENATE

Mr. President:

Date _____

The Committee on FINANCE has had SB 632 relating to teacher retirement credit for unused sick leave 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

2/10/76

SENATE **Finance***

Mr. President:

Date 2-23-76

The Committee on Health, Education & Social Services has had SB 632 relating to teacher retirement credit for unused sick leave under consideration. A Majority of the members of the Committee

- () recomenas 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:

Ferguson _____

Heide Chance _____

Brad Bradley _____

Colletta _____

Members NOT concurring in the Majority report:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

Ferguson Chairman

A M E N D M E N T

OFFERED IN THE SENATE:

By: _____

To: _____ SENATE BILL No. 632

HOUSE BILL No. _____

PAGE: 1

LINE: 23-24

Delete "Applications for the unused sick leave credit must be received by the administrator no less than 90 days before the date of retirement.", and add "This service credit cannot be used until minimum vesting has been established."

Introduced: 2/10/76
Referred: Health, Education, and
Social Services and Finance

BY RAY, CROFT, KERTTULA, HUBER,
MILLER AND CHANCE

1 IN THE SENATE

2 SENATE BILL NO. 632

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to teacher retirement credit for un-
7 used sick leave."

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

9 * Section 1. AS 14.25 is amended by adding a new section to read:

10 Sec. 14.25.125. UNUSED SICK LEAVE CREDIT. (a) A teacher may elect
11 to apply his unused sick leave in computing the total number of years of
12 creditable service under sec. 120(c)(1) of this chapter. The additional
13 years, or fraction of a year, of creditable service shall be computed
14 by dividing the number of days of unused sick leave by 172.

15 (b) If the teacher elects to receive the credit, an additional
16 contribution to the fund shall be paid by the teacher and his last em-
17 ployer. The additional contributions payable by the teacher and his
18 employer shall be computed by multiplying the number of years of credit-
19 able service realized under (a) of this section times the base period
20 contributions made under secs. 50 and 70 of this chapter by the teacher
21 and employer, respectively, for the last full year of the teacher's
22 employment.

23 (c) Applications for the unused sick leave credit must be received
24 by the administrator no less than 90 days before the date of retirement.
25

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COMMITTEE COPY

ALASKA STATE LEGISLATURE

...NINTH Legislature SECOND Session

SENATE BILL..... NO. 632.....
 By RAY, CROFT, KERTTULA, HUBER
 MILLER AND CHANCE

"An Act relating to teacher retirement credit for unused sick leave."

teacher retirement credit

Introduced in the Senate 2/10/1976

HISTORY IN THE SENATE

19 76	Read first time and referred to Committee on												
2 10	Health, Education and Social Services and Finance												
2 24	Reported back with <i>Hess</i> recommendation that <i>do pass w/ amends to Finance</i>												
	Read second time and												
	Read third time and												
	<table border="0"> <tr><td>PASS</td><td>Effective Date</td></tr> <tr><td>Yeas</td><td>Yeas</td></tr> <tr><td>Nays</td><td>Nays</td></tr> <tr><td>Absent</td><td>Absent</td></tr> <tr><td>Excused</td><td>Excused</td></tr> </table>	PASS	Effective Date	Yeas	Yeas	Nays	Nays	Absent	Absent	Excused	Excused		
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Nays	Nays												
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Excused	Excused												
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	Reported correctly engrossed Signed by President Sent to House												

SECRETARY OF THE SENATE

HISTORY IN THE HOUSE

19	Read first time and referred to Committee on												
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	Reported correctly engrossed Signed by Speaker Returned to Senate												

CHIEF CLERK OF THE HOUSE

HISTORY IN THE SENATE

19	Received from House
	Reported correctly enrolled
	Sent to Governor
 By Governor
	Filed with Lt. Governor
	Chapter No.

from the desk of . . .

Representative Brenda Itta

Senator Ray-

We received this petition
in the mail and since SB 032
is in your Finance Committee,
thought you may like a copy.

Jamie Koley
Secretary to Rep. Itta

Compliments of Alaska Legislative Report
four fifteen "L" Street Anchorage, Alaska 99501 (907)279-4531

Rm 423

415

Box 348
Bethel, Alaska 99559
22 March 1976

Brenda Itta
House Finance Committee
Alaska State Legislature
Juneau, Alaska 99801

Dear Ms Itta:

We urge your support of SB #652, an act relating to
teacher retirement credit for unused sick leave.

We believe that the entitlement should be 1½ retire-
ment credit days for each unused sick leave day.

~~Noomi Honaker~~
Laurie Jones

~~M4~~

James F. Zuehl
Darrell Wilson

Al Hazelton

Lino Seifried

William Walker

Archie F. Gross

Jay Smully

Bonnie Winters

Ken Bellegue

Marcia Indick

Don Drummer

Marilyn Starling

A. Burton Jones

Bonnie Noyes

Allan Winters

Carol L. Hooker

Carol Hasselman

D. Chan

Sincerely,

George Gair
Dudley Johnson

Debra Quinn

Raymond Jordan

Karen W. Belleque

Judi Kronberg

John P. Sandgrass

James A. Yather

Mary Helen Brown

John Wallace Jr

Birdella Mundy

Evelyn Hazelton

Laurie Jones

Sue Angstrom

Sally J. Myers

Glenna Lyner

Russell Tyler

Darrell K. Off

Esther Sauter (over)

Edward T. Ruyter
Eleanor Murphy
Sharon Reich
Wilmington, N.C.

SB 632

California - 1975

war with a foreign power exists: (a) peace has not been formally restored; (b) in active military operations against a foreign power has been formally declared; or (c) in active military operations against the United Nations, in actions involving the maintenance of international peace and security.

credit for time during which he serves in the armed forces of the United States or of this state including active service in any branch of such military service in the Congress of the United States of America, or in the full-time paid military service of the United States or of California, or in the full-time paid military service of the United States government, if he was in such service for a year or more prior to entering such service. If the member is absent without compensation, such time shall be considered as served in the state in which he was entering such service. (Amended by Chapter 1293, Stats. 1974)

considered as served in the state in which he was entering such service. (Amended by Chapter 1293, Stats. 1974)

if he or she or agrees to an extension of his or her duty shall not receive credit for time served in such position and which is after January 1, 1958, or the date of termination of such duty, whichever is later. In no event shall a member receive more than four years of such military service credit. (Amended by Chapter 1293, Stats. 1974)

time during which he is excluded from membership in this system or is a member of, and ceases to be a member of, and becomes a member of any other retirement system and ceases to be a member of that system and becomes a member of this system.

may redeposit withdrawn contributions in any other retirement system.

excused from performance of his duties, or vacation, whether or not he is on such leave, and for disability from any insurance carrier or from any industrial injury or disease, or from any disability benefit payable by him while performing his service in the proportion that such benefit bears to full compensation which would be payable to him on a full-time basis. For purposes of this section, sabbatical leave as provided under this section shall be considered as time spent on such leave, after

July 1, 1956, providing the member pays to the system additional contributions based on the compensation, which is the difference between compensation earned and the compensation earnable during the period of sabbatical leave, in the amount of:

(a) Eight percent of such compensation as employer and state cost of granting service credit, and

(b) The member's regular contribution rate as applied to such compensation. Regular interest shall be due on all contributions required under this section from the end of the school year during which the sabbatical leave was taken until date of payment of such contributions.

The employing school district may pay the amount required as employer and state costs in subdivision (a). (Amended by Ch. 1293, Stats. 1974)

Out-of-State Service

13998. Except as otherwise specifically provided in this article no member shall receive credit for service outside this state.

13999. Every person who was a member or retirant of the California State Teachers' Retirement System on June 30, 1944, may receive credit for time served outside this state prior to July 1, 1944, as follows:

(a) Credit for time served in a position which in this state requires membership, in other states of the United States and its territories and possessions and in Canada.

(b) Credit for time served in teaching positions in publicly supported and publicly administered universities or colleges in the United States and its territories and possessions and in Canada.

(c) Credit for time served in teaching positions in schools supported and administered by the United States government.

(d) Credit for time served as a physiotherapist during World War I in the Medical Department of the United States Army; provided, he was employed in a position requiring membership in this system within one year prior to entering such service.

(e) Credit for time served in publicly supported residential schools for the deaf and blind outside this state and credit for time served in the California School for the Deaf or the California School for the Blind, or in special classes maintained by the public schools of this state for the instruction of the deaf, the hard of hearing, the blind, or the semisighted. (Amended by Ch. 1293, Stats. 1974)

14004. A member shall be credited at his retirement with credit for each day of accumulated and unused leave of absence for illness or injury for which full salary is allowed to which the member was entitled on the final day he rendered service to the school district or other employing agency by which he was last employed in a position requiring membership in this system. The number of years of service credit to be granted shall be the product of a factor and the number of days of accumulated and unused leave of absence for illness or injury. The factor shall be determined by dividing the number 1 by the number of days of service required by the member's contract of employment during his final year of service in a position requiring membership in this system. When the member has made application for retirement pursuant to Section 14210, the school district or other employing agency shall certify to the Teachers' Retirement Board the number of days of accumulated and unused leave of absence for illness or injury to which the employee is entitled on his final day of employment. (Added by Ch. 89, Stats. 1974)

14004.1. The employing school district or other employing agency shall pay the present value of the service credit awarded in Section 14004 to the Teachers' Retirement Fund. The present value shall be determined by the board, an

over

approximate average figure based upon broad salary ranges and the experience in the prior school year, including any projected increases for the current year. The board shall determine the present value annually and publish same as a rule of the board.

