

LEG. FINANCE - BILLS 1979 - 1980 1281

CSSB 140 thru CSSB 142 1281



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Date

(11)

COMMITTEE REPORT

HOUSE

5/1/80

FURTHER:

(Taken from calendar 5/1/80 Date: 5/6/80
with amendment pending and
returned to Finance.)

Mr. Speaker:

The Committee on FINANCE has had CSSB 140

"An Act extending the authority of the Alaska Housing Finance Corporation in making rural loans; and providing for an effective date."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass do not pass
- do pass with attached amendments(s)
- replace with ^HCS for CSSB 140 (Finance) same title new title
- and recommends that it do pass
- AND attaches a "Letter of Intent" New Fiscal Note
- reports it back without recommendation
- referred to the _____ Committee

**MEMBERS SIGNING
DO PASS**

McKenna
Ferguson
Shelton
Dunbar
Rosen
Smith *Hawkins*
Walt
...

**MEMBERS HAVING
OTHER RECOMMENDATIONS:**

No Rec - Joe Montoya

McKenna
CHAIRMAN

HOUSE JOURNAL

HOUSE FINANCE COMMITTEE

LETTER OF INTENT

FOR

HCS CSSB 140 (Finance)
and
HCS CSSB 222 (Finance)

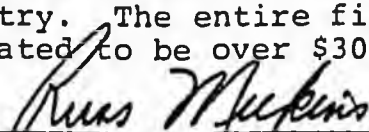
An emergency situation exists for the entire Alaskan fish processing industry. The world market for salmon is sagging, and the massive run predicted for Bristol Bay may further depress an already weak marketplace. Further complicating factors are high interest rates and the shortage of capital for salmon harvesting finance loans. Alaskan owned and based smaller processors are most severely impacted by this deepening crisis. One major and several smaller processors have filed bankruptcy reducing the processing capacity in Alaska and threatening to leave many Alaskan fishermen on the beach with no markets.

HCS CSSB 140 (Finance) and HCS CSSB 222 (Finance) provide emergency operating loans for Alaskan-owned salmon processors. The Commercial Fisheries and Agricultural Bank (CFAB) will borrow \$12 million from the Department of Revenue and act as the lead agency for the state in providing salmon harvest loans for the processors this year. The legislation provides a state guarantee of up to \$40 million to expedite the ability of CFAB to utilize its leveraging capability with the Federal Farm Credit system and commercial banks. This will make a minimum of \$60 million in harvest loans available for this season. The state guarantee and the appropriation for the loan is intended solely for existing companies for operating loans for the 1980 season only, and not as a "bail out" for any failing company, nor any previous debts.

The \$15 million appropriation to the Alaska Renewable Resource Corporation (ARRC) is intended to provide capital to be used for situations other than just operating loans that will support the industry for the 1980 season. The ARRC has the flexibility to provide long term financing and other capital needs for Alaskan industry to allow them to operate and take advantage of the situation that exists in the fishing industry this year.

It is the intention of the legislature that the ARRC and CFAB work together with commercial banks to the maximum extent possible. Where commercial banks have traditionally served as lead lenders for processors, ARRC and CFAB should participate utilizing the banks as lead lenders to package and service the financing. Financing arrangements should be arranged to maximize the amount of commercial bank financing for each processor.

This \$27 million appropriation will provide a minimum of \$75 million of operating capital to processors this season, and will provide financing capability to only the Alaskan owned processing industry. The entire financing needs of the industry is estimated to be over \$300 million.



Russ Meekins, Chairman
House Finance Committee

Original sponsors: Ray and Stimson

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2 HOUSE CS FOR CS FOR SENATE BILL NO. 140 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to financial assistance for commercial
7 purchasers of salmon; and providing for an effective
8 date."

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

10 * Section 1. COMMERCIAL FISH PURCHASERS ASSISTANCE FUND. (a) There is
11 created in the Alaska Renewable Resources Corporation (AS 37.12.010) the
12 commercial fish purchasers assistance fund. The commercial fish purchasers
13 assistance fund shall be administered by the board of trustees of the Alaska
14 Renewable Resources Corporation and may be financed only by appropriations by
15 the legislature.

16 (b) The board of trustees of the Alaska Renewable Resources Corporation
17 may use money in the commercial fish purchasers assistance fund to provide
18 financial assistance to commercial purchasers of the 1980 salmon harvest.
19 Financial assistance under this subsection shall be provided in accordance
20 with AS 37.12.080, except that in providing financial assistance under this
21 subsection the board of trustees of the Alaska Renewable Resources Corporation

22 (1) is not required to comply with the provisions of AS 37.12.-
23 080(b)(1); and

24 (2) is required to comply with the provisions of AS 37.12.080(a)(1)
25 only to the extent the board of trustees determines is possible considering
26 the limited time available to provide financial assistance to commercial
27 purchasers of the 1980 salmon harvest.

28 * Sec. 2. LOAN GUARANTEES FOR COMMERCIAL FISH PURCHASERS. (a) The
29 Commercial Fishing and Agriculture Bank may

1 (1) make loans to provide financial assistance to commercial
2 purchasers of the 1980 salmon harvest;

3 (2) purchase loans made by commercial banks to provide financial
4 assistance to commercial purchasers of the 1980 salmon harvest;

5 (3) participate with commercial banks in the making of loans to
6 provide financial assistance to commercial purchasers of the 1980 salmon
7 harvest;

8 (4) enter into agreements with the Department of Revenue to pro-
9 vide guarantees from the fish processing loan guarantee account for

10 (A) up to 60 percent of the portion of a loan described in
11 (1) - (3) of this subsection held by a commercial bank; and

12 (B) up to 100 percent of the portion of a loan described in
13 (1) - (3) of this subsection held by an institution of the federal farm
14 credit system if that portion does not exceed 80 percent of the total
15 amount of the loan.

16 (b) A loan may not be guaranteed under (a)(4) of this section unless 20
17 percent or more of the guaranteed portion of the loan is held by the Commer-
18 cial Fishing and Agriculture Bank.

19 (c) There is created as a separate account in the general fund the fish
20 processing loan guarantee account. The fish processing loan guarantee account
21 consists of assets transferred to it from the general fund. The commissioner
22 of revenue shall administer the fish processing loan guarantee account and
23 may enter into agreements with the Commercial Fishing and Agriculture Bank to
24 use the assets of the fish processing loan guarantee account to provide
25 guarantees for loans under (a)(4) of this section. The total amount of the
26 guaranteed portion of loans guaranteed under (a)(4) of this section may not
27 exceed \$40,000,000.

28 (d) The commissioner of revenue may, to the extent that appropriations
29 are made available to him for the purpose, lend up to \$12,000,000 to the

1 Commercial Fishing and Agriculture Bank to provide financial assistance to
2 commercial purchasers of the 1980 salmon harvest. The portion of a loan made
3 with money lent to the Commercial Fishing and Agriculture Bank under this
4 subsection may not be guaranteed under (a)(4) of this section.

5 (e) In this section, "commercial bank" means a bank chartered by the
6 United States or by a state of the United States.

7 * Sec. 3. This Act takes effect immediately in accordance with AS 01.10.-
8 070(c).

Original sponsors: Ray and Stimson

1 IN THE SENATE BY THE FINANCE COMMITTEE

2 HOUSE CS FOR CS FOR SENATE BILL NO. 140 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to financial assistance for commercial
7 purchasers of salmon; and providing for an effective
8 date."

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

10 * Section 1. COMMERCIAL FISH PURCHASERS ASSISTANCE FUND. (a) There is
11 created in the Alaska Renewable Resources Corporation (AS 37.12.010) the
12 commercial fish purchasers assistance fund. The commercial fish purchasers
13 assistance fund shall be administered by the board of trustees of the Alaska
14 Renewable Resources Corporation and may be financed only by appropriations by
15 the legislature.

16 (b) The board of trustees of the Alaska Renewable Resources Corporation
17 may use money in the commercial fish purchasers assistance fund to provide
18 financial assistance to commercial purchasers of the 1980 salmon harvest.
19 Financial assistance under this subsection shall be provided in accordance
20 with AS 37.12.080, except that in providing financial assistance under this
21 subsection the board of trustees of the Alaska Renewable Resources Corporation

22 (1) is not required to comply with the provisions of AS 37.12.-
23 080(b)(1); and

24 (2) is required to comply with the provisions of AS 37.12.080(a)(1)
25 only to the extent the board of trustees determines is possible considering
26 the limited time available to provide financial assistance to commercial
27 purchasers of the 1980 salmon harvest.

28 * Sec. 2. LOAN GUARANTEES FOR COMMERCIAL FISH PURCHASERS. (a) The
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1 (1) make loans to provide financial assistance to commercial
2 purchasers of the 1980 salmon harvest;

3 (2) purchase loans made by commercial banks to provide financial
4 assistance to commercial purchasers of the 1980 salmon harvest;

5 (3) participate with commercial banks in the making of loans to
6 provide financial assistance to commercial purchasers of the 1980 salmon
7 harvest;

8 (4) enter into agreements with the Department of Revenue to pro-
9 vide guarantees from the fish processing loan guarantee account for

10 (A) up to 60 percent of the portion of a loan described in
11 (1) - (3) of this subsection held by a commercial bank; and

12 (B) up to 100 percent of the portion of a loan described in
13 (1) - (3) of this subsection held by an institution of the federal farm
14 credit system if that portion does not exceed 80 percent of the total
15 amount of the loan.

16 (b) A loan may not be guaranteed under (a)(4) of this section unless 20
17 percent or more of the guaranteed portion of the loan is held by the Commer-
18 cial Fishing and Agriculture Bank.

19 (c) There is created as a separate account in the general fund the fish
20 processing loan guarantee account. The fish processing loan guarantee account
21 consists of assets transferred to it from the general fund. The commissioner
22 of revenue shall administer the fish processing loan guarantee account and
23 may enter into agreements with the Commercial Fishing and Agriculture Bank to
24 use the assets of the fish processing loan guarantee account to provide
25 guarantees for loans under (a)(4) of this section. The total amount of the
26 guaranteed portion of loans guaranteed under (a)(4) of this section may not
27 exceed \$40,000,000.

28 (d) The commissioner of revenue may, to the extent that appropriations
29 are made available to him for the purpose, lend up to \$12,000,000 to the

1 Commercial Fishing and Agriculture Bank to provide financial assistance to
2 commercial purchasers of the 1980 salmon harvest. The portion of a loan made
3 with money lent to the Commercial Fishing and Agriculture Bank under this
4 subsection may not be guaranteed under (a)(4) of this section.

5 (e) In this section, "commercial bank" means a bank chartered by the
6 United States or by a state of the United States.

7 * Sec. 3. This Act takes effect immediately in accordance with AS 01.10.-
8 070(c).

HOUSE JOURNAL

HOUSE FINANCE COMMITTEE

LETTER OF INTENT

FOR

HCS CSSB 140 (Finance)
and
HCS CSSB 222 (Finance)

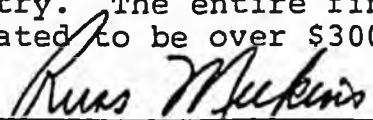
An emergency situation exists for the entire Alaskan fish processing industry. The world market for salmon is sagging, and the massive run predicted for Bristol Bay may further depress an already weak marketplace. Further complicating factors are high interest rates and the shortage of capital for salmon harvesting finance loans. Alaskan owned and based smaller processors are most severely impacted by this deepening crisis. One major and several smaller processors have filed bankruptcy reducing the processing capacity in Alaska and threatening to leave many Alaskan fishermen on the beach with no markets.

HCS CSSB 140 (Finance) and HCS CSSB 222 (Finance) provide emergency operating loans for Alaskan-owned salmon processors. The Commercial Fisheries and Agricultural Bank (CFAB) will borrow \$12 million from the Department of Revenue and act as the lead agency for the state in providing salmon harvest loans for the processors this year. The legislation provides a state guarantee of up to \$40 million to expedite the ability of CFAB to utilize its leveraging capability with the Federal Farm Credit system and commercial banks. This will make a minimum of \$60 million in harvest loans available for this season. The state guarantee and the appropriation for the loan is intended solely for existing companies for operating loans for the 1980 season only, and not as a "bail out" for any failing company, nor any previous debts.

The \$15 million appropriation to the Alaska Renewable Resource Corporation (ARRC) is intended to provide capital to be used for situations other than just operating loans that will support the industry for the 1980 season. The ARRC has the flexibility to provide long term financing and other capital needs for Alaskan industry to allow them to operate and take advantage of the situation that exists in the fishing industry this year.

It is the intention of the legislature that the ARRC and CFAB work together with commercial banks to the maximum extent possible. Where commercial banks have traditionally served as lead lenders for processors, ARRC and CFAB should participate utilizing the banks as lead lenders to package and service the financing. Financing arrangements should be arranged to maximize the amount of commercial bank financing for each processor.

This \$27 million appropriation will provide a minimum of \$75 million of operating capital to processors this season, and will provide financing capability to only the Alaskan owned processing industry. The entire financing needs of the industry is estimated to be over \$300 million.



