

ALASKA LEGISLATURE COMMITTEE BILL FILES - 1987 - 1988 8879

SB 167-h, SB 169 66

SB

167-H

HOUSE COMMITTEE REPORT

(11)

Date referred: 5/4/87

FURTHER REFERRALS:

DATE: 5-14-87

The Finance Committee has considered SB 167

"An Act relating to grants for water supply, sewage, and solid waste facilities; establishing a revolving loan fund; and providing for an effective date."

RECOMMENDS:

- replace with HCS SB 167 (Res) the same title
- attached amendment(s) a new title
- do pass
- do not pass
- no recommendation
- individual recommendations
- additional referral to the _____ Committee

ADOPTS: _____ letter of intent

ATTACHES NEW FISCAL NOTE(s):

- fiscal impact same as previous fiscal note published 4-1-87
- zero fiscal note same as previous zero fiscal note published _____
- zero with analysis

SIGNING DO PASS:

[Signature]
[Signature]
Ronald P. Jarrow
[Signature]
[Signature]
[Signature]
[Signature]
[Signature]
[Signature]

SIGNING OTHER RECOMMENDATIONS:

[Signature]
 Chairman's signature

STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE

HCS
Bill Version: SB 167 (RES)
Publish Date: _____

REQUEST: _____

Revision Date: _____

Title: Grants for water supply & sewage facilities; establishing revolving loan fund

Sponsor: Senator Halford

Requestor: _____

Agency Affected: Environmental Conservation BRU: Facility Construction & Operation

Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING						

CAPITAL						
---------	--	--	--	--	--	--

REVENUE						
---------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

GENERAL FUND	-0-	2179.0	2152.7	2252.7	2905.4	2179.0
FEDERAL FUNDS	-0-	10895.4	10763.6	11263.6	14527.2	10895.4
OTHER						
TOTAL	-0-	13074.4	12916.3	13516.3	17432.6	13074.4

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary) Passage of the revolving loan fund bill will give the state the ability to accept a total of \$69,240,000 in federal dollars to capitalize the fund. Federal funds require a 20% state match. Passage of the bill does not obligate the state to accept the federal dollars or to appropriate the match. *Please see attachment.

Prepared by: Lori Telfer
Division: Facility Construction and Operation

Phone: 465-2610
Date: 3/17/87

Approved by Commissioner: [Signature]
Agency: Environmental Conservation

Date: 3/17/87

Distribution (by preparer):
Legislative Finance
Legislative Services
Requestor
Office of Management and Budget
Impacted Agency(ies)
Senate Secretary

Attachment 1

FISCAL NOTE ASSUMPTIONS AND ANALYSIS

- 1 All operating and administrative expenses will be paid by a percentage set aside from annual federal grants to the program. Operating projections have, therefore, been left blank. Additional staff will not be needed. Staff that now administer the federal grant program will administer the federal loan program.
- 2 Loan repayments to the fund and interest earned by the fund have not been included in this analysis.
- 3 Federal capitalization grants to the loan fund will be available annually for seven years (FFY 88 - FFY 94). An extension of the fiscal analysis on the front page is given below.

	<u>FY 93</u>	<u>FY 94</u>
General Fund	1,452,720	726,360
Federal Funds	7,262,600	3,631,800
Other	-0-	-0-
Total	8,716,320	4,358,160

SEVEN YEAR TOTAL:	General Fund	\$ 13,848,120
	Federal Funds	<u>\$ 69,240,600</u>
		\$ 83,088,720