This amount is due and payable to the Teacher's Retirement Fund within 30 days following the effective date of the member's retirement, and is delinquent thereafter. The board may assess a penalty on delinquent payments in accordance with the provisions affecting payment of employee and employer contributions. (Added by Ch. 89, Stats. 1974)

20603. Title 5, Cal. Adm. Code Present Value Factor. In compliance with Education Code section 14004.1 the Board determines the present value factor to be .254640, effective March 21, 1974 through June 30, 1975.

Note: Authority cited: Sections 13872, 13878, 13879, 13885 and 13896, Chapter 4, Division 10, Education Code. Reference: Section 14004.1, Education Code.

History: 1. New section filed 8-14-74; effective thirtieth day thereafter (Register 74, No. 33).

14004.2. The benefits accorded pursuant to Section 14004 shall not be used in the calculation of final compensation under this system. (Added by Ch. 89, Stats. 1974)

14005. Except as provided in Section 14004, no credit toward retirement shall be granted for any payment made for accumulated sick leave upon transfer from one district to another, upon termination of service, upon death, or retirement. No contributions shall be taken from such payments. Payments for accumulated sick leave shall not be included in any payroll warrant paid the teacher but shall be paid by separate warrant. Such payments shall not be included in the computation for the purposes of determining "final compensation". No continued leave of absence shall be granted a member solely for the purpose of allowing the member to receive compensation for accumulated sick leave for which the member could otherwise have elected to receive payment. (Amended by Ch. 89, Stats. 1974)

20526. Title 5, Cal. Adm. Code Required Days of Service for Sick Leave Credit. The number of days of service required to calculate sick leave credit shall be the total number of days of service the member would be required to perform if employed full time the entire final year of service. The number of days shall not include school and legal holidays. In no event shall the number of days be less than 175.

For members employed less than full time, 175 days or 1,050 hours will be considered as the minimum full-time equivalent.

The final year of service is the last school year in which any membership service is performed.

Note: Authority cited: Section 13872, 13878, 13879, 13885 and 13896, Chapter 4, Division 10, Education Code. Reference: Section 14004.1, Education Code.

History: 1. New section filed 8-14-74; effective thirtieth day thereafter (Register 74, No. 33). For history of former section see Register 73, No. 27.

14006. A member shall receive full service credit for time on and after July 1, 1972, during which he serves as an elected officer of any local, state or national educational organization provided that:

(a) The member is excused by his employing agency from performing the duties requiring membership in this system.

(b) The member makes the member contribution prescribed by Section 14026 with respect to any salary actually received from the employing agency and in addition pays monthly to the employing agency for transmission to the Teachers' Retirement Fund an amount equivalent to 16 percent of the salary that he would have earned, including any increases and other adjustments, had he not been excused from performance of his duties and pays regular interest on any contributions paid for time prior to the effective date of this section.

(c) The member is actively engaged as an elected and compensated officer of the educational organization during the period of absence.

(d) The member was employed in a position requiring membership in this system in the month prior to commencement of the absence from regular duties

and returns to a position requiring membership in this system at the conclusion of the term of office.

(e) The maximum amount of credit shall not exceed four calendar years.

(f) In the event that service prior to July 1, 1972, is not creditable, final compensation for purposes of this section shall be based upon the salary that the member would have received in a position requiring membership in this system. (Amended by Ch. 1382, Stats. 1974)

14009. Notwithstanding any other provision to the contrary, a member employed on a part-time basis shall be deemed to have been employed on a full-time basis for purposes of this section if he is entitled to the same other benefits that he is entitled to if he would have received if employed on a full-time basis. If he elects to contribute to the Teachers' Retirement Fund, he shall have been contributed if the member's final compensation section shall be applicable only to a member who is not older than 65 years and is living on a full-time basis. The employer shall maintain a record of each employee receiving credit pursuant to this section. (Amended by Ch. 1382, Stats. 1974)

Article 9.

14020. Contributions made by a member shall be accounted by the board. (Amended by Ch. 1382, Stats. 1974)

14021. Acceptance of employment by a member in this system is consent to have deducted contributions from his salary.

14021.5. All members who are required to submit to the system proof of their credited service. This proof shall be by a procedure to establish record of service by the Department of Health.

Members of the system prior to July 1, 1972, shall submit proof of date of birth if the birth date is not consistent during the period of membership in an optional form of retirement when a beneficiary is required.

Persons required to furnish proof of service shall date in the retirement record shall be such proof has been received and filed. (Stats. 1974)

Contributions for Nonmembership

14023. Any person to whom membership in this system was granted on or after January 1, 1914, is credited and a member of the system or its provisions because of being a member of a position requiring membership in this system becomes subject to its provisions of Section 14022 for each year of credited service either outside the state or while on a regular interest on the amount of contributions paid by a member of the system when the

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

I. REQUEST

Bill Identification: Senate Bill #632
 Title: An act relating to the use of unused sick leave under TRS
 Requested by: Senate Finance Date: 2/11/76
 Return Date Requested: ASAP
 Agency: Administration - Retirement Program: TRS

II. FISCAL DETAIL

Budget Request Unit(s) Affected: D of E, U of A, and Teachers Match

A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 76	FY 77	FY 78	FY 79	FY 80	FY 81
100 PERSONAL SERVICES	0	0	0	0	0	0
200 TRAVEL	0	0	0	0	0	0
300 CONTRACTUAL	0	15.0	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	291.3	326.3			
100 BENEFITS	0	59.1	66.2	Will increase @ 12% per annum		
TOTAL	0	365.4	392.5	0	0	0

B. FUNDING: (Thousands of dollars)

GENERAL FUND	0	350.4	392.5			
FEDERAL FUNDS	0	0	0	Will increase @ 12% per annum		
OTHER	0	0	0			
TRS		15.0	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)

- Estimated covered payroll for FY 77 is \$153,340,3000.
- Contribution rate for employer - State will increase .38% of covered pay
- Estimated that salaries will increase @ 12% per annum.
- It is assumed that an individual will receive 8 days of unused sick leave for each year of membership service.

IV. ATTACHMENTS

Appendix I

V. DATE: March 1, 1976

PREPARED BY: 

Director
Division of Retirement & Benefits

Original: Legislative Finance
 cc: Budget and Management (2)
~~Prime Sponsor (First Legislator Named)~~
 SENATE FINANCE
 OFFICE of the Commissioner

APPENDIX I

TRS - Cost to State of Alaska

Estimated FY 77 Payroll (total) = \$153,340,300

Increase in state - employer contribution rate = .38%

Breakdown of Payroll and Costs

<u>Employer</u>	<u>Payroll</u>	<u>Rate</u>	<u>Cost to State</u>
Department of Education	2,600,000	x .19%	\$ 4,940
University of Alaska	22,000,000	x .19%	\$ 54,150
Total TRS Payroll	153,340,300	x .19%	<u>\$291,347</u>
Total Cost to State			<u>\$350,437</u>

Distribution of Appropriation

1. Department of Education - - - \$ 4,940 to their budget
2. University of Alaska - - - \$ 54,150 to their budget
3. State Matching Contribution - \$291,347 to TRS MATCH
4. Regular TRS Budget - - - - \$ 15,000 to contractual services.

Estimated costs for data processing system modifications are \$15,000
This would be a one time only expenditure.

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

I. REQUEST

Bill Identification: Senate Bill #632
 Title: An act relating to the use of unused sick leave under TRS
 Requested by: Senate Finance Date: 2/11/76
 Return Date Requested: ASAP
 Agency: Administration - Retirement Program: TRS

II. FISCAL DETAIL

Budget Request Unit(s) Affected: D of E, U of A, and Teachers Match
 A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 76	FY 77	FY 78	FY 79	FY 80	FY 81
100 PERSONAL SERVICES	0	0	0	0	0	0
200 TRAVEL	0	0	0	0	0	0
300 CONTRACTUAL	0	15.0	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	291.3	326.3			
100 BENEFITS	0	59.1	66.2	Will increase @ 12%		per annum
TOTAL	0	365.4	392.5	0	0	0

B. FUNDING: (Thousands of dollars)

GENERAL FUND	0	350.4	392.5			
FEDERAL FUNDS	0	0	0	Will increase @ 12%		per annum
OTHER	0	0	0			
TRS		15.0	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)

1. Estimated covered payroll for FY 77 is \$153,340,3000.
2. Contribution rate for employer - State will increase .38% of covered pay
3. Estimated that salaries will increase @ 2% per annum.
4. It is assumed that an individual will receive 8 days of unused sick leave for each year of membership service.