Russ Meekins, Chairman
House Finance Committee

CSSB Alaska Housing Finance Corporation in making rural
140 loans; effective date) under consideration and a
majority of the committee recommends it be replaced
with HOUSE COMMITTEE SUBSTITUTE FOR COMMITTEE SUBSTI-
TUTE FOR SENATE BILL NO. 140:

"An Act relating to financial assis-
tance for commercial purchasers of
salmon; and providing for an effec-
tive date."

and reports it back with individual recommendations
and a letter of intent. Freeman (Vice Chairman),
Schaeffer, Guy, Haugen and Rogers recommend do pass.
Smith and McKinnon have no recommendation.

CSSB 140 was referred to the Rules Committee for place-
ment on the calendar.

The letter of intent follows:

CSSB
140

HOUSE FINANCE COMMITTEE

CSSB
222

Letter of Intent

HCS CSSB 140 and HCS CSSB 222

An emergency situation exists for the entire Alaskan fish
processing industry. The world market for salmon is sag-
ging, and the massive run predicted for Bristol Bay may
further depress an already weak marketplace. Further com-
plicating factors are high interest rates and the shortage
of capital for pack financing loans. Alaskan owned and
smaller processors are most severely impacted by this deep-
ening crisis. One major and several smaller processors
have filed bankruptcy reducing the processing capacity in
Alaska and threatening to leave many Alaskan fishermen on
the beach with no markets.

HCS CSSB 140/222 provide emergency operating loans for
Alaskan-owned salmon processors. The Commercial Fisheries
and Agriculture Bank (CFAB) will act as the lead agency for
the state in providing pack loans for processors this year.
The legislation is based on the understanding the Commis-
sioner of Revenue will provide a \$12 million short-term
loan to CFAB. The legislation provides a state guarantee
of up to \$40 million to expedite the ability of CFAB to
utilize its leveraging capability with the Federal Farm
Credit system and commercial banks. This will make a
minimum of \$60 million in pack loans available for this
season. The state guarantee and the conditional appropria-
tion of \$40 million is intended solely for existing com-
panies for operating loans for the 1980 seasons only and
not for any failing company, nor any previous debts.

The \$15 million appropriation to the Alaska Renewable
Resource Corporation (ARRC) is intended to provide capital
to be used for situations other than just operating loans
that will support the industry for the 1980 season. The
ARRC has the flexibility to provide long-term financing and
other capital needs for Alaskan industry to allow them to
operate and take advantage of the situation that exists in
the fishing industry this year.

CSSB
140
CSSB
222

It is the intention of the Legislature that ARRC and CFAB
work together with commercial banks to the maximum extent
possible. Where commercial banks have traditionally served
as lead lenders for processors, ARRC and CFAB should par-
ticipate utilizing the banks as lead lenders to package and
service the pack financing. Financing arrangements should
be arranged to maximize the amount of commercial bank
financing for each processor.

This \$27 million appropriation will provide a minimum of
\$75 million of operating capital to processors this season
and will provide pack financing capability to only the
Alaskan-owned processing industry. The entire financing
needs of the industry is estimated to be over \$300 million.

The authorization of \$3.5 million to the Ball Brothers, Inc.
is to provide legislative approval of a request from ARRC
of an investment of their current funding according to the
ARRC statutes (AS 37.12.080(b)(1)) for what is a timely and
responsible loan by the ARRC.


Oray Freeman, Vice Chairman

The Finance Committee has had COMMITTEE SUBSTITUTE
FOR SENATE BILL NO. 222 (appropriating from the general
fund to the Department of Education and the Department
of Transportation and Public Facilities for school
construction and for public school transportation and
transferring certain general fund appropriations for
schools and school construction; effective date) under
consideration and a majority of the committee recommends
it be replaced with HOUSE COMMITTEE SUBSTITUTE FOR
COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 222:

CSSB
222

"An Act making special appropriations
to the Alaska Renewable Resources
Corporation and the Commercial Fishing
and Agriculture Bank; and providing
for an effective date."

WO#6420
Vassar

Original sponsors: Ray and Stimson

1 IN THE SENATE BY THE FINANCE COMMITTEE

2 HOUSE CS FOR CS FOR SENATE BILL NO. 140 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to financial assistance for commercial
7 purchasers of salmon; and providing for an effective
8 date."

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14 Renewable Resources Corporation and may be financed only by appropriations by
15 the legislature.16 (b) The board of trustees of the Alaska Renewable Resources Corporation
17 may use money in the commercial fish purchasers assistance fund to provide
18 financial assistance to commercial purchasers of the 1980 salmon harvest.
19 Financial assistance under this subsection shall be provided in accordance
20 with AS 37.12.080, except that in providing financial assistance under this
21 subsection the board of trustees of the Alaska Renewable Resources Corporation22 (1) is not required to comply with the provisions of AS 37.12.-
23 080(b)(1); and24 (2) is required to comply with the provisions of AS 37.12.080(a)(1)
25 only to the extent the board of trustees determines is possible considering
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27 purchasers of the 1980 salmon harvest.28 * Sec. 2. LOAN GUARANTEES FOR COMMERCIAL FISH PURCHASERS. (a) The
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9 vide guarantees from the fish processing loan guarantee account for

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12 (B) up to 100 percent of the portion of a loan described in
13 (1) - (3) of this subsection held by an institution of the federal farm
14 credit system if that portion does not exceed 80 percent of the total
15 amount of the loan.

16 (b) A loan may not be guaranteed under (a)(4) of this section unless 20
17 percent or more of the guaranteed portion of the loan is held by the Commer-
18 cial Fishing and Agriculture Bank.

19 (c) There is created as a separate account in the general fund the fish
20 processing loan guarantee account. The fish processing loan guarantee account
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22 of revenue shall administer the fish processing loan guarantee account and
23 may enter into agreements with the Commercial Fishing and Agriculture Bank to
24 use the assets of the fish processing loan guarantee account to provide
25 guarantees for loans under (a)(4) of this section. The total amount of the
26 guaranteed portion of loans guaranteed under (a)(4) of this section may not
27 exceed \$40,000,000.

28 (d) The commissioner of revenue may, to the extent that appropriations
29 are made available to him for the purpose, lend up to \$12,000,000 to the

1 Commercial Fishing and Agriculture Bank to provide financial assistance to
2 commercial purchasers of the 1980 salmon harvest. The portion of a loan made
3 with money lent to the Commercial Fishing and Agriculture Bank under this
4 subsection may not be guaranteed under (a)(4) of this section.

5 (e) In this section, "commercial bank" means a bank chartered by the
6 United States or by a state of the United States.

7 * Sec. 3. This Act takes effect immediately in accordance with AS 01.10.-
8 070(c).

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AMENDMENT ~~1~~ 1

OFFERED IN THE HOUSE:

By: MCKINNON.To: CS HOUSE BILL No. _____SENATE BILL No. 140PAGE: 1LINE: 23

delete "and"

Page 1 line 27

change "." to ";" and
add the word "and"Page 1 between lines 27 and 28 add
a new paragraph

(3) is required to take measures
to guarantee that loan recipients
give an employment preference
to available and qualified
Alaskan residents.

Original sponsors: Ray and Stimson

Offered: 1/30/80
Referred: Rules

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2 HOUSE CS FOR CS FOR SENATE BILL NO. 140

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to financial assistance for commercial
7 purchasers of salmon; and providing for an effective
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9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

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14 Renewable Resources Corporation and may only be financed by appropriations by
15 the legislature.

16 (b) The Board of Trustees of the Alaska Renewable Resources Corporation
17 may use money in the commercial fish purchasers assistance fund to provide
18 financial assistance to commercial purchasers of the 1980 salmon harvest.
19 Financial assistance under this subsection may be provided in accordance with
20 AS 37.12.080, except that in providing financial assistance under this sub-
21 section the Board of Trustees of the Alaska Renewable Resources Corporation

22 (1) is not required to comply with the provisions of AS 37.12.-
23 080(b)(1); and

24 (2) is required to comply with the provisions of AS 37.12.-
25 080(a)(1) only to the extent the Board of Trustees determines is possible
26 considering the limited time available to provide financial assistance to
27 commercial purchasers of the 1980 salmon harvest.

28 * Sec. 2. LOAN GUARANTEES FOR COMMERCIAL FISH PURCHASERS. (a) The
29 Commercial Fishing and Agriculture Bank (AS 44.54.010) may enter into agree-

1 ments with financial institutions to provide guarantees of loans or parts of
2 loans made by the Commercial Fishing and Agriculture Bank to commercial
3 purchasers of the 1980 salmon harvest with money received by the Commercial
4 Fishing and Agriculture Bank from the financial institutions.

5 (b) The authorization to provide guarantees under (a) of this section
6 does not apply to loans or parts of loans made by the Commercial Fishing and
7 Agriculture Bank with money received by the Commercial Fishing and Agri-
8 culture Bank from a source other than a financial institution.

9 (c) The authorization to provide guarantees under (a) of this section
10 may be exercised only to the extent that the legislature appropriates money
11 to the Commercial Fishing and Agriculture Bank for that purpose.

12 (d) In this section, "financial institution" means a bank chartered by
13 the United States or by a state of the United States and the institutions of
14 the federal farm credit system.

15 * Sec. 3. (a) The legislature finds that the Alaska Renewable Resources
16 Corporation has complied with the requirements for an investment of
17 \$3,500,000 in Ball Brothers, Inc., an Alaska corporation, except for the
18 requirement in AS 37.12.080(b)(1). The legislature further finds that
19 approval of this investment is in the public interest.

20 (b) Notwithstanding AS 37.12.080(b)(1), the investment of the Alaska
21 Renewable Resources Corporation in Ball Brothers, Inc., in the amount of
22 \$3,500,000 is approved and the Alaska Renewable Resources Corporation is
23 authorized to make the investment.

24 * Sec. 4. This Act takes effect immediately in accordance with AS 01.10.-
25 070(c).

Original sponsors: Ray and Stimson

Offered: 3/8/79
Referred: Finance

1 IN THE SENATE

BY THE COMMUNITY AND
REGIONAL AFFAIRS COMMITTEE

2 CS FOR SENATE BILL NO. 140

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act extending the authority of the Alaska Housing
7 Finance Corporation in making rural loans; and pro-
8 viding for an effective date."

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

10 * Section 1. AS 18.56.010(a) is amended to read:

11 (a) There exists within the state a serious shortage of decent,
12 safe and sanitary residential housing available at low or moderate
13 prices or rentals to persons of lower and moderate income. There also
14 exist within the state rural [REMOTE], underdeveloped or blighted areas
15 where the development of decent, safe and sanitary housing is necessary
16 to economic growth. These conditions are inimical to the safety,
17 health, welfare and prosperity of the residents of the state and to the
18 sound growth of urban and rural communities.

19 * Sec. 2. AS 18.56.010(b) is amended to read:

20 (b) The legislature finds and declares that private enterprise has
21 not been able to provide, without assistance, an adequate supply of safe
22 and sanitary homes at prices or rents which persons of lower or moderate
23 income can afford, or to achieve rehabilitation of much of the present
24 housing for persons of lower and moderate income, or to provide without
25 assistance the housing necessary to promote the economic growth of rural
26 [REMOTE], underdeveloped or blighted areas, and that existing state and
27 federal programs are inadequate to meet housing needs of persons of
28 lower and moderate income or of rural [REMOTE], underdeveloped or
29 blighted areas. It is imperative that the supply of housing for persons

1 of lower and moderate income and the housing necessary to promote the
2 economic growth of rural [REMOTE], underdeveloped or blighted areas be
3 increased and that coordination and cooperation among private enter-
4 prise, state and local government be encouraged to sponsor, build and
5 rehabilitate residential housing for these persons.

6 * Sec. 3. AS 18.56.010(c) is amended to read:

7 (c) The legislature finds and declares further that, in accom-
8 plishing this purpose, the creation of the Alaska Housing Finance Cor-
9 poration is essential to assist in the acquisition and development of
10 land and the construction, rehabilitation, financing, management, main-
11 tenance, sale and rental of dwelling units for persons of lower and
12 moderate income or persons in rural [REMOTE], underdeveloped or blighted
13 areas and that these activities serve a public purpose in benefiting the
14 people of the state. The Alaska Housing Finance Corporation is em-
15 powered to act on behalf of the state and its people in serving this
16 public purpose for the benefit of the general public.