Original sponsors: Halford and Sturgulewski

1 IN THE SENATE BY THE RESOURCES COMMITTEE
2 HOUSE CS FOR SENATE BILL NO. 167 (Resources)
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 FIFTEENTH LEGISLATURE - FIRST SESSION
5 A BILL
6 For an Act entitled: "An Act relating to grants for water supply, sewage,
7 and solid waste facilities; establishing a revolving
8 loan fund; and providing for an effective date."
9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:
10 * Section 1. AS 46.03.030(c) is amended to read:
11 (c) There is a water quality enhancement program and [,] water
12 supply, sewage [SEWERAGE], and solid waste facilities fund created in
13 the department to carry out the purposes of this section.
14 * Sec. 2. AS 46.03.030(d) is amended to read:
15 (d) The department shall, by regulation, identify those costs
16 that [WHICH] are eligible costs for the purposes of this section.
17 Eligible costs include the costs established in a construction con-
18 tract which are necessary for construction of a project, but do not
19 include the cost of interest and financing and right-of-way acquisi-
20 tion, or costs related to operation, maintenance, or repair [OR RE-
21 PLACEMENT] of a project.
22 * Sec. 3. AS 46.03.030(e) is amended to read:
23 (e) The department may grant to a municipality not more than 50
24 percent of the eligible costs that [, INCLUDING COSTS OF OBTAINING
25 FEDERAL WAIVERS FROM THE REQUIREMENT FOR SECONDARY TREATMENT PLANTS,
26 WHICH] are not paid for by the federal government for solid waste
27 processing or disposal facilities constructed after July 1, 1980.
28 However, the department may grant a municipality up to 60 percent of
29 the eligible costs not paid for by the federal government for a solid

1 waste processing or disposal facility constructed after July 1, 1980,
2 if the facility is used for resource recovery. The eligible costs of
3 a solid waste processing or disposal facility are determined by the
4 federal agency granting the most monetary assistance for construction
5 of the facility. For a solid waste processing or disposal facility
6 for which federal money is not available, the department shall deter-
7 mine the eligible costs in accordance with (d) of this section. A
8 municipality shall construct solid waste processing or disposal facil-
9 ities financed by grants under this section according to plans and
10 specifications approved by the department.

11 * Sec. 4. AS 46.03 is amended by adding a new section to read:

12 Sec. 46.03.032. ALASKA CLEAN WATER FUND. (a) There is estab-
13 lished as a separate fund the Alaska clean water fund, which is dis-
14 tinct from any other money or fund in the treasury, and which consists
15 of money appropriated by the legislature to meet federal matching
16 requirements, federal capitalization grants, loan repayments, interest
17 received from loan repayments, and interest received from investment
18 of money in the clean water fund.

19 (b) The department shall administer the Alaska clean water fund.

20 (c) The department may accept and make use of all capitalization
21 grants provided by the federal government under the federal Clean
22 Water Act, as amended by P.L. 100-4.

23 (d) Except as otherwise limited by federal law, the Alaska clean
24 water fund may be used for the following:

25 (1) buying or refinancing treatment works debt obligations
26 of municipalities;

27 (2) planning, designing, building, constructing, and re-
28 habilitating facilities associated with public sewage collection,
29 treatment, and discharge facilities;

1 (3) constructing, equipping, modifying, improving, and
2 expanding public water supply, treatment, and distribution systems;

3 (4) guaranteeing or purchasing insurance for public agency
4 obligations related to treatment works construction.

5 (e) Repayment of loans must be secured in a manner that the
6 department determines is feasible to assure prompt repayment under a
7 loan agreement entered into with the borrower.

8 (f) The department may spend money from the fund to pay the
9 costs of administering the fund.

10 (g) A municipality wishing to borrow money from the fund must
11 demonstrate to the satisfaction of the department,

12 (1) sufficient legal authority to incur the debt for which
13 it is applying; and

14 (2) that it will establish and maintain a dedicated source
15 of revenue or other acceptable revenue source for repayment of the
16 loan.

17 (h) Allocation of Alaska clean water fund loans must be made in
18 accordance with the priority list developed by the department, using
19 criteria specified in regulations adopted by the department.

20 (i) Before making a loan from the Alaska clean water fund, the
21 department shall, by regulation, specify

22 (1) standards for the eligibility of borrowers and the type
23 of projects to be financed with loans;

24 (2) loan term and interest rate policies for loans made
25 from the fund;

26 (3) standards regarding the technical and economic viability
27 and revenue self-sufficiency of eligible projects;

28 (4) collateral or other security required for loans;

29 (5) terms of loans; and

1 (6) other relevant criteria, standards, or procedures.

2 (j) A loan made by the department must be made according to the
3 standards, criteria, and procedures established by regulations under
4 this section.

5 (k) The department shall prepare reports required by the federal
6 government in conjunction with federal capitalization grant award
7 conditions. The department shall also provide the Alaska legislature
8 with an annual report on the Alaska clean water fund on or before
9 first day of each legislative session.

10 (l) Except as provided in (n) of this section, loan repayments
11 and interest earned by loans from the Alaska clean water fund must be
12 deposited in the fund.