IV. ATTACHMENTS

Appendix I

V. DATE: March 1, 1976

PREPARED BY: *Robert J. Smith*

Director
 Division of Retirement & Benefits

Original: Legislative Finance
 Budget and Management (2)
 cc: ~~Prime Sponsor (First Legislator Named)~~
 SENATE FINANCE
 OFFICE of the Commissioner

APPENDIX I

TRS - Cost to State of Alaska

Estimated FY 77 Payroll (total) = \$153,340,300
Increase in state - employer contribution rate = .38%

Breakdown of Payroll and Costs

<u>Employer</u>	<u>Payroll</u>	<u>Rate</u>	<u>Cost to State</u>
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Total TRS Payroll	153,340,300	x .19%	<u>\$291,347</u>
Total Cost to State			\$350,437

Distribution of Appropriation

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3. State Matching Contribution - \$291,347 to TRS MATCH
4. Regular TRS Budget - - - - - \$ 15,000 to contractual services.

Estimated costs for data processing system modifications are \$15,000
This would be a one time only expenditure.

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

I. REQUEST

Bill Identification: Senate Bill #632
 Title: An act relating to the use of unused sick leave under TRS
 Requested by: Senate Finance Date: 2/11/76
 Return Date Requested: ASAP
 Agency: Administration - Retirement Program: TRS

II. FISCAL DETAIL

Budget Request Unit(s) Affected: D of E, U of A, and Teachers Match
 A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 76	FY 77	FY 78	FY 79	FY 80	FY 81
100 PERSONAL SERVICES	0	0	0	0	0	0
200 TRAVEL	0	0	0	0	0	0
300 CONTRACTUAL	0	15.0	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	291.3	326.3			
100 BENEFITS	0	59.1	66.2	Will increase @ 12%		per annum
TOTAL	0	365.4	392.5	0	0	0

B. FUNDING: (Thousands of dollars)

GENERAL FUND	0	350.4	392.5			
FEDERAL FUNDS	0	0	0	Will increase @ 12%		per annum
OTHER	0	0	0			
TRS		15.0	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)

1. Estimated covered payroll for FY 77 is \$153,340,3000.
2. Contribution rate for employer - State will increase .38% of covered pay
3. Estimated that salaries will increase @ 12% per annum.
4. It is assumed that an individual will receive 8 days of unused sick leave for each year of membership service.

IV. ATTACHMENTS

Appendix I

V. DATE: March 1, 1976

PREPARED BY: *Robert J. Smith*

Director
 Division of Retirement & Benefits

Original: Legislative Finance
 Budget and Management (2)
 cc: ~~Prime Sponsor (First Legislator Named)~~
 Senate Finance
 Office of the Commissioner

APPENDIX I

TRS - Cost to State of Alaska

Estimated FY 77 Payroll (total) = \$153,340,300
Increase in state - employer contribution rate = .38%

Breakdown of Payroll and Costs

<u>Employer</u>	<u>Payroll</u>	<u>Rate</u>	<u>Cost to State</u>
Department of Education	2,600,000	x .19%	\$ 4,940 .
University of Alaska	22,000,000	x .19%	\$ 54,150
Total TRS Payroll	153,340,300	x .19%	<u>\$291,347</u>
Total Cost to State			\$350,437

Distribution of Appropriation

1. Department of Education - - - \$ 4,940 to their budget
2. University of Alaska - - - \$ 54,150 to their budget
3. State Matching Contribution - \$291,347 to TRS MATCH
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Estimated costs for data processing system modifications are \$15,000
This would be a one time only expenditure.

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF ADMINISTRATION

DIVISION OF RETIREMENT & BENEFITS PUBLIC EMPLOYEES' &
TEACHERS' RETIREMENT SYSTEMS, HEALTH INSURANCE, DEFERRED
COMPENSATION, GOVERNMENT SOCIAL SECURITY PROGRAM

POUCH CR - JUNEAU 99811
PHONE (907) 465-4410

March 1, 1976

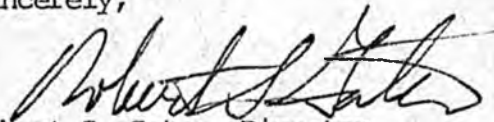
The Honorable Bill Ray
Chairman
Senate Finance Committee
Pouch V
Juneau, Alaska 99811

Dear Senator Ray:

I have reviewed the provisions of Senate Bill #632 and would like to suggest that an amendment be considered. I would suggest on line 17 and 18 the language "and his employer" be eliminated. You will notice on the enclosed fiscal note that the costs shown contemplate a fixed percentage employer contribution rate which is applied to the entire payroll. This is the normal approach that the employer uses in funding new benefit provisions. To collect a separate employer contribution each time a teacher receives credit for sick leave would be extremely cumbersome and contrary to the manner in which we fund all other benefits.

If the above mentioned amendment is made then we would merely collect a contribution from the employee at the time of retirement and the employer contribution would be made in the same manner as we collect all employer contributions. If you have any questions on this matter I would appreciate hearing from you.

Sincerely,



Robert S. Gates, Director
Division of Retirement & Benefits

RSG/jb
cc: Frank Ferguson
Chairman
Senate IESS

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

I. REQUEST

Bill Identification: Senate Bill #632
 Title: An act relating to the use of unused sick leave under TRS
 Requested by: Senate Finance Date: 2/11/76
 Return Date Requested: ASAP
 Agency: Administration - Retirement Program: TRS

II. FISCAL DETAIL

Budget Request Unit(s) Affected: D of E, U of A, and Teachers Match

A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 76	FY 77	FY 78	FY 79	FY 80	FY 81
100 PERSONAL SERVICES	0	0	0	0	0	0
200 TRAVEL	0	0	0	0	0	0
300 CONTRACTUAL	0	15.0	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	291.3	326.3			
100 BENEFITS	0	59.1	66.2	Will increase @ 12% per annum		
TOTAL	0	365.4	392.5	0	0	0

B. FUNDING: (Thousands of dollars)

GENERAL FUND	0	350.4	392.5			
FEDERAL FUNDS	0	0	0	Will increase @ 12% per annum		
OTHER	0	0	0			
TRS		15.0	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)

1. Estimated covered payroll for FY 77 is \$153,340,3000.
2. Contribution rate for employer - State will increase .38% of covered pay
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IV. ATTACHMENTS

Appendix I

V. DATE: March 1, 1976

PREPARED BY: 

Director
 Division of Retirement & Benefits

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

APPENDIX I

TRS - Cost to State of Alaska

Estimated FY 77 Payroll (total) = \$153,340,300
Increase in state - employer contribution rate = .38%

Breakdown of Payroll and Costs

<u>Employer</u>	<u>Payroll</u>		<u>Rate</u>	<u>Cost to State</u>
Department of Education	2,600,000	x	.19%	\$ 4,940
University of Alaska	22,000,000	x	.19%	\$ 54,150
Total TRS Payroll	153,340,300	x	.19%	<u>\$291,347</u>
				\$350,437
Total Cost to State				

Distribution of Appropriation

1. Department of Education - - - \$ 4,940 to their budget
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STATE OF ALASKA

DEPARTMENT OF ADMINISTRATION

DIVISION OF RETIREMENT & BENEFITS PUBLIC EMPLOYEES' &
TEACHERS' RETIREMENT SYSTEMS, HEALTH INSURANCE, DEFERRED
COMPENSATION, GOVERNMENT SOCIAL SECURITY PROGRAM

JAY S. HAMMOND, GOVERNOR

POUCH CR - JUNEAU 99811
PHONE (907) 465-4410

March 1, 1976


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Chairman
Senate Finance Committee
Pouch V
Juneau, Alaska 99811

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Division of Retirement & Benefits

RSG/jb
cc: Frank Ferguson
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Senate HESS

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

I. REQUEST

Bill Identification: Senate Bill #632
 Title: An act relating to the use of unused sick leave under TPS
 Requested by: Senate Finance Date: 2/11/76
 Return Date Requested: ASAP
 Agency: Administration - Retirement Program: TRS

II. FISCAL DETAIL

Budget Request Unit(s) Affected: D of E, U of A, and Teachers Match

A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 76	FY 77	FY 78	FY 79	FY 80	FY 81
100 PERSONAL SERVICES	0	0	0	0	0	0
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500 EQUIPMENT	0	0	0	0	0	0
600 LAND & STRUCTURES	0	0	0	0	0	0
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TOTAL	0	365.4	392.5	0	0	0

B. FUNDING: (Thousands of dollars)

GENERAL FUND	0	350.4	392.5			
FEDERAL FUNDS	0	0	0	Will increase @ 12%		per annum
OTHER	0	0	0			
TRS		15.0	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)

1. Estimated covered payroll for FY 77 is \$153,340,3000.
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IV. ATTACHMENTS

Appendix I

V. DATE: March 1, 1976

PREPARED BY: *Robert J. [Signature]*

Director
 Division of Retirement & Benefits

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

APPENDIX I

TRS - Cost to State of Alaska

Estimated FY 77 Payroll (total) = \$153,340,300
Increase in state - employer contribution rate = .38%

Breakdown of Payroll and Costs

<u>Employer</u>	<u>Payroll</u>	<u>Rate</u>	<u>Cost to State</u>
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STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF ADMINISTRATION

DIVISION OF RETIREMENT & BENEFITS PUBLIC EMPLOYEES' &
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RSG/jb
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Chairman
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The Legislature of the State of Alaska
 FISCAL NOTE
 Second Session - Eighth Legislature