17 * Sec. 4. AS 18.56.088(c)(1) is amended to read:

18 (1) determination of borrower eligibility including, but not
19 limited to,

20 (A) income limitations; and

21 (B) the determination of rural [REMOTE], underdeveloped
22 or blighted areas of the state; for purposes of this subparagraph,
23 an area within the corporate limits of a densely settled municipi-
24 ality is not disqualified from eligibility for assistance under
25 programs of the corporation if the area meets the criteria of
26 AS 18.56.210(12);

27 * Sec. 5. AS 18.56.090(4) is amended to read:

28 (4) make partial rental payments and mortgage interest pay-
29 ments under a contract with any housing owner if the payments will be

1 applied to decrease rental or mortgage interest charges of persons of
2 lower and moderate income or owners or purchasers of residential housing
3 in rural [REMOTE], underdeveloped or blighted areas of the state;

4 * Sec. 6. AS 18.56.210(11) and (12) are amended to read:

5 (11) "residential housing" means a specific work or improve-
6 ment undertaken primarily to provide dwelling accommodations without
7 limitation as to form of lawful occupancy, whether rental, under con-
8 tract, fee ownership, cooperative housing, condominium, mobile home, or
9 other lawful form of ownership, for persons of lower and moderate in-
10 come, or in rural [REMOTE], underdeveloped or blighted areas, including
11 the acquisition, construction or reha litation of land, buildings and
12 improvements to them, and such other nonhousing facilities as may be
13 incidental or appurtenant to the land or buildings;

14 (12) "rural [REMOTE], underdeveloped or blighted areas" means
15 areas considered by the corporation to require assistance available
16 under this chapter on account of insufficient availability of the resi-
17 dential housing necessary to promote, develop or maintain the economic
18 growth or potential of the area, taking into consideration, without
19 limitation, the following:

20 (A) the population, resources and environment of the
21 area;

22 (B) the present availability and condition of residen-
23 tial housing in and near the area;

24 (C) the cost of construction and rehabilitation of
25 residential housing in the area;

26 (D) the availability of other federal or state sponsored
27 programs to facilitate the development of residential housing in
28 the area; and

29 (E) the ability of residents of the area to finance the

1 purchase of residential housing or to rent or lease such housing at
2 rates comparable to those in effect in other areas of the state.

3 * Sec. 7. This Act takes effect immediately in accordance with AS 01.10.-
4 070(c).

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COMMITTEE REPORT

HOUSE

FURTHER:

March 19, 1979

Date: 4-29-80

Mr. Speaker:

The Committee on FINANCE has had CSSB 140

"An Act extending the authority of the Alaska Housing Finance Corporation in making rural loans; eff. date."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass do not pass
- do pass with attached amendments(s)
- replace with HCS for CSSB 140 same title
 new title
 and recommends write it back with individual recommendations
- AND attaches a "Letter of Intent" New Fiscal Note
- reports it back without recommendation
- referred to the _____ Committee

**MEMBERS SIGNING
DO PASS**

Freeman

[Signature]

[Signature]

Rogers

**MEMBERS HAVING
OTHER RECOMMENDATIONS:**

Smith No Rec

[Signature] " "

Freeman
Vice CHAIRMAN

HOUSE JOURNAL

HOUSE FINANCE COMMITTEE

Letter of Intent

HCS CSSB 140 and HCS CSSB 222

An emergency situation exists for the entire Alaskan fish processing industry. The world market for salmon is sagging, and the massive run predicted for Bristol Bay may further depress an already weak marketplace. Further complicating factors are high interest rates and the shortage of capital for pack financing loans. Alaskan owned and smaller processors are most severely impacted by this deepening crisis. One major and several smaller processors have filed bankruptcy reducing the processing capacity in Alaska and threatening to leave many Alaskan fishermen on the beach with no markets.


HCS CSSB 140/222 provide emergency operating loans for Alaskan-owned salmon processors. The Commercial Fisheries and Agriculture Bank (CFAB) will act as the lead agency for the state in providing pack loans for processors this year. The legislation is based on the understanding the Commissioner of Revenue will provide a \$12 million short-term loan to CFAB. The legislation provides a state guarantee of up to \$40 million to expedite the ability of CFAB to utilize its leveraging capability with the Federal Farm Credit system and commercial banks. This will make a minimum of \$60 million in pack loans available for this season. The state guarantee and the conditional appropriation of \$40 million is intended solely for existing companies for operating loans for the 1980 seasons only and not for any failing company, nor any previous debts.

The \$15 million appropriation to the Alaska Renewable Resource Corporation (ARRC) is intended to provide capital to be used for situations other than just operating loans that will support the industry for the 1980 season. The ARRC has the flexibility to provide long-term financing and other capital needs for Alaskan industry to allow them to operate and take advantage of the situation that exists in the fishing industry this year.

It is the intention of the Legislature that ARRC and CFAB work together with commercial banks to the maximum extent possible. Where commercial banks have traditionally served as lead lenders for processors, ARRC and CFAB should participate utilizing the banks as lead lenders to package and service the pack financing. Financing arrangements should be arranged to maximize the amount of commercial bank financing for each processor.

This \$27 million appropriation will provide a minimum of \$75 million of operating capital to processors this season and will provide pack financing capability to only the Alaskan-owned processing industry. The entire financing needs of the industry is estimated to be over \$300 million.

The authorization of \$3.5 million to the Ball Brothers, Inc. is to provide legislative approval of a request from ARRC of an investment of their current funding according to the ARRC statutes (AS 37.12.080(b)(1)) for what is a timely and responsible loan by the ARRC.


Oral Freeman, Vice Chairman

WO 6420
Vassar
04-29-80

Original sponsors: Ray and Stimson

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2 HOUSE CS FOR CS FOR SENATE BILL NO. 140

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to financial assistance for commercial
7 purchasers of salmon; and providing for an effective
8 date."

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

10 * Section 1. COMMERCIAL FISH PURCHASERS ASSISTANCE FUND. (a) There is
11 created in the Alaska Renewable Resources Corporation (AS 37.12.010) the
12 commercial fish purchasers assistance fund. The commercial fish purchasers
13 assistance fund shall be administered by the Board of Trustees of the Alaska
14 Renewable Resources Corporation and may only be financed by appropriations by
15 the legislature.

16 (b) The Board of Trustees of the Alaska Renewable Resources Corporation
17 may use money in the commercial fish purchasers assistance fund to provide
18 financial assistance to commercial purchasers of the 1980 salmon harvest.
19 Financial assistance under this subsection may be provided in accordance with
20 AS 37.12.080, except that in providing financial assistance under this sub-
21 section the Board of Trustees of the Alaska Renewable Resources Corporation

22 (1) is not required to comply with the provisions of AS 37.12.-
23 080(b)(1); and

24 (2) is required to comply with the provisions of AS 37.12.-
25 080(a)(1) only to the extent the Board of Trustees determines is possible
26 considering the limited time available to provide financial assistance to
27 commercial purchasers of the 1980 salmon harvest.

28 * Sec. 2. LOAN GUARANTEES FOR COMMERCIAL FISH PURCHASERS. (a) The
29 Commercial Fishing and Agriculture Bank (AS 44.54.010) may enter into agree-

1 ments with financial institutions to provide guarantees of loans or parts of
2 loans made by the Commercial Fishing and Agriculture Bank to commercial
3 purchasers of the 1980 salmon harvest with money received by the Commercial
4 Fishing and Agriculture Bank from the financial institutions.

5 (b) The authorization to provide guarantees under (a) of this section
6 does not apply to loans or parts of loans made by the Commercial Fishing and
7 Agriculture Bank with money received by the Commercial Fishing and Agri-
8 culture Bank from a source other than a financial institution.

9 (c) The authorization to provide guarantees under (a) of this section
10 may be exercised only to the extent that the legislature appropriates money
11 to the Commercial Fishing and Agriculture Bank for that purpose.

12 (d) In this section, "financial institution" means a bank chartered by
13 the United States or by a state of the United States and the institutions of
14 the federal farm credit system.

15 * Sec. 3. (a) The legislature finds that the Alaska Renewable Resources
16 Corporation has complied with the requirements for an investment of
17 \$3,500,000 in Ball Brothers, Inc., an Alaska corporation, except for the
18 requirement in AS 37.12.080(b)(1). The legislature further finds that
19 approval of this investment is in the public interest.

20 (b) Notwithstanding AS 37.12.080(b)(1), the investment of the Alaska
21 Renewable Resources Corporation in Ball Brothers, Inc., in the amount of
22 \$3,500,000 is approved and the Alaska Renewable Resources Corporation is
23 authorized to make the investment.

24 * Sec. 4. This Act takes effect immediately in accordance with AS 01.10.-
25 070(c).

DRAFT LETTER OF INTENT CSSB 140/222

An emergency situation exists for the entire Alaskan fish processing industry. The world market for salmon is sagging, and the massive run predicted for Bristol Bay may further depress an already weak marketplace. Further complicating factors are high interest rates and the shortage of capital for pack financing loans. Alaskan owned and smaller processors are most severely impacted by this deepening crisis. One major and several smaller processors have filed bankruptcy reducing the processing capacity in Alaska and threatening to leave many Alaskan fishermen on the beach with no markets.

CSSB 140/222 provide emergency operating loans for Alaskan-owned salmon processors. The Commercial Fisheries and Agriculture Bank (CFAB) will act as the lead agency for the state in providing pack loans for processors this year. The legislation is based on the understanding the Commissioner of Revenue will provide a \$12 million short term loan to CFAB. The legislation provides a state guarantee of up to \$40 million to expedite the ability of CFAB to utilize its leveraging capability with the Federal Farm Credit system and commercial banks. This will make a minimum of \$60 million in pack loans available for this season. The state guarantee and the conditional appropriation of \$40 million is intended solely for existing companies for operating loans for the 1980 seasons only, and not as a "bail out" for any failing company, nor any previous debts.

The \$15 million appropriation to the Alaska Renewable Resource Corporation (ARRC) is intended to provide capital to be used for situations other than just operating loans that will support the industry for the 1980 season. The ARRC has the flexibility to provide long term financing and other capital needs for Alaskan industry to allow them to operate and take advantage of the situation that exists in the fishing industry this year.

It is the intention of the legislature that ARRC and CFAB work together with commercial banks to the maximum extent possible. Where commercial banks have traditionally served as lead lenders for processors, ARRC and CFAB should participate utilizing the banks as lead lenders to package and service the pack financing. Financing arrangements should be arranged to maximize the amount of commercial bank financing for each processor.

This \$27 million appropriation will provide a minimum of \$75 million of operating capital to processors this season, and will provide pack financing capability to only the Alaskan owned processing industry. The entire financing needs of the industry is estimated to be over \$300 million.

The authorization of \$3.5 million to the Ball Brothers, Inc. is to provide legislative approval of a request from ARRC of an investment of their current funding according to the ARRC statutes (AS 37.12.080(b)(1)) for what is a timely and responsible loan by the ARRC.

WO 6420
Vassar
04-29-80

Original sponsors: Ray and Stimson

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2 HOUSE CS FOR CS FOR SENATE BILL NO. 140

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to financial assistance for commercial
7 purchasers of salmon; and providing for an effective
8 date."

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

10 * Section 1. COMMERCIAL FISH PURCHASERS ASSISTANCE FUND. (a) There is
11 created in the Alaska Renewable Resources Corporation (AS 37.12.010) the
12 commercial fish purchasers assistance fund. The commercial fish purchasers
13 assistance fund shall be administered by the Board of Trustees of the Alaska
14 Renewable Resources Corporation and may only be financed by appropriations by
15 the legislature.

16 (b) The Board of Trustees of the Alaska Renewable Resources Corporation
17 may use money in the commercial fish purchasers assistance fund to provide
18 financial assistance to commercial purchasers of the 1980 salmon harvest.
19 Financial assistance under this subsection may be provided in accordance with
20 AS 37.12.080, except that in providing financial assistance under this sub-
21 section the Board of Trustees of the Alaska Renewable Resources Corporation

22 (1) is not required to comply with the provisions of AS 37.12.-
23 080(b)(1); and

24 (2) is required to comply with the provisions of AS 37.12.-
25 080(a)(1) only to the extent the Board of Trustees determines is possible
26 considering the limited time available to provide financial assistance to
27 commercial purchasers of the 1980 salmon harvest.

28 * Sec. 2. LOAN GUARANTEES FOR COMMERCIAL FISH PURCHASERS. (a) The
29 Commercial Fishing and Agriculture Bank (AS 44.54.010) may enter in... agree-

1 ments with financial institutions to provide guarantees of loans or parts of
2 loans made by the Commercial Fishing and Agriculture Bank to commercial
3 purchasers of the 1980 salmon harvest with money received by the Commercial
4 Fishing and Agriculture Bank from the financial institutions.

5 (b) The authorization to provide guarantees under (a) of this section
6 does not apply to loans or parts of loans made by the Commercial Fishing and
7 Agriculture Bank with money received by the Commercial Fishing and Agri-
8 culture Bank from a source other than a financial institution.

9 (c) The authorization to provide guarantees under (a) of this section
10 may be exercised only to the extent that the legislature appropriates money
11 to the Commercial Fishing and Agriculture Bank for that purpose.

12 (d) In this section, "financial institution" means a bank chartered by
13 the United States or by a state of the United States and the institutions of
14 the federal farm credit system.

15 * Sec. 3. (a) The legislature finds that the Alaska Renewable Resources
16 Corporation has complied with the requirements for an investment of
17 \$3,500,000 in Ball Brothers, Inc., an Alaska corporation, except for the
18 requirement in AS 37.12.080(b)(1). The legislature further finds that
19 approval of this investment is in the public interest.

20 (b) Notwithstanding AS 37.12.080(b)(1), the investment of the Alaska
21 Renewable Resources Corporation in Ball Brothers, Inc., in the amount of
22 \$3,500,000 is approved and the Alaska Renewable Resources Corporation is
23 authorized to make the investment.

24 * Sec. 4. This Act takes effect immediately in accordance with AS 01.10.-
25 070(c).

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Vassar ✓
4/28/80

Original sponsor: Rules/Governor

Funding Information

General Fund	\$40,271,400
Other Funds	15,000,000
	<u>\$55,271,400</u>

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2 HOUSE CS FOR CS FOR SENATE BILL NO. 222

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act making special appropriations to the Alaska
7 Renewable Resources Corporation and the Commercial
8 Fishing and Agriculture Bank; and providing for an
9 effective date."

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

11 * Section 1. The sum of \$15,000,000 is appropriated from the Alaska
12 renewable resources development fund (AS 37.11.010) to the commercial fish
13 purchasers assistance fund in the Alaska Renewable Resources Corporation to
14 provide financial assistance to commercial purchasers of the 1980 salmon
15 harvest.

16 * Sec. 2. The sum of \$271,400 is appropriated from the general fund to
17 the Alaska Renewable Resources Corporation for screening and developing
18 project opportunities for the fiscal year ending June 30, 1980.

19 * Sec. 3. The sum of \$40,000,000 is appropriated from the general fund to
20 the Commercial Fishing and Agriculture Bank for authorized loan guarantees
21 provided under a version of an Act entitled "An Act relating to financial
22 assistance to commercial purchasers of salmon; and providing for an effective
23 date." Payment of all or part of the appropriation made in this section to
24 the Commercial Fishing and Agriculture Bank is conditional upon certification
25 by the Commercial Fishing and Agriculture Bank to the commissioner of revenue
26 that default of payment on a guaranteed loan has occurred and that, under the
27 terms of an agreement entered into between the Commercial Fishing and Agricul-
28 ture Bank and a financial institution for which the guarantee is made, the
29 payment of all or part of the appropriation is required.

1 * Sec. 4. The unexpended and unobligated portions of the appropriations
2 made by this Act lapse into the funds from which appropriated June 30, 1981.

3 * Sec. 5. This Act takes effect on the effective date of a version of an
4 Act entitled "An Act relating to financial assistance for commercial pur-
5 chasers of salmon; and providing for an effective date."

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WO 6420 ✓
Berrier
4-21-80

Original sponsors: Ray and Stimson

1 IN THE SENATE

2 HOUSE CS FOR CS FOR SENATE BILL NO. 140
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to loans and financial assistance by
7 the Alaska Renewable Resources Corporation; and provid-
8 ing for an effective date."

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

0 * Section 1. (a) Loans by the Alaska Renewable Resources Corporation to
1 be used exclusively for purchase of the 1980 salmon pack may be made in an
2 amount not to exceed \$60,000,000. The loans may exceed the limitations
3 prescribed in AS 37.12.080(b)(1) without specific legislative approval and do
4 not require the detailed proposal presented in AS 37.12.080(a)(1) if:

5 (1) the borrower has offices in the state;

6 (2) the loans are for a term not exceeding six months.

7 (b) The authority to make new loans under this section expires
8 January 1, 1981.

9 * Sec. 2. The Alaska Renewable Resources Corporation may use an amount
0 not to exceed \$15,000,000 to provide financial assistance for purchasers of
1 the 1980 salmon pack. This assistance may be in any manner authorized in
2 AS 37.12.080; but does not require the detailed proposal presented in AS 37.-
3 12.080(a)(1) and may exceed the limitation presented in AS 37.12.080(b)(1)
4 without specific legislative approval.

5 * Sec. 3. The loans authorized by sec. 1 of this Act may be made only
6 from appropriations made for the purpose and all money appropriated for the
7 purpose shall be repaid to the general fund.

8 * Sec. 4. The legislature finds that the Alaska Renewable Resources
9 Corporation has complied with all requirements for an investment of \$3,500,000

1 in Ball Brothers, Inc., an Alaska corporation, except for the requirement in
 2 AS 37.12.080(b) that no financial assistance of more than \$1,500,000 may be
 3 provided to a single project or applicant unless the legislature has approved
 4 the investment by concurrent resolution. The legislature further finds that
 5 approval of the investment is in the public interest. Notwithstanding the
 6 provisions of AS 37.12.080(b) requiring approval by concurrent resolution,
 7 the investment in the amount of \$3,500,000 is approved and the corporation is
 8 authorized to make the proposed investment in Ball Brothers, Inc., an Alaska
 9 Corporation.

10 * Sec. 5. This Act takes effect immediately in accordance with AS 01.10.-
 11 070(c).

- * Section 3. The loans authorized by section 1 of this Act may be made only from appropriation made for the purpose and all money appropriated for the purpose shall be repaid to the ~~state~~ ^{general fund}. ~~The financial assistance authorized by section 2 of this Act may be made only from appropriations for the purpose but money appropriated for this purpose need not be repaid to the state.~~
- * Section 4. The legislature finds that the Alaska Renewable Resources Corporation has complied with all requirements for an investment of \$3,500,000.00 in Ball Brothers, Inc, an Alaska Corporation, except for the requirement in AS 37.12.080 (b) that no financial assistance of more than \$1,500,000.00 may be provided to a single project or applicant unless the legislature has approved the investment by Concurrent Resolution. The legislature further finds that approval of the investment is in the public interest. Notwithstanding the provisions of A. 37.12.080 (b) requiring approval by Concurrent Resolution the investment in the amount of \$3,500,000.00 is approved and the Corporation is authorized to make the proposed investment in Ball Brothers, Inc, An Alaska Corporation.
- * Section 5. This Act takes effect immediatly in accordance with AS 01.10.070 (c).

Original sponsors: Ray and Stimson

Offered: 3/8/79
Referred: Finance

1 IN THE SENATE

BY THE COMMUNITY AND
REGIONAL AFFAIRS COMMITTEE

2 CS FOR SENATE BILL NO. 140

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act extending the authority of the Alaska Housing
7 Finance Corporation in making rural loans; and pro-
8 viding for an effective date."

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

10 * Section 1. AS 18.56.010(a) is amended to read:

11 (a) There exists within the state a serious shortage of decent,
12 safe and sanitary residential housing available at low or moderate
13 prices or rentals to persons of lower and moderate income. There also
14 exist within the state rural [REMOTE], underdeveloped or blighted areas
15 where the development of decent, safe and sanitary housing is necessary
16 to economic growth. These conditions are inimical to the safety,
17 health, welfare and prosperity of the residents of the state and to the
18 sound growth of urban and rural communities.

19 * Sec. 2. AS 18.56.010(b) is amended to read:

20 (b) The legislature finds and declares that private enterprise has
21 not been able to provide, without assistance, an adequate supply of safe
22 and sanitary homes at prices or rents which persons of lower or moderate
23 income can afford, or to achieve rehabilitation of much of the present
24 housing for persons of lower and moderate income, or to provide without
25 assistance the housing necessary to promote the economic growth of rural
26 [REMOTE], underdeveloped or blighted areas, and that existing state and
27 federal programs are inadequate to meet housing needs of persons of
28 lower and moderate income or of rural [REMOTE], underdeveloped or
29 blighted areas. It is imperative that the supply of housing for persons

1 of lower and moderate income and the housing necessary to promote the
2 economic growth of rural [REMOTE], underdeveloped or blighted areas be
3 increased and that coordination and cooperation among private enter-
4 prise, state and local government be encouraged to sponsor, build and
5 rehabilitate residential housing for these persons.

6 * Sec. 3. AS 18.56.010(c) is amended to read:

7 (c) The legislature finds and declares further that, in accom-
8 plishing this purpose, the creation of the Alaska Housing Finance Cor-
9 poration is essential to assist in the acquisition and development of
10 land and the construction, rehabilitation, financing, management, main-
11 tenance, sale and rental of dwelling units for persons of lower and
12 moderate income or persons in rural [REMOTE], underdeveloped or blighted
13 areas and that these activities serve a public purpose in benefiting the
14 people of the state. The Alaska Housing Finance Corporation is em-
15 powered to act on behalf of the state and its people in serving this
16 public purpose for the benefit of the general public.

17 * Sec. 4. AS 18.56.088(c)(1) is amended to read:

18 (1) determination of borrower eligibility including, but not
19 limited to,

20 (A) income limitations; and

21 (B) the determination of rural [REMOTE], underdeveloped
22 or blighted areas of the state; for purposes of this subparagraph,
23 an area within the corporate limits of a densely settled munici-
24 pality is not disqualified from eligibility for assistance under
25 programs of the corporation if the area meets the criteria of
26 AS 18.56.210(12);

27 * Sec. 5. AS 18.56.090(4) is amended to read:

28 (4) make partial rental payments and mortgage interest pay-
29 ments under a contract with any housing owner if the payments will be

1 applied to decrease rental or mortgage interest charges of persons of
2 lower and moderate income or owners or purchasers of residential housing
3 in rural [REMOTE], underdeveloped or blighted areas of the state;

4 * Sec. 6. AS 18.56.210(11) and (12) are amended to read:

5 (11) "residential housing" means a specific work or improve-
6 ment undertaken primarily to provide dwelling accommodations without
7 limitation as to form of lawful occupancy, whether rental, under con-
8 tract, fee ownership, cooperative housing, condominium, mobile home, or
9 other lawful form of ownership, for persons of lower and moderate in-
10 come, or in rural [REMOTE], underdeveloped or blighted areas, including
11 the acquisition, construction or rehabilitation of land, buildings and
12 improvements to them, and such other nonhousing facilities as may be
13 incidental or appurtenant to the land or buildings;

14 (12) "rural [REMOTE], underdeveloped or blighted areas" means
15 areas considered by the corporation to require assistance available
16 under this chapter on account of insufficient availability of the resi-
17 dential housing necessary to promote, develop or maintain the economic
18 growth or potential of the area, taking into consideration, without
19 limitation, the following:

20 (A) the population, resources and environment of the
21 area;

22 (B) the present availability and condition of residen-
23 tial housing in and near the area;

24 (C) the cost of construction and rehabilitation of
25 residential housing in the area;

26 (D) the availability of other federal or state sponsored
27 programs to facilitate the development of residential housing in
28 the area; and

29 (E) the ability of residents of the area to finance the

1 purchase of residential housing or to rent or lease such housing at
2 rates comparable to those in effect in other areas of the state.

3 * Sec. 7. This Act takes effect immediately in accordance with AS 01.10.-
4 070(c).

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ERIC E. WOHLFORTH
ROBERT D. FLINT
TIMOTHY G. MIDDLETON
PETER ANGETSINGER
SARAH FORBES

LAW OFFICES
WOHLFORTH & FLINT
A PROFESSIONAL CORPORATION
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TELEPHONE
AREA CODE 907
574-2215
272-9483

M E M O R A N D U M

TO: ~~Mr.~~ Bertram Wagnon
Deputy Commissioner of Commerce
and Economic Development

FROM: Wohlforth & Flint

DATE: March 6, 1979

RE: Proposed Committee Substitute to Senate Bill 140
Relating to the Definition of "Rural" or "Remote,
Underdeveloped or Blighted Areas" of Alaska Housing
Finance Corporation.

The Corporation has struggled with the proper definition of "rural" or "remote, underdeveloped or blighted areas" for many years without achieving complete success in its definition. The latest proposed amendment of its regulations in this regard, which is scheduled for public hearing in Juneau, Anchorage and Fairbanks on March 19, was responsive in part to the situation which existed in areas located in the City of Fairbanks and those located adjacent to the City in the Fairbanks North Star Borough. Since the definition of "remote, underdeveloped or blighted areas" permits under the statute loans to persons without regard to income, there was apparently actual housing construction in developed areas of the Fairbanks North Star Borough directly adjacent to the City so that sales could be made to persons without regard to income limitations. Areas within the Matanuska-Susitna Borough present other problems.

The purpose of the three hearings on March 19 is to try and elicit the broadest range of testimony on all aspects of the problem of definition. The Board may indeed adopt another or a further definition following this testimony which will be fully transcribed and available to it at its April meeting.

An instance of the difficulty of definition of the term "rural" or "remote, underdeveloped or blighted areas" is presented by the legislative attempt to define "rural" in AS 18. 55.997. This statute enacted by the Legislature last year authorized rural housing authorities to make loans approved by the Alaska Housing Finance Corporation in "rural" areas of the State. The statute defines "rural" as "any community of the State with a population of 4,500 or less that is not connected by road or rail to Anchorage or Fairbanks". This attempt to define "rural", of course, omits numerous tiny communities along the

Memorandum
March 6, 1979
Page 2

rail belt as well as many communities along the highways between Anchorage and Fairbanks which are in all practical sense "rural". The term "remote, underdeveloped or blighted areas" is defined at page 8 of the General Insured Mortgage Bond Resolution of the Corporation dated December 6, 1975, under which its \$377,000,000 of Insured Mortgage Program Bonds are outstanding as "areas considered by the Corporation to require assistance under the Act on account of insufficient availability of the Residential Housing necessary to promote, develop or maintain the economic growth or potential of the area, to be determined by the Corporation in accordance with the provisions of the Act, as amended from time to time". The definition in the legislation, AS 18.56.210(12), lists the criteria which the Corporation must take into consideration in determining whether a specific area is considered "remote, underdeveloped or blighted". At least two of the criteria, (c) and (e), are related to cost of construction.