I. REQUEST

Bill Identification: Senate Bill #632
 Title: An act relating to the use of unused sick leave under TFS
 Requested by: Senate Finance Date: 2/11/76
 Return Date Requested: ASAP
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Budget Request Unit(s) Affected: D of E, U of A, and Teachers Match

A. EXPENDITURES: (Thousands of dollars)

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GENERAL FUND	0	350.4	392.5			
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OTHER	0	0	0			
TRS		15.0	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)

- Estimated covered payroll for FY 77 is \$153,340,3000.
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IV. ATTACHMENTS

Appendix I

V. DATE: March 1, 1976

PREPARED BY: *Robert J. [Signature]*

Director

Division of Retirement & Benefits

Original: Legislative Finance
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APPENDIX I

TRS - Cost to State of Alaska

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Increase in state - employer contribution rate = .38%

Breakdown of Payroll and Costs

<u>Employer</u>	<u>Payroll</u>	<u>Rate</u>	<u>Cost to State</u>
Department of Education	2,600,000	x .19%	\$ 4,940 .
University of Alaska	22,000,000	x .19%	\$ 54,150 .
Total TRS Payroll	153,340,300	x .19%	<u>\$291,347</u>
			<u>\$350,437</u>

Total Cost to State

Distribution of Appropriation

1. Department of Education - - - \$ 4,940 to their budget
2. University of Alaska - - - \$ 54,150 to their budget
3. State Matching Contribution - \$291,347 to TRS MATCH
4. Regular TRS Budget - - - - - \$ 15,000 to contractual services.

Estimated costs for data processing system modifications are \$15,000 .
This would be a one time only expenditure.

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF ADMINISTRATION

DIVISION OF RETIREMENT & BENEFITS PUBLIC EMPLOYEES' &
TEACHERS' RETIREMENT SYSTEMS, HEALTH INSURANCE, DEFERRED
COMPENSATION, GOVERNMENT SOCIAL SECURITY PROGRAM

POUCH CR - JUNEAU 99811
PHONE (907) 465-4410

March 1, 1976

The Honorable Bill Ray
Chairman
Senate Finance Committee
Pouch V
Juneau, Alaska 99811

Dear Senator Ray:

I have reviewed the provisions of Senate Bill #632 and would like to suggest that an amendment be considered. I would suggest on line 17 and 18 the language "and his employer" be eliminated. You will notice on the enclosed fiscal note that the costs shown contemplate a fixed percentage employer contribution rate which is applied to the entire payroll. This is the normal approach that the employer uses in funding new benefit provisions. To collect a separate employer contribution each time a teacher receives credit for sick leave would be extremely cumbersome and contrary to the manner in which we fund all other benefits.

If the above mentioned amendment is made then we would merely collect a contribution from the employee at the time of retirement and the employer contribution would be made in the same manner as we collect all employer contributions. If you have any questions on this matter I would appreciate hearing from you.

Sincerely,



Robert S. Gates, Director
Division of Retirement & Benefits

RSG/jb
cc: Frank Ferguson
Chairman
Senate IEES

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

I. REQUEST

Bill Identification: Senate Bill #632
 Title: An act relating to the use of unused sick leave under TFS
 Requested by: Senate Finance Date: 2/11/76
 Return Date Requested: ASAP
 Agency: Administration - Retirement Program: TRS

II. FISCAL DETAIL

Budget Request Unit(s) Affected: D of E, U of A, and Teachers Match

A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 76	FY 77	FY 78	FY 79	FY 80	FY 81
100 PERSONAL SERVICES	0	0	0	0	0	0
200 TRAVEL	0	0	0	0	0	0
300 CONTRACTUAL	0	15.0	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	291.3	326.3			
100 BENEFITS	0	59.1	66.2	Will increase @ 12% per annum		
TOTAL	0	365.4	392.5	0	0	0

B. FUNDING: (Thousands of dollars)

GENERAL FUND	0	350.4	392.5			
FEDERAL FUNDS	0	0	0	Will increase @ 12% per annum		
OTHER	0	0	0			
TRS		15.0	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)

1. Estimated covered payroll for FY 77 is \$153,340,3000.
2. Contribution rate for employer - State will increase .38% of covered pay
3. Estimated that salaries will increase @ 12% per annum.
4. It is assumed that an individual will receive 8 days of unused sick leave for each year of membership service.

IV. ATTACHMENTS

Appendix I

V. DATE: March 1, 1976

PREPARED BY: *Robert L. Guter*

Director
 Division of Retirement & Benefits

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

APPENDIX I

TRS - Cost to State of Alaska

Estimated FY 77 Payroll (total) = \$153,340,300
Increase in state - employer contribution rate = .38%

Breakdown of Payroll and Costs

<u>Employer</u>	<u>Payroll</u>	<u>Rate</u>	<u>Cost to State</u>
Department of Education	2,600,000	x .19%	\$ 4,940 .
University of Alaska	22,000,000	x .19%	\$ 54,150 .
Total TRS Payroll	153,340,300	x .19%	<u>\$291,347</u>
			<u>\$350,437</u>

Total Cost to State

Distribution of Appropriation

1. Department of Education - - - \$ 4,940 to their budget
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3. State Matching Contribution - \$291,347 to TRS MATCH
4. Regular TRS Budget - - - - - \$ 15,000 to contractual services.

Estimated costs for data processing system modifications are \$15,000
This would be a one time only expenditure.

Introduced: 2/10/76
Referred: Health, Education, and
Social Services and Finance

BY RAY, CROFT, KERTTULA, HUBER,
MILLER AND CHANCE

1 IN THE SENATE

2 SENATE BILL NO. 632

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to teacher retirement credit for un-
7 used sick leave."

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

9 * Section 1. AS 14.25 is amended by adding a new section to read:

10 Sec. 14.25.125. UNUSED SICK LEAVE CREDIT. (a) A teacher may elect
11 to apply his unused sick leave in computing the total number of years of
12 creditable service under sec. 120(c)(1) of this chapter. The additional
13 years, or fraction of a year, of creditable service shall be computed
14 by dividing the number of days of unused sick leave by 172.

15 (b) If the teacher elects to receive the credit, an additional
16 contribution to the fund shall be paid by the teacher and his last em-
17 ployer. The additional contributions payable by the teacher and his
18 employer shall be computed by multiplying the number of years of credit-
19 able service realized under (a) of this section times the base period
20 contributions made under secs. 50 and 70 of this chapter by the teacher
21 and employer, respectively, for the last full year of the teacher's
22 employment.

23 (c) Applications for the unused sick leave credit must be received
24 by the administrator no less than 90 days before the date of retirement.
25
26
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29

A M E N D M E N T

OFFERED IN THE SENATE:

By: _____

To: _____ SENATE BILL No. 632

HOUSE BILL No. _____

PAGE: 1

LINE: 23-24

Delete "Applications for the unused sick leave credit must be received by the administrator no less than 90 days before the date of retirement.", and add "This service credit cannot be used until minimum vesting has been established."

Introduced: 2/10/76
Referred: Health, Education, and
Social Services and Finance

BY RAY, CROFT, KERTTULA, HUBER,
MILLER AND CHANCE

1 IN THE SENATE

2 SENATE BILL NO. 632

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

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#

A M E N D M E N T

OFFERED IN THE SENATE:

By: _____

To: _____ SENATE BILL No. 632

HOUSE BILL No. _____

PAGE: 1

LINE: 23-24

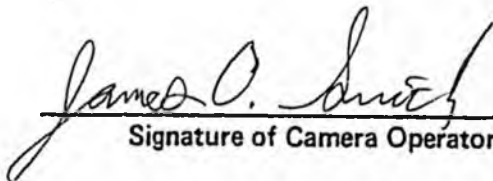
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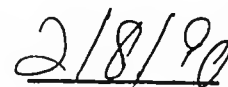


RECORDS CERTIFICATION



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.


Signature of Camera Operator


Date

COMMITTEE REPORT

4/6/76

SENATE

Mr. President:

Date _____

The Committee on Finance has had SB 635
special approp. to Hope Cottage
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

FINANCE

2/12/76

SENATE

Mr. President:

Date 4-5-76

HEALTH, EDUCATION

The Committee on AND SOCIAL SERVICES has had SB 635 special appropriation to Hope Cottage 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>Colletta</u>	<u>DO Pass</u>	_____
<u>Bradley</u>	<u>No Pass</u>	_____
<u>Lenic Chavez</u>	<u>No Pass</u>	_____
_____	_____	_____

Members NOT concurring in the Majority report:

<u>Ferguson</u>	recommends: <u>No Rec</u>
_____	recommends:
_____	recommends:
_____	recommends:
_____	recommends:

Ferguson Chairman

635
-fin

Introduced: 2/12/76
Referred: Health, Education
and Social Services and
Finance

1 IN THE SENATE

BY WILLIS

2 SENATE BILL NO. 635

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act making a special appropriation to Hope Cottage;
7 and providing for an effective date."

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

9 * Section 1. The sum of \$100,000 is appropriated from the general fund to
10 Hope Cottage.

11 * Sec. 2. This Act takes effect July 1, 1976.

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COMMITTEE COPY

ALASKA STATE LEGISLATURE

NINTH Legislature SECOND Session

SENATE BILL NO. 635

By WILLIS

"An Act making a special appropriation to Hope Cottage; and providing for an effective date."

spec. approp. Hope Cottage

Introduced in the Senate 2/12/76, 19....

HISTORY IN THE SENATE

1976

2 12

Read first time and referred to Committee on

Health, Education and Social Services and Finance

Reported back with recommendation that *Pass 3-26 pass 1-mover to Finance*

Read second time and

Read third time and

PASS Effective Date
Yeas Yeas
Nays Nays
Absent Absent
Excused Excused

Reconsideration

PASS Effective Date
Yeas Yeas
Nays Nays
Absent Absent
Excused Excused

Reported correctly engrossed
Signed by President
Sent to House

SECRETARY OF THE SENATE

HISTORY IN THE HOUSE

19

Read first time and referred to Committee on

Reported back with recommendation that

Read second time and

Read third time and

PASS Effective Date
Yeas Yeas
Nays Nays
Absent Absent
Excused Excused

Reconsideration

PASS Effective Date
Yeas Yeas
Nays Nays
Absent Absent
Excused Excused

Reported correctly engrossed
Signed by Speaker
Returned to Senate

CHIEF CLERK OF THE HOUSE

HISTORY IN THE SENATE

19

Received from House

Reported correctly enrolled

Sent to Governor

..... By Governor

Filed with Lt. Governor

Chapter No.



- FILE -

2805 Bering Street, Suite 2A
Anchorage, Alaska 99503
Telephone: 278-9641 (Administration)
274-1581 (Program)

George A. Hall, President
Board of Directors

Raymond L. Kent
Executive Director

April 2, 1976

Senator Genie Chance
Alaska State Senate
State Capital
Pouch V
Juneau, Alaska 99811

Dear Genie:

You have probably heard that Ray Kent has resigned as Executive Director of Hope Cottage, and I have been appointed Acting Executive Director. I am writing this letter to enlist your aid to again help Hope Cottage.

We currently have two issues, both extremely critical, which must be addressed. You have knowledge of much of the circumstances surrounding these problems, and I am hoping that, as a friend of Hope Cottage, you can be a spokeswoman for us in the Legislature.

The first extremely critical problem is the construction of the "New Chalet". I am sure you remember your championship of our cause when the Legislature appropriated \$200,000.00 for matching monies to a \$100,000.00 Federal Grant in 1975. At that time, a total fund of \$300,000.00 seemed more than enough. However inflation and State and Federal requirements have raised the construction cost of this building to an estimated \$378,000.00, as per attached sheets. This is almost exactly \$100,000.00 more than our available monies. We cannot go to bid (Federal Regulations again) unless we can show financial capability of constructing the project. We have tried, unsuccessfully, to obtain a letter of credit from a local lending institution, which would enable us to go for bid, and obtain a mortgage. This we cannot do, (see attached letter) because of the various lending restrictions. Unless Hope Cottage can go to bid and award a contract before July 1, 1976, we will lose the \$100,000.00 Federal portion of the grant. If this happens, in order to finance construction, we would need \$200,000.00 from the State, which, with the usual delays, etc. would probably not be forthcoming until 1977, causing another delay; and with it, another rise in cost, resulting in another fund shortage, and so on. We have no alternative but to obtain legislative funding, either through a grant, or a loan. If this project has to be deleted due to the lack of the additional monies, the consequences will be far reaching, 1) the State's deinstitutionalization plan will receive a serious blow, 2) A.P.I. will still have to care for

the mentally retarded children in its care which are scheduled to move into the "New Chalet", and 3) Hope Cottage will have a crushing debt of over \$46,000.00 in Architectural/ Engineering fees to pay, with no chance for reimbursement. What this will do to the entire Hope Cottage Program is obviously predictable.

The second and most critical problem again deals with a money situation at Hope Cottage. Senator Ed Willis introduced Senate Bill #635 on February 12, 1976; an Act to reimburse Hope Cottage for the cost of the very necessary Adult Program, which was unfunded by the State of Alaska until January of 1976. Hope Cottage set up this program in February of 1971. In August of 1972 it was expanded to take in men as well as women, and, until January of 1976, it was funded entirely by Hope Cottage and the residents themselves. I am attaching a description of Hope Cottage's continuing effort to convince the State it should accept its responsibilities in assisting these persons in maximizing their potential in the community. Funding this program has exhausted our resources, and, unless we receive reimbursement from the State, it is likely that Hope Cottage will be unable to continue its other programs for deinstitutionalization wherever possible, as mandated by the State and Federal Governments. Yesterday our Finance Committee met with our banking representative and learned that our ability to obtain bank loans has ended. Our cash flow situation is critical. I urge you to do whatever you can to assist Hope Cottage in the successful passage of SB 635.

Any questions you may have, any information you may need to assist us in resolving our problems as rapidly as possible, please let me know. I plan to be in Juneau soon to see what I can do to expedite SB 635, and the resolution of the "New Chalet" construction financing.

Sincerely,


Roger O. Weed, Acting
Executive Director

ROW/db

Enclosures

cc: Senators: Bill Ray, George Hohman, Kay Poland, John Rader
Jalmar Kertulla, Ed Willis, Chancy Croft,
Mike Coletta, W.E. Bradley, Frank Ferguson

Representatives: Hugh Malone, Susan Sullivan, Keith Specking,
Kathryn Ostrosky, Mike Miller, Helen Beirne

WRITTEN TESTIMONY BY HOPE COTTAGE

IN SUPPORT OF

SENATE BILL 635

Since the intent of Senate Bill 635 is to provide Hope Cottage with reimbursement for debt that has accrued over a substantial period of time as a result of a program which should have been adequately funded by the State of Alaska from its inception, this will be an attempt to collate the facts as they occurred so that you might be apprised of what caused the situation, as well as what is recommended for solution.

Hope Cottage initiated the Program presently known as Hope Cottage's Program "C" in February, 1971. The program was initiated at the request of Mr. James Doak, who was then the Coordinator for Developmental Disabilities for the State of Alaska. His request was motivated by the fact that Chugach Rehab Industries, a workshop activity center operating at that time, was closing. This facility provided housing for the adults they employed, or who were involved in the activity center there. Following the closing of that facility, the Association for Retarded Citizens took over the function of the workshop and activity center and renamed the facility Rehab Industries. Hope Cottage was requested to provide housing since the Association for Retarded Children did not provide this kind of service and there was substantial need for at least ten people who were then residents of Chugach Rehab Industries, while being employed by the workshop. Therefore, in February of 1971, Hope Cottage purchased a building presently known as Hope Chalet and began providing housing for ten adults. The State was then approached for funding, and a contract proposal was submitted to

until the following year, because one-year experience had to be established in order to justify rate structure for full-cost-of-care funding.

On June 30, 1972, a full seventeen months from the date of its starting, a new budget and contract proposal were submitted to Commissioner McGinnis, and again rejected, using the statement that adult programs did not qualify for full-cost-of-care funding and there were no funds in the budget to write a contract. This information was relayed to the Hope Cottage Board of Directors, who again voted to continue the program for another year and also for Hope to continue the attempt to find alternative funding sources.

The problem was bandied back and forth for some time after that, and finally on July 1, 1974, a minor breakthrough occurred and we were able to write a contract for ten people in what was identified as Hope Cottage's Program "D", or the New Adult Program. This was a new concept of care for adults that would be housed in small groups in individual, leased apartments in the community. It reduced the size of the original program substantially, and shortly after the initial period of negotiation, the program was expanded to twenty individuals. Shortly after July 1, 1974, Hope ended up with twenty people of the original group of thirty-six, which had by then been reduced to thirty, funded and ten people still not funded. On January 1, 1975, we were successful in getting a contract for the remaining ten people.

For approximately four years, Hope Cottage has been totally supporting a program that should have been the responsibility of the State Department of Health and Social Services. I might add that, if the staff of the Department hadn't changed, probably the

CORRECTION

THIS DOCUMENT
HAS BEEN REPHOTOGRAPHED
TO ASSURE LEGIBILITY

WRITTEN TESTIMONY BY HOPE COTTAGE

IN SUPPORT OF

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Since the intent of Senate Bill 635 is to provide Hope Cottage with reimbursement for debt that has accrued over a substantial period of time as a result of a program which should have been adequately funded by the State of Alaska from its inception, this will be an attempt to collate the facts as they occurred so that you might be apprised of what caused the situation, as well as what is recommended for solution.

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Mr. Stan Harris, who was then Director of the Division of Family and Children's Services. Mr. Stan Harris responded by saying that the State Department of Health & Social Services did not have any money to fund a program that was starting in mid-year, and suggested that Hope Cottage fund the program in order to justify its need until the end of the fiscal year, at which time Stan indicated, the State would consider it for funding. Following the format normally used for AS 47.40, and at the suggestion of Mr. Stan Harris, Hope Cottage revised its contract application, and resubmitted it to be effective June 30, 1971, for a 12-month period in order to establish eligibility for AS 47.40 (full-cost-of-care) funding. This proposal was rejected by the State and further negotiations were conducted with the then-Commissioner Frederick McGinnis. Dr. McGinnis also refused to fund the program; ~~however by this time a substantial~~ waiting list had developed and, if Hope Cottage was going to continue to be responsive to the need, it would have been necessary to relocate in order to accept some twenty additional referrals to the program made during the time period previously mentioned. This information was passed on to Commissioner McGinnis and another request was made for funding the adult program at a new location.