The Corporation has from time to time considered the desirability of a further category called "suburban" where some of the conditions of a "remote, underdeveloped or blighted area" of the State exist but not all. This is the category which they have referred to informally as "suburban". In general, this category includes areas with reasonable transportation excess to cities but which lack urban amenities such as water and sewer systems.

Given the flexibility apparent within the definition of "remote, underdeveloped or blighted areas" there does not seem to be a pressing need for the revision suggested by the proposed substitute to Senate Bill 140. I would suggest, however, that further flexibility might be imported into the Corporation's power to develop another category by an amendment which reads "rural or remote, underdeveloped or blighted areas". Such an amendment would enhance the legal underpinning for a further category to be developed by the Corporation which would accord with economic and geographical conditions in the State.

EEW:jr



RECORDS CERTIFICATION



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

James O. Smith
Signature of Camera Operator

3/23/90
Date

COMMITTEE REPORT
SENATE

FURTHER: None

3/8/79

Date: March 13, 1979

Mr. President:

The Committee on FINANCE has had SB 140
amending the authority of Alaska Housing Finance Corporation to adopt
administrative regulations

under consideration and (a majority of the committee) (the committee)
reports it back with the following recommendations:

- do pass do not pass
- do pass with attached amendments(s)
- replace with ^{C+R#} CS for _____ same title
 new title
- and recommends _____
- AND attaches a "Letter of Intent" New Fiscal Note
- reports it back without recommendation
- referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

CHAIRMAN

ERIC E. WOHLFORTH
ROBERT B. FLINT
TIMOTHY G. MIDDLETON
PETER ARGETSINGER
SARAH FORGES

LAW OFFICES
WOHLFORTH & FLINT
A PROFESSIONAL CORPORATION
648 G STREET
ANCHORAGE, ALASKA 99501

TELEPHONE
AREA CODE 907
274-2519
272-0483

M E M O R A N D U M

TO: ~~Mr.~~ Bertram Wagnon
Deputy Commissioner of Commerce
and Economic Development

FROM: Wohlforth & Flint

DATE: March 6, 1979

RE: Proposed Committee Substitute to Senate Bill 140
Relating to the Definition of "Rural" or "Remote,
Underdeveloped or Blighted Areas" of Alaska Housing
Finance Corporation.

The Corporation has struggled with the proper definition of "rural" or "remote, underdeveloped or blighted areas" for many years without achieving complete success in its definition. The latest proposed amendment of its regulations in this regard, which is scheduled for public hearing in Juneau, Anchorage and Fairbanks on March 19, was responsive in part to the situation which existed in areas located in the City of Fairbanks and those located adjacent to the City in the Fairbanks North Star Borough. Since the definition of "remote, underdeveloped or blighted areas" permits under the statute loans to persons without regard to income, there was apparently actual housing construction in developed areas of the Fairbanks North Star Borough directly adjacent to the City so that sales could be made to persons without regard to income limitations. Areas within the Matanuska-Susitna Borough present other problems.

The purpose of the three hearings on March 19 is to try and elicit the broadest range of testimony on all aspects of the problem of definition. The Board may indeed adopt another or a further definition following this testimony which will be fully transcribed and available to it at its April meeting.

An instance of the difficulty of definition of the term "rural" or "remote, underdeveloped or blighted areas" is presented by the legislative attempt to define "rural" in AS 18.55.997. This statute enacted by the Legislature last year authorized rural housing authorities to make loans approved by the Alaska Housing Finance Corporation in "rural" areas of the State. The statute defines "rural" as "any community of the State with a population of 4,500 or less that is not connected by road or rail to Anchorage or Fairbanks". This attempt to define "rural", of course, omits numerous tiny communities along the

Memorandum
March 6, 1979
Page 2

rail belt as well as many communities along the highways between Anchorage and Fairbanks which are in all practical sense "rural". The term "remote, underdeveloped or blighted areas" is defined at page 8 of the General Insured Mortgage Bond Resolution of the Corporation dated December 6, 1975, under which its \$377,000,000 of Insured Mortgage Program Bonds are outstanding as "areas considered by the Corporation to require assistance under the Act on account of insufficient availability of the Residential Housing necessary to promote, develop or maintain the economic growth or potential of the area, to be determined by the Corporation in accordance with the provisions of the Act, as amended from time to time". The definition in the legislation, AS 18.56.210(12), lists the criteria which the Corporation must take into consideration in determining whether a specific area is considered "remote, underdeveloped or blighted". At least two of the criteria, (c) and (e), are related to cost of construction.

The Corporation has from time to time considered the desirability of a further category called "suburban" where some of the conditions of a "remote, underdeveloped or blighted area" of the State exist but not all. This is the category which they have referred to informally as "suburban". In general, this category includes areas with reasonable transportation access to cities but which lack urban amenities such as water and sewer systems.

Given the flexibility apparent within the definition of "remote, underdeveloped or blighted areas" there does not seem to be a pressing need for the revision suggested by the proposed substitute to Senate Bill 140. I would suggest, however, that further flexibility might be imported into the Corporation's power to develop another category by an amendment which reads "rural or remote, underdeveloped or blighted areas". Such an amendment would enhance the legal underpinning for a further category to be developed by the Corporation which would accord with economic and geographical conditions in the State.

EEW:jr

Original sponsors: Ray and Stimson

Offered: 3/8/79
Referred: Finance

1 IN THE SENATE

BY THE COMMUNITY AND
REGIONAL AFFAIRS COMMITTEE

2 CS FOR SENATE BILL NO. 140

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act extending the authority of the Alaska Housing
7 Finance Corporation in making rural loans; and pro-
8 viding for an effective date."

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

10 * Section 1. AS 18.56.010(a) is amended to read:

11 (a) There exists within the state a serious shortage of decent,
12 safe and sanitary residential housing available at low or moderate
13 prices or rentals to persons of lower and moderate income. There also
14 exist within the state rural [REMOTE], underdeveloped or blighted areas
15 where the development of decent, safe and sanitary housing is necessary
16 to economic growth. These conditions are inimical to the safety,
17 health, welfare and prosperity of the residents of the state and to the
18 sound growth of urban and rural communities.

19 * Sec. 2. AS 18.56.010(b) is amended to read:

20 (b) The legislature finds and declares that private enterprise has
21 not been able to provide, without assistance, an adequate supply of safe
22 and sanitary homes at prices or rents which persons of lower or moderate
23 income can afford, or to achieve rehabilitation of much of the present
24 housing for persons of lower and moderate income, or to provide without
25 assistance the housing necessary to promote the economic growth of rural
26 [REMOTE], underdeveloped or blighted areas, and that existing state and
27 federal programs are inadequate to meet housing needs of persons of
28 lower and moderate income or of rural [REMOTE], underdeveloped or
29 blighted areas. It is imperative that the supply of housing for persons

1 of lower and moderate income and the housing necessary to promote the
2 economic growth of rural [REMOTE], underdeveloped or blighted areas be
3 increased and that coordination and cooperation among private enter-
4 prise, state and local government be encouraged to sponsor, build and
5 rehabilitate residential housing for these persons.

6 * Sec. 3. AS 18.56.010(c) is amended to read:

7 (c) The legislature finds and declares further that, in accom-
8 plishing this purpose, the creation of the Alaska Housing Finance Cor-
9 poration is essential to assist in the acquisition and development of
10 land and the construction, rehabilitation, financing, management, main-
11 tenance, sale and rental of dwelling units for persons of lower and
12 moderate income or persons in rural [REMOTE], underdeveloped or blighted
13 areas and that these activities serve a public purpose in benefiting the
14 people of the state. The Alaska Housing Finance Corporation is em-
15 powered to act on behalf of the state and its people in serving this
16 public purpose for the benefit of the general public.

17 * Sec. 4. AS 18.56.088(c)(1) is amended to read:

18 (1) determination of borrower eligibility including, but not
19 limited to,

20 (A) income limitations; and

21 (B) the determination of rural [REMOTE], underdeveloped
22 or blighted areas of the state; for purposes of this subparagraph,
23 an area within the corporate limits of a densely settled munici-
24 pality is not disqualified from eligibility for assistance under
25 programs of the corporation if the area meets the criteria of
26 AS 18.56.210(12);

27 * Sec. 5. AS 18.56.090(4) is amended to read:

28 (4) make partial rental payments and mortgage interest pay-
29 ments under a contract with any housing owner if the payments will be

1 applied to decrease rental or mortgage interest charges of persons of
2 lower and moderate income or owners or purchasers of residential housing
3 in rural [REMOTE], underdeveloped or blighted areas of the state;

4 * Sec. 6. AS 18.56.210(11) and (12) are amended to read:

5 (11) "residential housing" means a specific work or improve-
6 ment undertaken primarily to provide dwelling accommodations without
7 limitation as to form of lawful occupancy, whether rental, under con-
8 tract, fee ownership, cooperative housing, condominium, mobile home, or
9 other lawful form of ownership, for persons of lower and moderate in-
10 come, or in rural [REMOTE], underdeveloped or blighted areas, including
11 the acquisition, construction or rehabilitation of land, buildings and
12 improvements to them, and such other nonhousing facilities as may be
13 incidental or appurtenant to the land or buildings;

14 (12) "rural [REMOTE], underdeveloped or blighted areas" means
15 areas considered by the corporation to require assistance available
16 under this chapter on account of insufficient availability of the resi-
17 dential housing necessary to promote, develop or maintain the economic
18 growth or potential of the area, taking into consideration, without
19 limitation, the following:

20 (A) the population, resources and environment of the
21 area;

22 (B) the present availability and condition of residen-
23 tial housing in and near the area;

24 (C) the cost of construction and rehabilitation of
25 residential housing in the area;

26 (D) the availability of other federal or state sponsored
27 programs to facilitate the development of residential housing in
28 the area; and

29 (E) the ability of residents of the area to finance the

1 purchase of residential housing or to rent or lease such housing at
2 rates comparable to those in effect in other areas of the state.

3 * Sec. 7. This Act takes effect immediately in accordance with AS 01.10.-
4 070(c).

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Introduced: 2/13/79
Referred: Community & Regional
Affairs and Finance

1 IN THE SENATE

BY RAY AND STIMSON

2 SENATE BILL NO. 140

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act amending the authority of the Alaska Housing
7 Finance Corporation to adopt administrative regula-
8 tions; and providing for an effective date."

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

10 * Section 1. AS 18.56.088(c)(1) is amended to read:

11 (1) determination of borrower eligibility including, but not
12 limited to,

13 (A) income limitations; and

14 (B) the determination of remote, underdeveloped or
15 blighted areas of the state; a determination made under this sub-
16 paragraph shall be made with reference to each of the factors enu-
17 merated in AS 18.56.210(12), and the presence of a significant
18 urban population within the corporate limits of a unified munici-
19 pality or home rule or general law borough may not disqualify all
20 residents of that municipality from that determination;

21 * Sec. 2. This Act takes effect immediately in accordance with AS 01.10.-
22 070(c).

✓
COMMITTEE REPORT
SENATE

2/13/79

FURTHER: FINANCE

Date: 3-6-79

Mr. President:

The Committee on COMMUNITY & REGIONAL AFF. has had SB 140
amending the authority of Alaska Housing Finance Corporation to adopt
administrative regulations

under consideration and (a majority of the committee) (the committee)
reports it back with the following recommendations:

do pass do not pass

do pass with attached amendments(s)

replace with CS for SB 140 same title
 new title

and recommends do pass

AND attaches a "Letter of Intent" New Fiscal Note

reports it back without recommendation

referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

Tom Kelly
Jerry Thompson
PITT RODNEY
Bob [unclear]

Arlis Stangulovich
CHAIRMAN

Do Pass



RECORDS CERTIFICATION

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

James O. Smith
Signature of Camera Operator

3/23/90
Date

M E M O R A N D U M

TO: Russ Meekins, Chairman
House Finance Committee

FROM: John Lucas, Fiscal Analyst
Legislative Finance Division

SUBJECT: SB 142

The above referenced bill has been referred to the House Finance Committee. It is my understanding that the Committee will not schedule the bill until next week.

The Department has informed me that the foster care and institutional care programs will be out of funds by April 13. They are requesting that if at all possible, the Committee schedule the bill for an earlier date.

JL:pw

March 15, 1979

M E M O R A N D U M

TO: Senator George Hohman
Senate Finance Committee

FROM: John Lucas
Fiscal Analyst

SUBJECT: Adventure-Based Education (SB 142)

I believe the addition of the following sections will meet your request concerning HB 142:

Sec. 4. The sum of \$100,000 is appropriated from the general fund to the Department of Health and Social Services, Division of Social Services, Youth Services, for program grants to adventure-based education programs.