This new location is the present site of the facility, 2805 Bering Street. The move was effected in August of 1972, at which time the program expanded from ten residents to 36 residents. Again, funding was requested and denied. Hope Cottage operated the program from February 6, 1971, through the end of that fiscal year, June 30, 1971, and was told then that funding could not be considered

until the following year, because one-year experience had to be established in order to justify rate structure for full-cost-of-care funding.

On June 30, 1972, a full seventeen months from the date of its starting, a new budget and contract proposal were submitted to Commissioner McGinnis, and again rejected, using the statement that adult programs did not qualify for full-cost-of-care funding and there were no funds in the budget to write a contract. This information was relayed to the Hope Cottage Board of Directors, who again voted to continue the program for another year and also for Hope to continue the attempt to find alternative funding sources.

The problem was bandied back and forth for some time after that, and finally on July 1, 1974, a minor breakthrough occurred and we were able to write a contract for ten people in what was identified as Hope Cottage's Program "D", or the New Adult Program. This was a new concept of care for adults that would be housed in small groups in individual, leased apartments in the community. It reduced the size of the original program substantially, and shortly after the initial period of negotiation, the program was expanded to twenty individuals. Shortly after July 1, 1974, Hope ended up with twenty people of the original group of thirty-six, which had by then been reduced to thirty, funded and ten people still not funded. On January 1, 1975, we were successful in getting a contract for the remaining ten people.

For approximately four years, Hope Cottage has been totally supporting a program that should have been the responsibility of the State Department of Health and Social Services. I might add that, if the staff of the Department hadn't changed, probably the

solution would not have been arrived at to date. I have to give a lot of credit to Commissioner Williamson, recently, and to Dr. Gregovich, who came on the scene about two years ago and has really done an excellent job of trying to respond to the needs of the Developmentally Disabled.

However, the fact that these Programs are now funded does not solve the problem of the debt that has accrued over this time period relative to these Programs. This debt is somewhat over \$100,000.00. During this same time period, Hope Cottage dumped some 250 to 300 thousand dollars in funds it raised in the community to support the various aspects of these Programs. So, over the four and one-half year time period, approximately 400 thousand dollars was invested into these programs, and approximately 300 thousand dollars came from funds raised in the community or generated by the residents in some form or other. Hope Cottage's intent now is to recover only the amount of money that it wasn't able to secure through other resources during that time period, i.e. \$100,000.00. This is clearly identified in the attached budget sheets.

I believe the foregoing correctly summarizes the history of the Adult Program. It was in actuality much more complicated than it may appear there. Additionally, I am providing you with a copy of the current contract to Program "C" and Program "D", in order for you to have a good description of the kind of service the program provides.

HOPE COTTAGE'S POSITION

Simply stated, Hope Cottage's position is that it exists entirely for the benefit of its residents. These residents are

people the State would normally have to provide services for in some form or other, i.e. at A.P.I. or Harborview Memorial Hospital. They are all in need of out-of-home support or maintenance care services. Hope Cottage exists simply to provide services for the State of Alaska to the Developmentally Disabled people who the State is not able to serve because of the lack of adequate State facilities. All facilities exist because of an expressed need by the State Department of Health and Social Services, and an agreement to contract with Hope Cottage to provide these services. Hope Cottage has since 1970 invested approximately \$100,000.00 annually via fund-raising activities into these programs, and will continue to do so. However, if we are going to be successful in providing services for those people for whom the State has determined that services are necessary, then it must be able to recover any losses in excess of that \$100,000.00 ~~in order to remain solvent and to~~ stay a viable resource.

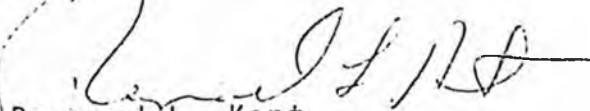
As a result of the policy of supporting the Adult Programs "C" and "D", Hope Cottage finds itself in debt for approximately \$100,000, with no resources for the recovery of that amount of money other than this Senate Bill 635. We feel that the documentation attached is adequate for the purposes of securing this reimbursement. The budget pages you have, with the disbursements, are those excerpts from proposals submitted to the State Department of Health and Social Services on the dates indicated at the top of the page. Hope Cottage believes that during this time period the State was very remiss in its acceptance of its obligations to provide services to those residents of the state who are so handicapped as to require them. Hope Cottage also feels that the State Administration has

did not carry out the intent of the Legislature as indicated by Alaska Statute 47.40. It is our hope that this present Legislature will review the situation and vote positively in favor of Hope Cottage, which, for many years has strived diligently to provide first-class services for those people for whom the State has assumed responsibility.

It appears to us that a substantial injustice has occurred and we are looking forward to discussing this with this Legislature. We are confident that this Legislature will be interested in correcting this injustice.

If further justification for this request is required, please don't hesitate to call. I would be more than happy to supply anything that you ask for, and will be available to testify if you so desire.

Respectfully submitted,



Raymond L. Kent
Executive Director

RLK/db

Attachments



NATIONAL
Bank of Alaska

Main Branch • Box 600 • Anchorage, Alaska 99510 • (907) 272-8547

March 31, 1976

Hope Cottage
2805 Bering Street
Suite A
Anchorage, Alaska 99503

Gentlemen:

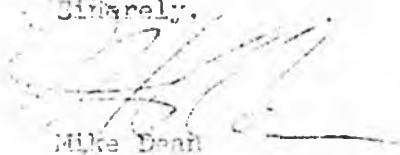
Thank you for your request for a letter of credit for the balance of funds necessary to complete the Chalet facility.

Present bank policies on long term financing preclude us from being able to comply with your request. We are not making long term loans on restricted use properties at this time.

We hope you are successful with your negotiations with the state and are able to go forth with your project.

If you should have any questions in regards to this matter, please do not hesitate to contact us.

Sincerely,



Mike Dean
Assistant Vice President
& Branch Manager

MD/rs

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
OFFICE OF FACILITIES ENGINEERING AND PROPERTY MANAGEMENT

CONSTRUCTION DOCUMENTS AND DATA AFFIRMATION

Project Number	(State) 065-50-515
Project Type	Home for Handicapped Retarded Teenagers
Applicant	Hope Cottage, Inc.
Project Location	Lot 3, Block 1, Norton Park Subdivision

Proposed Bidding Package -

The following proposed invitation-for-bid documents are attached:	CHECK HERE
Advertisement for Bids	(X)
Information for Bidders	(X)
Bid Form Proposal Form.....	(X)
Bid Bond Form	(X)
Contract Form	(X)
Performance - Payment Bond Form	(X)
Construction Contract General Conditions	(X)
Supplemental Construction Contract Conditions (if required) ...	(X)
Special Conditions (if required)	(X)
Final Technical Specifications	(X)
Final Drawings	(X)
Other (List under comments next page)	(X)

Data Affirmation

The current estimated construction cost is as follows:	<u>NEW</u>	<u>OTHER</u>
Building Cost	\$ 281,438	
Built-in Equipment	5,000	
Site Work	15,000	
Central Utility Plant -(Off-Site Work).....	30,000	
Total Construction	331,438	
Basic A/E Fee	30,142	
Supervision & Inspection	2,000	
Survey, Tests & Boring	4,420	
Other A/E Costs	10,000	
Total A/E Costs	46,562	
Construction Management Fees	None	
TOTAL	\$ 378,000	

Construction is estimated to start May 15, 1976 and be completed

December 1, 1976

The projected bid advertising date is April 15, 1976

(If anticipated) In case of a bid overrun, additional funds will be made available as follows:

<u>SOURCE</u>	<u>MAXIMUM AMOUNT</u>
Legislative Appropriation State of Alaska	Unknown

Gross area in the project is now 5,800 sq.ft.; assignable area is NA sq.ft.
Cost per gross sq.ft., based on estimated cost of building(s), including built-in equipment and contingency, is \$ 57.15 *

The project has been designed in conformance with applicable Federal, State, and local laws, orders, regulations, standards, codes and ordinances which includes, but not limited to, the following: CHECK HERE

The Life Safety Code (NFPA No. 101 and other applicable NFPA Standards referenced in Appendix B thereof)

ANSI A117.1-1961 - Making Buildings Accessible to the Physically Handicapped

Executive Order 11296 - Managing Flood Losses

The Flood Disaster Protection Act of 1973

Assurances attested to by the Owner in the Application

COMMENTS:

* Includes cost of off-site utilities.

March 9, 1976

Date

JOHN GRAHAM COMPANY

Robert F. Bezek

Architect/Engineer

Robert F. Bezek

Date

Project Applicant

Introduced: 2/12/76
Referred: Health, Education
and Social Services and
Finance

1 IN THE SENATE

BY WILLIS

2 SENATE BILL NO. 635

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act making a special appropriation to Hope Cottage;
7 and providing for an effective date."

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

9 * Section 1. The sum of \$100,000 is appropriated from the general fund to
10 Hope Cottage.

11 * Sec. 2. This Act takes effect July 1, 1976.

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POSITION PAPER
SB 635

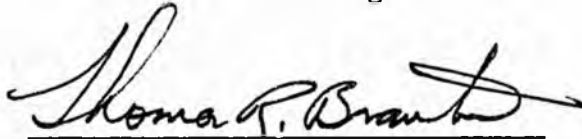
"An Act making a special appropriation to Hope Cottage; and providing for an effective date."

Effect of the Bill: Provide a direct appropriation to a private non-profit community-based residential facility for the mentally retarded.

Discussion: It is reported to the Division of Mental Health and Developmental Disabilities that over the past three years the Hope Cottage "C" program has accumulated an operating deficit of approximately \$108,000.00. This corporation is now requesting a special appropriation act to offset this operating deficit. State agencies are the primary users of this facility program. However, this program was opened as a result of Hope Cottage's own initiative and without prior discussion or approval by the using agencies.

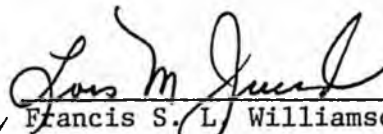
Recommendation: The Department does not recommend the passage of this bill, inasmuch as it is in excess of the Governor's budget.

Recommended:



Thomas R. Branton, Asst. Director Date
Division of Mental Health and
Developmental Disabilities

Approved:


for Francis S. L. Williamson, Commissioner 3/1/76

Date

100-16181-101

HOPE COTTAGE, INC.

BERING INTAKE UNIT HISTORY

	<u>FY 1972-73</u>	<u>FY 1973-74</u>	<u>FY 1974-75</u>	<u>TOTAL</u>
SALARY EXPENSE				
Salaries	\$ 22,650.45	\$ 30,998.07	\$ 27,913.44	\$ 81,561.96
Taxes	6,309.82	2,387.45	1,210.48	9,907.75
Benefits	847.83	1,019.03	728.25	2,595.11
TRANSPORTATION	1,012.31	—	—	1,012.31
Auto Rental	—	385.70	221.74	607.44
Repairs & Maintenance	—	168.80	262.83	431.63
Gas & Oil	—	372.64	453.12	825.76
Other	—	137.45	156.81	294.26
OCCUPANCY COSTS				
Rent	25,200.00	29,407.38	15,845.12	70,452.50
Utilities	4,910.98	5,540.54	2,937.85	13,389.37
Telephone	489.21	710.80	929.87	2,129.88
Repairs & Maintenance	2,158.71	1,308.14	1,003.78	4,470.63
Supplies	1,795.88	1,743.46	1,755.20	5,294.54
Linen & Laundry	290.32	58.74	157.30	506.36
PROFESSIONAL FEES & CONTRACTUAL SERVICES				
Medical	7.00	154.78	—	161.82
Accounting	229.46	157.45	226.05	612.96
Other	41.99	399.76	991.48	1,433.23
ACTIVITIES	42.18	106.43	450.91	599.52
RECREATION SUPPLIES	—	—	414.46	414.46
FOOD	7,757.21	7,769.94	8,007.33	23,534.48
CLOTHING	—	5.45	146.62	152.07
GENERAL EXPENSE				
Office Supplies & Expense	538.28	723.88	1,779.44	3,041.60
Postage	49.91	59.24	147.24	256.39
Dues, Subscriptions etc.	26.54	58.44	134.50	219.48
Outside Printing	86.56	78.69	217.19	382.44
Advertising	26.21	26.89	72.35	125.45
Insurance	504.72	1,225.10	1,056.49	2,786.31
Interest	384.92	57.43	222.72	665.07
Travel	507.95	580.96	684.52	1,773.43
Training	—	—	12.70	12.70
Other	34.57	38.17	42.10	114.84
TOTAL	\$ 75,903.05	\$ 85,680.81	\$ 68,181.89	\$ 229,765.75
REVENUES COLLECTED	41,357.54	21,269.06	58,351.56	120,980.16
FUNDING DEFICIT	\$ 34,543.51	\$ 64,411.75	\$ 9,830.33	\$ 108,785.59

Totals Date

Prepared By _____
Approved By _____

STATE OF ALASKA
CHILD CARE INSTITUTIONS
MONTHLY FINANCIAL REPORT

HOPE COTTAGE, INC.

Program "C"

CUMULATIVE REPORT: July 1, 1974 through June 30, 1975

EXPENDITURES	PROGRAM	ADM. &	TOTAL
	SERVICES	SOCIAL SERVICES	
PAYROLL EXPENSE			
Salaries & Wages	111863.61	16044.80	27913.41
Payroll Taxes	470.57	739.91	1210.48
Employee Benefits	367.23	360.02	727.25
Contractual Services			
TRANSPORTATION			
Auto Rental	—	221.74	221.74
Repairs & Maintenance	—	262.83	262.83
Gas & Oil	11.00	442.12	453.12
Mileage Reimbursement	105.98	43.27	149.25
Miscellaneous	—	7.56	7.56
OCCUPANCY COSTS			
Rent	15047.12	798.00	15845.12
Utilities	2553.31	354.54	2907.85
Telephone & Telegraph	496.37	433.00	929.37
Repairs & Maintenance	792.96	210.82	1003.78
Supplies	1662.13	14.42	1736.60
Linen & Laundry	157.30	—	157.30
Miscellaneous	18.60	—	18.60
PROFESSIONAL FEES			
Legal	—	27.50	27.50
Accounting	—	226.05	226.05
Consultants	—	777.10	777.10
Educational	—	—	—
Physical Therapy	—	—	—
Miscellaneous	183.00	108.85	186.85
ACTIVITIES & ALLOWANCES			
FOOD	436.76	14.15	450.91
CLOTHING	8007.33	—	8007.33
SCHOOL LUNCH PROGRAM	146.62	—	146.62
GENERAL EXPENSES			
Office Supplies & Expense	—	777.44	777.44
Postage	—	147.24	147.24
Bank Charges	—	11.14	11.14
Dues & Subscriptions	21.33	113.17	134.50
Outside Printing	—	217.17	217.17
Advertising	20.21	52.14	72.35
Promotion	—	—	—
Insurance	147.37	909.12	1056.49
Interest	—	222.72	222.72
Adm. Travel, Conferences & Conventions	—	634.52	634.52
Training	—	12.70	12.70
Miscellaneous	—	30.96	30.96
RECREATION SUPPLIES & EQUIP.	—	414.40	414.40
TOTAL EXPENDITURES	42500.38	25681.51	68181.89

STATE OF ALASKA
CHILD CARE INSTITUTIONS
MONTHLY FINANCIAL REPORT

Prepared By
Approved By

HOPE COTTAGE, INC. - Program "C"
2805 Baring Street, Anchorage, Alaska 99503

CUMULATIVE REPORT:
July 1, 1973 through 6-30-74

EXPENDITURES	TOTAL	PROGRAM	ADMINISTRATIVE
		SERVICES	SERVICES
PAYROLL EXPENSE			
Salaries & Wages	30978.07	25394.85	5603.22
Payroll Taxes	2357.45	1950.79	436.66
Employee Benefits	1019.03	836.78	182.25
Contract Services	49.45	—	49.45
TRANSPORTATION			
Auto Rental	385.70	—	385.70
Public Transportation	1.50	1.50	—
Repairs & Maintenance	168.80	—	168.80
Gas & Oil	372.64	52.43	320.21
Miscellaneous	135.95	125.55	10.40
OCCUPANCY COSTS			
Rent	29407.38	29447.08	294.30
Utilities	5540.54	5382.24	151.30
Telephone & Telegraph	710.80	488.69	222.11
Repairs & Maintenance	1308.14	1279.87	28.27
Supplies	1743.46	1727.89	13.57
Linen & Laundry	587.41	587.41	—
Miscellaneous	—	—	—
PROFESSIONAL FEES			
Medical-Dental	148.50	148.50	—
Drugs & Prescriptions	6.28	6.28	—
Legal	78.30	—	78.30
Accounting	157.45	—	157.45
Consultants	262.88	250.00	12.88
Educational	—	—	—
Physical Therapy	—	—	—
Miscellaneous	9.13	—	9.13
ACTIVITIES & ALLOWANCES			
FOOD	7767.94	7767.94	—
CLOTHING	5.45	5.45	—
SCHOOL LUNCH PROGRAM			
GENERAL EXPENSES			
Office Supplies & Expense	723.88	—	723.88
Postage	59.24	—	59.24
Bank Charges	14.42	—	14.42
Dues & Subscriptions	58.44	—	58.44
Outside Printing	78.69	—	78.69
Advertising	26.89	—	26.89
Promotion	235.11	—	235.11
Insurance	1225.10	—	1225.10
Interest	57.43	—	57.43
Adm. Travel, Conferences & Conventions	580.76	—	580.76
Training	—	—	—
Miscellaneous	23.75	—	23.75
TOTAL EXPENDITURES	55715.92	74705.01	11207.93