Sec. 4 of the present bill becomes Sec. 5.

Sec. 6. The unexpended and unobligated portion of the appropriation made in Sec. 4 of this Act lapses June 30, 1980.

Sec. 5 of the present bill becomes Sec. 7.

JL:pw

COMMITTEE REPORT HOUSE

FURTHER:

March 20, 1979

Date: 4-23-79

Mr. Speaker:

The Committee on FINANCE has had CSSB 142

"An Act making a supplemental appropriation to the Department of Health and Social Services; eff. date."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass do not pass
- do pass with attached amendments(s)
- replace with ^{Finance Note} CS for CSSB 142 same title
 new title
- and recommends it "do pass"
- AND attaches a "Letter of Intent" New Fiscal Note
- reports it back without recommendation
- referred to the _____ Committee

**MEMBERS SIGNING
DO PASS**

Freeman

McKinnon

Rogers

**MEMBERS HAVING
OTHER RECOMMENDATIONS:**

Mr. Pease - Montgomery

Freeman
Vice CHAIRMAN

Original sponsor: Rules/Governor

Offered: 4/24/79
Referred: Rules

Funding Information

General Fund	\$ 7,898,916
Other Funds	2,375,040
	<u>\$10,273,956</u>

1 IN THE SENATE BY THE FINANCE COMMITTEE

2 HOUSE CS FOR CS FOR SENATE BILL NO. 142

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act transferring among fiscal year 1979 appropria-
7 tions to the Department of Health and Social Services
8 and making supplemental appropriations to the Department
9 of Health and Social Services for the fiscal years end-
10 ing June 30, 1978 and June 30, 1979; and providing for
11 an effective date."

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

13 * Section 1. Section 12, ch. 113 SLA 1978, page 23, line 26, and page 24,
14 lines 4 - 7, is amended to read:

	ALLOCATIONS	APPROPRIATION ITEMS	GENERAL FUND	OTHER FUNDS
Nursing		<u>4,909,600</u>	<u>3,870,100</u>	1,039,500
		[4,830,900]	[3,791,400]	
Field Nursing				
(129 positions)	<u>3,857,300</u>			
	[3,834,300]			
Home Health Service				
(2 positions)	<u>53,500</u>			
	[52,000]			
Administration				
(18 positions)	<u>768,300</u>			
	[717,500]			
Early Screening				
(3 positions)	<u>230,500</u>			

1 [227,100]

2 * Sec. 2. Section 12, ch. 113 SLA 1978, page 24, lines 8, 9, 11 and 12,
3 is amended to read:

4		APPROPRIATION	GENERAL	OTHER
5	ALLOCATIONS	ITEMS	FUND	FUNDS
6	Communicable Disease			
7	Control	<u>1,201,800</u>	<u>995,300</u>	206,500
8		[1,237,500]	[1,031,000]	
9	Tuberculosis Control			
10	(12 positions)	<u>629,700</u>		
11		[644,200]		
12	Immunization			
13	(2 positions)	<u>71,800</u>		
14		[81,300]		
15	Epidemiology			
16	(2 positions)	<u>266,500</u>		
17		[278,200]		

18 * Sec. 3. Section 12, ch. 113 SLA 1978, page 24, line 13, is amended to
19 read:

20		APPROPRIATION	GENERAL	OTHER
21	ALLOCATIONS	ITEMS	FUND	FUNDS
22	Environmental			
23	Health (38 positions)	<u>1,263,300</u>	<u>1,098,300</u>	165,000
24		[1,251,600]	[1,086,600]	

25 * Sec. 4. Section 12, ch. 113 SLA 1978, page 24, lines 14 - 18 and line
26 23, is amended to read:

27		APPROPRIATION	GENERAL	OTHER
28	ALLOCATIONS	ITEMS	FUND	FUNDS
29	Child and Family Health	<u>3,488,500</u>	<u>2,150,500</u>	1,338,000

1 [3,578,600] [2,240,600]

2 Family Planning
3 (3 positions) 377,200
4 [396,300]

5 Maternal and Child
6 Health
7 (2 positions) 230,200
8 [266,200]

9 Handicapped children
10 (9 positions) 1,350,500
11 [1,338,500]

12 Communicative Disorders
13 (14 positions) 540,900
14 [545,200]

15 Child Development
16 Service (6 posi-
17 tions) 218,300
18 [261,000]

19 * Sec. 5. Section 12, ch. 113 SLA 1978, page 24, line 27, and page 25,
20 line 4, is amended to read:

	ALLOCATIONS	APPROPRIATION ITEMS	GENERAL FUND	OTHER FUNDS
Laboratories		<u>1,535,200</u>	<u>1,431,800</u>	103,400
		[1,528,100]	[1,424,700]	
Regional Labs				
(39 positions)	<u>1,414,000</u>			
	[1,406,900]			

27 * Sec. 6. Section 12, ch. 113 SLA 1978, page 25, lines 9, 10 and 13, is
28 amended to read:
29

	ALLOCATIONS	APPROPRIATION ITEMS	GENERAL FUND	OTHER FUNDS
Public Health Administration		<u>1,400,700</u>	<u>1,293,300</u>	107,400
		[1,372,400]	[1,265,000]	
Administration (11 positions)	<u>639,500</u>			
	[618,800]			
Health Education (4 positions)	<u>161,200</u>			
	[153,600]			

* Sec. 7. Section 12, ch. 113 SLA 1978, page 25, lines 16, 22 and 23, is amended to read:

	ALLOCATIONS	APPROPRIATION ITEMS	GENERAL FUND	OTHER FUNDS
Medicaid		<u>38,014,500</u>	<u>6,880,600</u>	<u>31,133,900</u>
		[38,464,900]	[7,211,000]	[31,253,900]
State Institutions	<u>6,069,100</u>			
	[6,309,100]			
Indian Health Services	<u>6,211,900</u>			
	[6,422,300]			

* Sec. 8. Section 12, ch. 113 SLA 1978, page 26, lines 24 - 26, is amended to read:

	ALLOCATIONS	APPROPRIATION ITEMS	GENERAL FUND	OTHER FUNDS
Alaska Psychiatric Institute (253 positions)			<u>6,318,300</u>	<u>1,198,400</u>

1 [5,939,500] [1,461,200]
 2 Personal Services 6,495,600
 3 [6,295,600]
 4 Other 1,021,100
 5 [1,105,100]

6 * Sec. 9. Section 12, ch. 113 SLA 1978, page 27, line 5, is amended to
 7 read:

	ALLOCATIONS	APPROPRIATION ITEMS	GENERAL FUND	OTHER FUNDS
10 Contract Forensic Services				
11 Travel and Grants		<u>221,300</u>	<u>221,300</u>	
		[256,300]	[256,300]	

13 * Sec. 10. Section 12, ch. 113 SLA 1978, page 27, lines 6 and 7, is
 14 amended to read:

	ALLOCATIONS	APPROPRIATION ITEMS	GENERAL FUND	OTHER FUNDS
17 Community Mental				
18 Health Services		<u>2,869,500</u>	<u>2,804,500</u>	65,000
		[2,884,500]	[2,819,500]	
20 Regional Administration				
21 (2 positions)	<u>66,900</u>			
22	[81,900]			

23 * Sec. 11. Section 12, ch. 113 SLA 1978, page 27, lines 12 - 14, is
 24 amended to read:

	ALLOCATIONS	APPROPRIATION ITEMS	GENERAL FUND	OTHER FUNDS
27 Harborview				
28 (156 positions)			<u>420,200</u>	5,078,600
29			[534,200]	

1 for the fiscal year ending June 30, 1979, to be allocated as follows:

2	Juneau	\$34,000
3	Fairbanks	80,000
4	Ketchikan	17,000
5	Eagle River	71,000
6	Ridgeview	80,000

7 * Sec. 15. The sum of \$353,618 is appropriated from the general fund to
8 the Department of Health and Social Services, office of alcoholism and drug
9 abuse, for the fiscal year ending June 30, 1979, to be allocated as follows:

10	Grants for alcohol treatment programs	\$350,759
11	Unalaska alcoholism program - for unpaid bill	2,859

12 * Sec. 16. The sum of \$967,100 is appropriated from the general fund to
13 the Department of Health and Social Services for the fiscal year ending
14 June 30, 1979, to be allocated as follows:

15	Payments to enrollees in the Aid to the	
16	Disabled assistance program	\$549,200
17	Payments to enrollees in the Old Age	
18	assistance program	417,900

19 * Sec. 17. The sum of \$3,325,300 is appropriated to the Department of
20 Health and Social Services for payments to enrollees in the Aid to Families
21 with Dependent Children program, for the fiscal year ending June 30, 1979.
22 This appropriation is from the following sources:

23	General fund	\$1,662,650
24	Federal receipts	1,662,650

25 * Sec. 18. The sum of \$2,045,300 is appropriated from the general fund to
26 the Department of Health and Social Services, General Relief Medical program,
27 to pay medical bills for the fiscal year ending June 30, 1979.

28 * Sec. 19. The sum of \$1,266,346 is appropriated to the Department of
29 Health and Social Services, Medicaid program, to pay medical bills for the

1 fiscal year ending June 30, 1979. This appropriation is from the following
2 sources:

3	General fund	\$575,800
4	Federal receipts	575,800
5	Revenue sharing	114,746

6 * Sec. 20. The sum of \$1,332,400 is appropriated from the general fund to
7 the Department of Health and Social Services for the fiscal year ending
8 June 30, 1979, to be allocated as follows:

9	Office of Internal Review -	
10	To replace shortfall of federal	
11	receipts for fiscal year 1979	\$ 43,700
12	Division of Social Services -	
13	To replace shortfall of federal	
14	receipts for fiscal year 1979 and to	
15	cover excess expenditures of the	
16	fiscal year 1979 appropriation	1,288,700

17 * Sec. 21. The sum of \$200,000 is appropriated to the Department of
18 Health and Social Services, division of public health, for bills incurred by
19 the handicapped children's program during the fiscal year ending June 30,
20 1978. This appropriation is from the following sources:

21	General fund	\$178,156
22	Program receipts	21,844

23 * Sec. 22. The sum of \$31,100 is appropriated from the general fund to
24 the Department of Health and Social Services for the fiscal year ending
25 June 30, 1978, for personal services costs of the division of mental health
26 and developmental disabilities, administration and support.

27 * Sec. 23. The sum of \$3,400 is appropriated from the general fund to the
28 Department of Health and Social Services, to be allocated as follows:

29 Public Health Administration - for

1 miscellaneous fiscal year 1978 bills \$1,500
2 Division of Public Assistance - for
3 miscellaneous fiscal year 1978 bills 1,900

4 * Sec. 24. The sum of \$234,992 is appropriated from the general fund to
5 the Department of Health and Social Services, division of corrections, for
6 unpaid bills incurred during the fiscal year ending June 30, 1978.

7 * Sec. 25. The unexpended and unobligated portion of the appropriations
8 made in secs. 13 - 24 of this Act lapse June 30, 1979.

9 * Sec. 26. This Act takes effect immediately in accordance with AS 01.10.-
10 070(c).

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7 898 916 GF
 2 238 450 FF

HCS ~~SB~~ CSSB 142 ~~supp app~~ transfers betw
 FY 79 app items / ~~FF~~
 making & making supp
 app / DRESS / e.d.

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CSSB 142	Sec 1	1,332,400 GF ✓	FY 79
CSSB 143	Sec 1	232,400 GF ✓	FY 79
CSSB 143	Am Sec 2	282,000 GF ✓	FY 79
CSHB 188	Am Sec 1	353,618 GF ✓	FY 79
CSHB 217	Sec 1	967,100 GF ✓	FY 79
CSHB 217	Sec 2	1,662,650 GF ✓	
		1,662,650 FF ✓	FY 79
CSHB 217	Sec 3	2,045,300 GF ✓	FY 79
CSHB 217	Sec 4	575,800 GF ✓	
		575,800 FF ✓	
		114,746 RS	FY 79

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CSHB 210	Am Sec 1	178,156 GF ✓	
		21,844 PR	FY 78
CSHB 210	Sec 2	31,100 GF ✓	FY 78
HB 216	Sec 1	3,400 GF ✓	FY 78
Req	unpaid bills	234,992 GF ✓	FY 78

- 1-9
- 10-17
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HB 430	Sec 1-9	Transfers	FY 79
HB 210	Sec 3-10	Transfers	FY 79
Req	Probation/Parole/Medicaid	Transfers	FY 79

- 31
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Lapses June 30, 79
 1 unrel e.d.

Original sponsor: Rules/Governor

Funding Information

General Fund \$ 7,898,916
Other Funds 2,375,040
\$10,273,956

1 IN THE SENATE BY THE FINANCE COMMITTEE

2 HOUSE CS FOR CS FOR SENATE BILL NO. 142

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act transferring among fiscal year 1979 appropria-
7 tions to the Department of Health and Social Services
8 and making supplemental appropriations to the Department
9 of Health and Social Services for the fiscal years end-
10 ing June 30, 1978 and June 30, 1979; and providing for
11 an effective date."