HOPE COTTAGE, INC. - BERING COTTAGE PROGRAM FOR ADULTS

SCHEDULE OF OPERATING COSTS BY FUNCTION - Fiscal '72-'73

	<u>Total</u>	<u>Program</u>	<u>Admin. Services</u>
Payroll Expense			
Salaries and Wages	\$ 22,650.45	\$ 16,662.44	\$ 5,988.01
Payroll Taxes	6,309.82	1,325.94	4,983.88
Employee Benefits	847.83	726.86	120.83
Transportation - Local	1,012.31		1,012.31
Occupancy Costs			
Rent	25,200.00	25,200.00	
Utilities	4,910.98	4,756.50	154.48
Telephones and Telegraph	489.21	285.88	203.33
Repairs and Maintenance	2,158.71	2,130.57	28.14
Supplies	1,788.04	1,737.93	50.11
Linen and Laundry	290.32	290.32	
Miscellaneous	7.84		7.84
Professional Fees			
Medical-Dental	7.04		7.04
Legal	41.99		41.99
Accounting	229.46		229.46
Activities and Allowances	42.18	42.18	
Food	7,757.21	7,757.21	
General Expenses			
Office Supplies and Expense	538.28		538.28
Postage	49.91		49.91
Bank Charges	23.48		23.48
Dues and Subscriptions	26.54		26.54
Outside Printing	86.56		86.56
Advertising	26.21		26.21
Entertainment and Promotion	236.26		236.26
Insurance	504.72	76.33	428.39
Interest	384.92	139.37	384.92
Conferences and Conventions	38.56		38.56
Administrative Travel	469.39		469.39
Miscellaneous	11.09		11.09
<u>Total Operating Costs</u>	<u>\$ 76,139.31</u>	<u>\$ 61,131.53</u>	<u>\$ 15,007.78</u>
Resident Care Revenue	41,359.54		
Deficit not covered by Operating Revenue	<u>(\$ 34,779.77)</u>		

The Cost per Adult per Day based on the above figures and 5086 Service Units for this period is \$14.97/Child/Day. The monthly rate, determined by the State formula using 366 days in a year, is calculated to be \$455.90/Month for 11 months of operation.

WRITTEN TESTIMONY BY HOPE COTTAGE

IN SUPPORT OF

SENATE BILL 635

Since the intent of Senate Bill 635 is to provide Hope Cottage with reimbursement for debt that has accrued over a substantial period of time as a result of a program which should have been adequately funded by the State of Alaska from its inception, this will be an attempt to collate the facts as they occurred so that you might be apprised of what caused the situation, as well as what is recommended for solution.

Hope Cottage initiated the Program presently known as Hope Cottage's Program "C" in February, 1971. The program was initiated at the request of Mr. James Doak, who was then the Coordinator for Developmental Disabilities for the State of Alaska. His request was motivated by the fact that Chugach Rehab Industries, a workshop activity center operating at that time, was closing. This facility provided housing for the adults they employed, or who were involved in the activity center there. Following the closing of that facility, the Association for Retarded Citizens took over the function of the workshop and activity center and renamed the facility Rehab Industries. Hope Cottage was requested to provide housing since the Association for Retarded Children did not provide this kind of service and there was substantial need for at least ten people who were then residents of Chugach Rehab Industries, while being employed by the workshop. Therefore, in February of 1971, Hope Cottage purchased a building presently known as Hope Chalet and began providing housing for ten adults. The State was then approached for funding, and a contract proposal was submitted to

Mr. Stan Harris, who was then Director of the Division of Family and Children's Services. Mr. Stan Harris responded by saying that the State Department of Health & Social Services did not have any money to fund a program that was starting in mid-year, and suggested that Hope Cottage fund the program in order to justify its need until the end of the fiscal year, at which time Stan indicated, the State would consider it for funding. Following the format normally used for AS 47.40, and at the suggestion of Mr. Stan Harris, Hope Cottage revised its contract application, and resubmitted it to be effective June 30, 1971, for a 12-month period in order to establish eligibility for AS 47.40 (full-cost-of-care) funding. This proposal was rejected by the State and further negotiations were conducted with the then-Commissioner Frederick McGinnis. Dr. McGinnis also refused to fund the program, ~~however by this time a substantial~~ waiting list had developed and, if Hope Cottage was going to continue to be responsive to the need, it would have been necessary to relocate in order to accept some twenty additional referrals to the program made during the time period previously mentioned. This information was passed on to Commissioner McGinnis and another request was made for funding the adult program at a new location.

This new location is the present site of the facility, 2805 Bering Street. The move was effected in August of 1972, at which time the program expanded from ten residents to 36 residents. Again, funding was requested and denied. Hope Cottage operated the program from February 6, 1971, through the end of that fiscal year, June 30, 1971, and was told then that funding could not be considered

until the following year, because one-year experience had to be established in order to justify rate structure for full-cost-of-care funding.

On June 30, 1972, a full seventeen months from the date of its starting, a new budget and contract proposal were submitted to Commissioner McGinnis, and again rejected, using the statement that adult programs did not qualify for full-cost-of-care funding and there were no funds in the budget to write a contract. This information was relayed to the Hope Cottage Board of Directors, who again voted to continue the program for another year and also for Hope to continue the attempt to find alternative funding sources.

The problem was bandied back and forth for some time after that, and finally on July 1, 1974, a minor breakthrough occurred and we were able to write a contract for ten people in what was identified as Hope Cottage's Program "D", or the New Adult Program. This was a new concept of care for adults that would be housed in small groups in individual, leased apartments in the community. It reduced the size of the original program substantially, and shortly after the initial period of negotiation, the program was expanded to twenty individuals. Shortly after July 1, 1974, Hope ended up with twenty people of the original group of thirty-six, which had by then been reduced to thirty, funded and ten people still not funded. On January 1, 1975, we were successful in getting a contract for the remaining ten people.

For approximately four years, Hope Cottage has been totally supporting a program that should have been the responsibility of the State Department of Health and Social Services. I might add that, if the staff of the Department hadn't changed, probably the

solution would not have been arrived at to date. I have to give a lot of credit to Commissioner Williamson, recently, and to Dr. Gregovich, who came on the scene about two years ago and has really done an excellent job of trying to respond to the needs of the Developmentally Disabled.

However, the fact that these Programs are now funded does not solve the problem of the debt that has accrued over this time period relative to these Programs. This debt is somewhat over \$100,000.00. During this same time period, Hope Cottage dumped some 250 to 300 thousand dollars in funds it raised in the community to support the various aspects of these Programs. So, over the four and one-half year time period, approximately 400 thousand dollars was invested into these programs, and approximately 300 thousand dollars came from funds raised in the community or generated by the residents in some form or other. Hope Cottage's intent now is to recover only the amount of money that it wasn't able to secure through other resources during that time period, i.e. \$100,000.00. This is clearly identified in the attached budget sheets

I believe the foregoing correctly summarizes the history of the Adult Program. It was in actuality much more complicated than it may appear there. Additionally, I am providing you with a copy of the current contract to Program "C" and Program "D", in order for you to have a good description of the kind of service the program provides.

HOPE COTTAGE'S POSITION

Simply stated, Hope Cottage's position is that it exists entirely for the benefit of its residents. These residents are

people the State would normally have to provide services for in some form or other, i.e. at A.P.I. or Harborview Memorial Hospital. They are all in need of out-of-home support or maintenance care services. Hope Cottage exists simply to provide services for the State of Alaska to the Developmentally Disabled people who the State is not able to serve because of the lack of adequate State facilities. All facilities exist because of an expressed need by the State Department of Health and Social Services, and an agreement to contract with Hope Cottage to provide these services. Hope Cottage has since 1970 invested approximately \$100,000.00 annually via fund-raising activities into these programs, and will continue to do so. However, if we are going to be successful in providing services for those people for whom the State has determined that services are necessary, then it must be able to recover any losses in excess of that \$100,000.00 ~~in order to remain solvent and to~~ stay a viable resource.

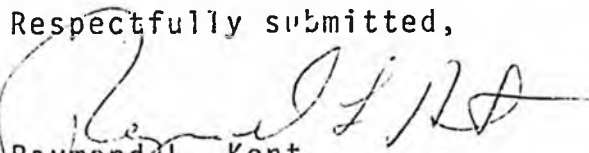
As a result of the policy of supporting the Adult Programs "C" and "D", Hope Cottage finds itself in debt for approximately \$100,000, with no resources for the recovery of that amount of money other than this Senate Bill 635. We feel that the documentation attached is adequate for the purposes of securing this reimbursement. The budget pages you have, with the disbursements, are those excerpts from proposals submitted to the State Department of Health and Social Services on the dates indicated at the top of the page. Hope Cottage believes that during this time period the State was very remiss in its acceptance of its obligations to provide services to those residents of the state who are so handicapped as to require them. Hope Cottage also feels that the State Administration has

did not carry out the intent of the Legislature as indicated by Alaska Statute 47.40. It is our hope that this present Legislature will review the situation and vote positively in favor of Hope Cottage, which, for many years has strived diligently to provide first-class services for those people for whom the State has assumed responsibility.

It appears to us that a substantial injustice has occurred and we are looking forward to discussing this with this Legislature. We are confident that this Legislature will be interested in correcting this injustice.

If further justification for this request is required, please don't hesitate to call. I would be more than happy to supply anything that you ask for, and will be available to testify if you so desire.

Respectfully submitted,



Raymond L. Kent
Executive Director

RLK/db

Attachments