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

13 * Section 1. Section 12, ch. 113 SLA 1978, page 23, line 26, and page 24,
14 lines 4 - 7, is amended to read:

	ALLOCATIONS	APPROPRIATION ITEMS	GENERAL FUND	OTHER FUNDS
15				
16				
17	Nursing	<u>4,909,600</u>	<u>3,870,100</u>	1,039,500
18		[4,830,900]	[3,791,400]	
19	Field Nursing			
20	(129 positions) <u>3,257,300</u>			
21	[3,834,300]			
22	Home Health Service			
23	(2 positions) <u>53,500</u>			
24	[52,000]			
25	Administration			
26	(18 positions) <u>768,300</u>			
27	[717,500]			
28	Early Screening			
29	(3 positions) <u>230,500</u>			

1 [227,100]

2 * Sec. 2. Section 12, ch. 113 SLA 1978, page 24, lines 8, 9, 11 and 12,
3 is amended to read:

4		APPROPRIATION	GENERAL	OTHER
5	ALLOCATIONS	ITEMS	FUND	FUNDS
6	Communicable Disease			
7	Contr.	<u>1,201,800</u>	<u>995,300</u>	206,500
8		[1,237,500]	[1,031,000]	
9	Tuberculosis Control			
10	(12 positions)	<u>629,700</u>		
11		[644,200]		
12	Immunization			
13	(2 positions)	<u>71,800</u>		
14		[81,300]		
15	Epidemiology			
16	(2 positions)	<u>266,500</u>		
17		[278,200]		

18 * Sec. 3. Section 12, ch. 113 SLA 1978, page 24, line 13, is amended to
19 read:

20		APPROPRIATION	GENERAL	OTHER
21	ALLOCATIONS	ITEMS	FUND	FUNDS
22	Environmental			
23	Health (38 positions)	<u>1,263,300</u>	<u>1,098,300</u>	165,000
24		[1,251,600]	[1,086,600]	

25 * Sec. 4. Section 12, ch. 113 SLA 1978, page 24, lines 14 - 18 and line
26 23, is amended to read:

27		APPROPRIATION	GENERAL	OTHER
28	ALLOCATIONS	ITEMS	FUND	FUNDS
29	Child and Family Health	<u>3,488,500</u>	<u>2,150,500</u>	1,338,000

1			[3,578,600]	[2,240,600]
2	Family Planning			
3	(3 positions)	<u>377,200</u>		
4		[396,300]		
5	Maternal and Child			
6	Health			
7	(2 positions)	<u>230,200</u>		
8		[266,200]		
9	Handicapped children			
10	(9 positions)	<u>1,350,500</u>		
11		[1,338,500]		
12	Communicative Disorders			
13	(14 positions)	<u>540,900</u>		
14		[545,200]		
15	Child Development			
16	Service (6 posi-			
17	tions)	<u>218,300</u>		
18		[261,000]		

* Sec. 5. Section 12, ch. 113 SLA 1978, page 24, line 27, and page 25, line 4, is amended to read:

	ALLOCATIONS	APPROPRIATION ITFMS	GENERAL FUND	OTHER FUNDS
Laboratories		<u>1,535,200</u>	<u>1,431,800</u>	103,400
		[1,528,100]	[1,424,700]	
Regional Labs				
(39 positions)	<u>1,414,000</u>			
	[1,406,900]			

* Sec. 6. Section 12, ch. 113 SLA 1978, page 25, lines 9, 10 and 13, is amended to read:

	ALLOCATIONS	APPROPRIATION ITEMS	GENERAL FUND	OTHER FUNDS
Public Health Administration		<u>1,400,700</u>	<u>1,293,300</u>	107,400
		[1,372,400]	[1,265,000]	
Administration (11 positions)	<u>639,500</u>			
	[618,800]			
Health Education (4 positions)	<u>161,200</u>			
	[153,600]			

* Sec. 7. Section 12, ch. 113 SLA 1978, page 25, lines 16, 22 and 23, is amended to read:

	ALLOCATIONS	APPROPRIATION ITEMS	GENERAL FUND	OTHER FUNDS
Medicaid		<u>38,014,500</u>	<u>6,880,600</u>	<u>31,153,900</u>
		[38,464,900]	[7,211,000]	[31,253,900]
State Institutions	<u>6,069,100</u>			
	[6,309,100]			
Indian Health Services	<u>6,211,900</u>			
	[6,422,300]			

* Sec. 8. Section 12, ch. 113 SLA 1978, page 26, lines 24 - 26, is amended to read:

	ALLOCATIONS	APPROPRIATION ITEMS	GENERAL FUND	OTHER FUNDS
Alaska Psychiatric Institute (253 positions)			<u>6,318,300</u>	<u>1,198,400</u>

1			[5,939,500]	[1,461,200]
2	Personal Services	<u>6,495,600</u>		
3		[6,295,600]		
4	Other	<u>1,021,100</u>		
5		[1,105,100]		

6 * Sec. 9. Section 12, ch. 113 SLA 1978, page 27, line 5, is amended to
7 read:

8		APPROPRIATION	GENERAL	OTHER
9	ALLOCATIONS	ITEMS	FUND	FUNDS
10	Contract Forensic Services			
11	Travel and Grants	<u>221,300</u>	<u>221,300</u>	
12		[256,300]	[256,300]	

13 * Sec. 10. Section 12, ch. 113 SLA 1978, page 27, lines 6 and 7, is
14 amended to read:

15		APPROPRIATION	GENERAL	OTHER
16	ALLOCATIONS	ITEMS	FUND	FUNDS
17	Community Mental			
18	Health Services	<u>2,869,500</u>	<u>2,804,500</u>	65,000
19		[2,884,500]	[2,819,500]	
20	Regional Administration			
21	(2 positions)	<u>66,900</u>		
22		[81,900]		

23 * Sec. 11. Section 12, ch. 113 SLA 1978, page 27, lines 12 - 14, is
24 amended to read:

25		APPROPRIATION	GENERAL	OTHER
26	ALLOCATIONS	ITEMS	FUND	FUNDS
27	Harborview			
28	(156 positions)		<u>420,200</u>	5,078,600
29			[534,200]	

1 for the fiscal year ending June 30, 1979, to be allocated as follows:

2	Juneau	\$34,000
3	Fairbanks	80,000
4	Ketchikan	17,000
5	Eagle River	71,000
6	Ridgeview	80,000

7 * Sec. 15. The sum of \$353,618 is appropriated from the general fund to
8 the Department of Health and Social Services, office of alcoholism and drug
9 abuse, for the fiscal year ending June 30, 1979, to be allocated as follows:

10	Grants for alcohol treatment programs	\$350,759
11	Unalaska alcoholism program - for unpaid bill	2,859

12 * Sec. 16. The sum of \$967,100 is appropriated from the general fund to
13 the Department of Health and Social Services for the fiscal year ending
14 June 30, 1979, to be allocated as follows:

15	Payments to enrollees in the Aid to the	
16	Disabled assistance program	\$549,200
17	Payments to enrollees in the Old Age	
18	assistance program	417,900

19 * Sec. 17. The sum of \$3,325,300 is appropriated to the Department of
20 Health and Social Services for payments to enrollees in the Aid to Families
21 with Dependent Children program, for the fiscal year ending June 30, 1979.

22 This appropriation is from the following sources:

23	General fund	\$1,662,650
24	Federal receipts	1,662,650

25 * Sec. 18. The sum of \$2,045,300 is appropriated from the general fund to
26 the Department of Health and Social Services, General Relief Medical program,
27 to pay medical bills for the fiscal year ending June 30, 1979.

28 * Sec. 19. The sum of \$1,266,346 is appropriated to the Department of
29 Health and Social Services, Medicaid program, to pay medical bills for the

1 fiscal year ending June 30, 1979. This appropriation is from the following
2 sources:

3	General fund	\$575,800
4	Federal receipts	575,800
5	Revenue sharing	114,746

6 * Sec. 20. The sum of \$1,332,400 is appropriated from the general fund to
7 the Department of Health and Social Services for the fiscal year ending
8 June 30, 1979, to be allocated as follows:

9	Office of Internal Review -	
10	To replace shortfall of federal	
11	receipts for fiscal year 1979	\$ 43,700
12	Division of Social Services -	
13	To replace shortfall of federal	
14	receipts for fiscal year 1979 and to	
15	cover excess expenditures of the	
16	fiscal year 1979 appropriation	1,288,700

17 * Sec. 21. The sum of \$200,000 is appropriated to the Department of
18 Health and Social Services, division of public health, for bills incurred by
19 the handicapped children's program during the fiscal year ending June 30,
20 1978. This appropriation is from the following sources:

21	General fund	\$178,156
22	Program receipts	21,844

23 * Sec. 22. The sum of \$31,100 is appropriated from the general fund to
24 the Department of Health and Social Services for the fiscal year ending
25 June 30, 1978, for personal services costs of the division of mental health
26 and developmental disabilities, administration and support.

27 * Sec. 23. The sum of \$3,400 is appropriated from the general fund to the
28 Department of Health and Social Services, to be allocated as follows:

29 Public Health Administration - for

1 miscellaneous fiscal year 1978 bills \$1,500
2 Division of Public Assistance - for
3 miscellaneous fiscal year ¹⁹⁷⁸ bills 1,900

4 * Sec. 24. The sum of \$234,992 is appropriated from the general fund to
5 the Department of Health and Social Services, division of corrections, for
6 unpaid bills incurred during the fiscal year ending June 30, 1978.

7 * Sec. 25. The unexpended and unobligated portion of the appropriations
8 made in secs. 13 - 24 of this Act lapse June 30, 1979.

9 * Sec. 26. This Act takes effect immediately in accordance with AS 01.10.-
10 070(c).

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Original sponsor: Rules/Governor

Offered: 3/15/79
Referred: Rules

Funding Information

General Fund \$1,332,400
Other Funds -0-
\$1,332,400

1 IN THE SENATE BY THE FINANCE COMMITTEE

2 CS FOR SENATE BILL NO. 142

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act making a supplemental appropriation to the
7 Department of Health and Social Services; and providing
8 for an effective date."

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

10 * Section 1. The sum of \$1,332,400 is appropriated from the general fund
11 to the Department of Health and Social Services for the fiscal year ending
12 June 30, 1979, to be allocated as follows:

13 Office of Internal Review -

14 To replace shortfall of federal funds

15 for fiscal year 1979 \$ 43,700

16 Division of Social Services -

17 To replace shortfall of federal funds

18 for fiscal year 1979 and to cover ex-

19 cess expenditures of fiscal year 1979

20 appropriation 1,288,700

21 * Sec. 2. This Act takes effect immediately in accordance with AS 01.10.-

22 070(c).

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POSITION PAPER

CS FOR SENATEBILL NO. 142

"An Act making a supplemental appropriation to the Department of Health and Social Services; and providing for an effective date."

Office of Internal Review

Senate Bill No. 142, in regard to the Office of Internal Review, provides for replacing a shortfall of federal funds with state general funds. The AFDC eligibility for children in foster care and institutional care changed drastically since the preparation of the FY 1979 budget. Activities by the Administration and Audit Components of the Office of Internal Review relating to children in foster care and institutional care are no longer eligible for Title IV-A federal reimbursement. A significant amount of effort by this unit is made in auditing and rate setting of AS 47.40 related services.

If state general funds are not made available to replace the lost federal receipts, all Administrative and Audit staff will be subject to layoff by May 16.

Division of Social Services

Senate Bill No. 142 provides for supplemental funding of \$1228.7 to replace unclaimable federal Title IV-A funds and to meet the increased costs of the foster care and institutional care programs.

Under AS 47.10.230 and 47.40.040, the Division is required to provide 24-hour care and supportive costs for children in need of aid. Children placed in foster and institutional care are committed to the Division's custody, and the Division has no control over the number of children for who care must be provided or the rates paid (see attached audited rates).

Supportive costs, such as travel to and from placements, witnesses at court hearings, initial placement clothing purchases, medical care and psychiatric and psychological evaluations and treatment (the majority of which are court ordered for the child and parent(s)) must also be provided. The majority of the costs for evaluation, testing, examinations and other medically related care were borne by the Division of Public Assistance's Medicaid program in the past; however, such costs must now be assumed by the program. This policy change was enforced in FY 79 and therefore, the increases were not anticipated at the time the original budget request was prepared.

Replacement of \$837.6 federal Title IV-A funds with general funds is required. Federal representatives conducted a review of the cases for which Title IV-A funds were being claimed, resulting in a drastic reduction in revenues for FY 78. The number of children meeting the federal criteria for AFDC-FC eligibility (45 CFR 233.110(a)(1) and (a)(2)), has decreased drastically. Therefore, Title IV-A funds appropriated for FY 79 will far exceed actual revenues. Total replacement of these funds with general funds is requested, however, both the Divisions of Social Services and Public Assistance will continue determining eligibility and claiming all possible federal reimbursement.

If general funds are not appropriated to cover the above, we will be unable to meet foster care and institutional care costs beyond mid-May.

Supplemental needs for travel are based upon a one-month payment lag; professional costs upon actual contract limitations; clothing, provider payments and medical upon a two-month lag in Foster Care and a one-month lag, plus recent encumbrances, in Institutional Care. The total request is as follows:

	<u>200</u>	<u>300</u>	<u>400</u>	<u>700</u>	<u>Fed Shortfall</u>	<u>GF Total</u>
Foster Care	\$51.8	\$58.1	\$26.4	-0-	\$271.3	\$407.6
Institutional Care	<u>30.3</u>	<u>-</u>	<u>9.9</u>	<u>274.6</u>	<u>566.3</u>	<u>881.1</u>
	82.1	58.1	36.3	274.6	837.6	1,288.7

Enactment of Senate Bill No. 142 is recommended.

RECOMMENDED BY: *Roger C. Lange* DATE: _____
 Roger C. Lange, Administrator
 Office of Internal Review

RECOMMENDED BY: *Art Holmberg* DATE: 4/9/79
 Art Holmberg, Director
 Division of Social Services

APPROVED BY: *Helen D. Beirne* DATE: 4/10/79
 Helen D. Beirne, Commissioner
 Department of Health and Social Services

Attachments

FULL COST OF CARE
CHILD CARE SERVICES FY 1979

	<u>Agency</u>	<u>Provisional Rates</u>	<u>Audited (Final) Rates</u>
	Alaska Children's Services:		
	Aquarius	\$ 47.01	
ES	Bunnell Receiving Home <i>ES Contract provided</i>	55.94	
	Colletti	38.98	
	Jesse Lee	91.16	
	North Star	40.56	
ES -	Youth Services Center	109.99	
	Alaskan Youth Village	52.15	
ES	North Slope Borough (Barrow) Receiving Home <i>Contract 064183 encumbrance</i>	110.19	
	Bethel Group Home	46.96	
	Booth Memorial Home	92.26	
	Covenant High School	16.52	
	Hilltop Home	51.00	
ES	Juneau Receiving Home	66.03	
	Juneau Teen Homes	46.12	
ES	Kenai Peninsula Community Care Center	55.96	
	Ketchikan Children's Home	60.52	
	Kodiak Baptist Mission/ Group Home	18.19	
ES	<i>Receiving Home, Kodiak</i>		
ES	Nome Receiving Home	59.97	
	North Star Children's Home	40.83	
	Presbyterian Hospital House	61.86	
	Turning Point Day's Ranch	63.51	
ES	Sitka Youth Advocates Receiving Home	57.32	
ES	St. Judas <i>Contract 064171 encumbrance</i>	66.11	

18

Explanation

FY 79

FY 80

Institutional Care Daily Rates

Facility	FY 76 Audited Rate	FY 77 Audited Rate	Provisional FY 78 Rate	Est. FY 78 Revised Rate	Estimated FY 79 Rate	FY 78 Audited Rate	FY 79 Provisional Rate	FY 80 Es- Rate -
aska Children's Services Inc.								
Jesse Lee	42.83	61.55	75.43	83.73	88.75	81.59	Jesse Lee 91.1	96.43
North Star House	33.91	39.88	64.52	71.62	75.92	67.01	North Star 40.56	42.97
Aquarius	27.43	36.26	45.79	50.83	53.88	47.61	Aquarius 47.01	49.83
Colletti	27.16	36.94	48.70	54.06	57.30	50.42	Colletti 38.98	41.32
Youth Services Center	45.99	34.26	69.57	77.22	81.85	71.76	Youth Svcs 109.99	116.57
askan Youth Village	31.17	37.19	44.06	48.91	51.84	-	Sunnell 53.24	56.33
arrow Receiving Home			Rate not yet established			57.93	AK Youth V. 52.15	55.22
hethel Receiving	24.68	44.09	Closed in FY 77					
ooth Memorial Home	50.30	60.65	75.63	85.95	88.99	110.19	Barrow Rec. 110.19	116.34
ovenant High School		14.89	*	*		36.04	Bethel Group 46.96	49.75
illcrest Receiving Home	35.32	33.55	Rate not yet established			75.63	Booth Mem. 92.26	97.20
illtop Home	35.47	42.43	46.30	51.39	54.47	18.42	Covenant 15.52	17.52
ope Center*	40.51	35.01	*			46.30	Hillcrest 51.00	53.00
ype Cottage "A"*	28.70	31.70	*				Hilltop	
suit Volunteer Corps Group Home	29.53	26.21	36.04	40.00	42.40	62.04	Juneau Rec. 66.03	69.97
neau Receiving Home	26.76	47.81	Rate not yet established				Juneau Rec. Boys 46.12	48.31
neau Teen Home						39.57	Girls 46.12	48.37
Boys	22.52	39.67	40.88	45.38	48.10	39.57	Kenai Care 55.96	59.32
Girls	32.71	39.67	40.88	45.38	48.10	51.54	Ketchikan Ch. 60.52	64.15
nai Peninsula Community Care Center	36.58	48.06	51.54	57.21	60.64	48.50	Kodiak 18.19	19.25
chikan Children's Home						20.72	North Star 40.83	43.28
Receiving Home	39.22	43.30	48.50	53.84	57.07	62.25	Hosp. House 64.86	68.75
Teen Home	34.95	43.30	48.50	53.84	57.07	62.25	Turning Point 65.51	69.40
odiak Baptist Mission & Group Home	14.89	20.56	20.72	23.00	24.38	65.52	St. Jude's 68.71	72.85
ome Receiving Home	42.87	43.67	Closed in FY 77					
orth Star Home	18.94	22.92	Closed					
resbyterian Hospitality House	61.48	62.36	Rate not yet established					
heffield House (Hope Center)*	22.91	22.46	*			42.26		
t. Mary's High School	7.71		*			68.71		
urning Point Boys Ranch	44.92	43.31	46.81	51.96	55.08			
Not under Institutional Care								

18

EXPLANATION

000591

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POSITION PAPER

CS FOR SENATEBILL NO. 142

"An Act making a supplemental appropriation to the Department of Health and Social Services; and providing for an effective date."

Office of Internal Review

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	<u>200</u>	<u>300</u>	<u>400</u>	<u>700</u>	<u>Fed Shortfall</u>	<u>GF Total</u>
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Institutional Care	30.3	-	9.9	274.6	566.3	881.1
	<u>82.1</u>	<u>58.1</u>	<u>36.3</u>	<u>274.6</u>	<u>837.6</u>	<u>1,288.7</u>

Enactment of Senate Bill No. 142 is recommended.

RECOMMENDED BY: *Roger C. Lange* DATE: _____
 Roger C. Lange, Administrator
 Office of Internal Review

RECOMMENDED BY: *Art Holmberg* DATE: 4/9/79
 Art Holmberg, Director
 Division of Social Services

APPROVED BY: *Catherine M. Floyd* DATE: 4/10/79
 Helen D. Beirne, Commissioner
 Department of Health and Social Services

Attachments

FULL COST OF CARE
CHILD CARE SERVICES FY 1979

Agency	Provisional Rates	Audited (Final) Rates
Alaska Children's Services:		
ES Aquarius	\$ 47.01	
ES Bunnell Receiving Home <i>ES Contract provided</i>	59.24	
Colletti	38.98	
Jesse Lee	91.16	
North Star	40.56	
ES - Youth Services Center	109.99	
Alaskan Youth Village	52.15	
ES North Slope Borough (Barrow) Receiving Home <i>Contract 064183 encumbrance</i>	110.19	
Bethel Group Home	46.96	
Booth Memorial Home	92.26	
Covenant High School	16.52	
Hilltop Home	51.00	
ES Juneau Receiving Home	66.03	
Juneau Teen Homes	46.12	
ES Kenai Peninsula Community Care Center	55.96	
Ketchikan Children's Home	60.52	
Kodiak Baptist Mission/ Group Home <i>ES - Rev. Home, Kodiak</i>	18.19	
ES - Nome Receiving Home	59.97	
North Star Children's Home	40.83	
Presbyterian Hospital House	61.86	
Turning Point Boys' Ranch	65.51	
ES Sitka Youth Advocates Receiving Home	57.32	
ES St. Judes <i>Contract 064111 encumbrance</i>	62.11	

18

Explanation

FY 79

FY 80

Institutional Care Daily Rates

Facility	FY 76 Audited Rate	FY 77 Audited Rate	Provisional FY 78 Rate	Est. FY 78 Revised Rate	Estimated FY 79 Rate	FY 78 Audited Rate	FY 79 Provisional Rate	FY 80 Es- Rate - -
aska Children's Services Inc.								
Jesse Lee	42.83	61.55	75.43	83.73	88.75	81.59	Jesse Lee 91.1	96.43
North Star House	33.91	39.88	64.52	71.62	75.92	67.01	North Star 40.56	42.99
Aquarius	27.43	36.26	45.79	50.83	53.88	47.61	Aquarius 47.01	49.83
Colletti	27.16	36.94	48.70	54.06	57.30	50.42	Colletti 38.98	41.32
Youth Services Center	45.99	54.26	69.57	77.22	81.85	71.76	Youth Svc 109.99	116.57
askan Youth Village	31.17	37.19	44.06	48.91	51.84	-	Sunnell 53.24	56.43
arrow Receiving Home			Rate not yet established			57.93	AK Youth V. 52.15	55.22
Bethel Receiving	24.68	44.09	Closed in FY 77					
Booth Memorial Home	50.30	60.65	75.63	83.95	88.99	110.19	Barrow Rec. 110.19	116.30
Covenant High School		14.89	*	*		36.04	Bethel Group 46.96	49.75
Hillcrest Receiving Home	35.32	33.55	Rate not yet established			75.63	Booth Mem. 92.26	97.20
Hilltop Home	35.47	42.43	46.30	51.39	54.47	18.42	Covenant 16.52	17.50
Hope Center*	40.51	55.01	*			46.30	Hillcrest 51.00	54.00
Hope Cottage "A"*	28.70	51.70	*				Hilltop	
Suit Volunteer Corps Group Home	29.53	26.21	36.04	40.00	42.40	62.04	Juneau Rec. 66.03	69.99
Juneau Receiving Home	26.76	47.81	Rate not yet established				Juneau Teen	
Juneau Teen Home						39.57	Boys 46.12	48.81
Boys	22.52	39.67	40.88	45.38	48.10	39.57	Girls 46.12	48.81
Girls	32.71	39.67	40.88	45.38	48.10	51.54	Kenai Care 55.96	59.32
Kenai Peninsula Community Care Center	36.58	48.06	51.54	57.21	60.64	48.50	Ketchikan Ch. 60.52	64.00
Ketchikan Children's Home						20.72	Kodiak 18.19	19.25
Receiving Home	39.22	45.30	48.50	53.84	57.07	62.25	Nome Rec. 59.97	63.57
Teen Home	34.95	43.30	48.50	53.84	57.07	42.45	North Star 40.83	43.28
Kodiak Baptist Mission & Group Home	14.89	20.56	20.72	23.00	24.38	65.52	Hosp. House 64.86	68.75
Nome Receiving Home	42.87	43.67	Closed in FY 77			46.31	Turning Point 65.51	69.46
North Star Home	18.94	22.92	Closed			42.26	Sitka Rec. H. 57.32	60.70
Presbyterian Hospitality House	61.48	62.36	Rate not yet established			68.71	St. Judes 68.71	72.80
Sheffield House (Hope Center)*	22.91	22.46	*					
St. Mary's High School	7.71		*					
Turning Point Boys Ranch	44.92	43.31	46.81	51.96	55.08			
Not under Institutional Care								

Program Services - Institutional Care

Dept. of Health & Social Services
BRU CODE Health & Social Services REVISIED

NT Institutional Care

DATE REVISIED

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EXPLANATION

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SB142

SB142

February 12, 1979

The Honorable Clem Tillion
President of the Senate
Alaska State Legislature
Juneau, Alaska 99811

Dear Mr. President:

Under the authority of art. III, sec. 18 of the Alaska Constitution, I am transmitting a bill making a supplemental appropriation to the Department of Health and Social Services.

The sum of \$88,000 is appropriated to the department's Office of Internal Review (Audit Component, \$75,800; Administration Component, \$12,200). Reimbursement for activities related to children in the care of the department can no longer be claimed because children in foster and institutional care, for the most part, are no longer considered eligible for Aid to Families with Dependent Children by the federal criteria. This change in federal criteria was not known until after the FY 79 budget was passed by the legislature.

The sum of \$1,353,800 is also requested for the department's Division of Social Services for foster and institutional care of children in the care of the department. The division is required by AS 47.10.230 and 47.40.040 to provide necessary care and support to children in custody. Due to the increased number of children in care who do not meet federal criteria for Aid to Families with Dependent Children (45 C.F.R. 233.110(a)(1) and (2)), reimbursement to the department fell far short of the amount anticipated.

Sincerely,

JSH

Jay S. Hammond
Governor