13 (m) Annual principal payments must commence within one year
14 after project completion, or within two years after the date the loan
15 is made, whichever is earlier.

16 (n) State appropriations in excess of the amount required by the
17 federal Clean Water Act, as amended by P.L. 100-4, shall be accounted
18 for separately. Repayments of principal from loans made from these
19 amounts shall be deposited in the Alaska clean water fund. Repayments
20 of interest from loans made from these amounts and earnings on these
21 amounts shall be deposited in the general fund. The commissioner of
22 administration shall separately account for the interest repayments
23 and earnings that the Department of Environmental Conservation de-
24 posits in the general fund.

25 * Sec. 5. This Act takes effect immediately under AS 01.10.070(c).

SECTIONAL ANALYSIS OF THE ALASKA CLEAN WATER FUND ENABLING LEGISLATION
(CHSSB 167) AND ITS CORRESPONDENCE WITH TITLE VI OF THE FEDERAL CLEAN WATER ACT

Sec. 46.03.032. Alaska Clean Water Fund. (a) There is established as a separate fund the Alaska clean water fund, which is distinct from any other money or fund in the treasury, and which consists of money appropriated by the legislature, federal capitalization grants, loan repayments, interest received from loan repayments, and interest received from investment of money in the clean water fund.

(CWA) Sec. 602 (b) "Specific Requirements.--The Administrator shall enter into an agreement under this section with a State only after the State has established to the satisfaction of the Administrator that--

(1) the State will accept grant payments with funds to be made available under this title and section 205(m) of this Act in accordance with a payment schedule established jointly by the Administrator under section 601(b) of this Act and will deposit all such payments in the water pollution control revolving fund established by the State in accordance with this title;

(2) the State will deposit in the fund from State moneys an amount equal to at least 20 percent of the total amount of all capitalization grants which will be made to the State with funds to be made available under this title and section 205(m) of this Act on or before the date on which each quarterly grant payment made to the State under this title;"

Sec. 603 (c)(3) "...The fund shall be established, maintained, and credited with repayments, and the fund balance shall be available in perpetuity for providing such financial assistance."

Sec. 603 (d)(1)(D) "The fund will be credited with all payments of principal and principal and interest on all loans."

46.03.032 (b) The department shall administer the Alaska clean water fund.

(CWA) SEC 603 (b) "Administration.--Each State water pollution control revolving fund shall be administered by an instrumentality of the State with such powers and limitations as may be required to operate such fund in accordance with the requirements and objectives of this Act.

46.03.032 (c) The department may accept and make use of all capitalization grants provided by the federal government under the federal Clean Water Act, as amended by P.L. 100-4.

(CWA) Sec. 602 (b)(a)(1) "the State will accept grant payments with funds to be made available under this title and section 205(m) of this Act in accordance with a payment schedule established jointly by the Administrator under section 601(b) of this Act and will deposit all such payments in the water pollution control revolving fund established by the State in accordance with this title;

46.03.032 (d) Except as otherwise limited by federal law, the Alaska clean water fund may be used for the following:

(1) buying or refinancing treatment works debt obligations of municipalities;

(CWA) SEC 603(d)(2) "to buy or refinance the debt obligation of municipalities and intermunicipal and interstate agencies within the State at or below market rates, where such debt obligations were incurred after March 7, 1985;

(2) planning, designing, building, constructing, and rehabilitating facilities associated with public sewage collection, treatment, and discharge facilities;

(CWA) SEC 603(c) "Projects Eligible for Assistance.--The amounts of funds available to each State water pollution control revolving fund shall be used only for providing financial assistance (1) to any municipality, intermunicipal, interstate, or State agency for construction of publicly owned treatment works (as defined in section 212 of this Act).

(3) constructing, equipping, modifying, improving, and expanding public water supply, treatment, and distribution systems.

This type of project is not eligible for funds allotted from Clean Water Act. It was included as a provision in the off chance that the State Legislature appropriated additional monies above and beyond the required 20% match of federal capitalization grants.

(4) guaranteeing or purchasing insurance for public agency obligations related to treatment works construction.

(CWA) SEC 603 (d)(3) "to guarantee, or purchase insurance for, local obligations where such action would improve credit market access or reduce interest rates;"

46.03.032 (e) Repayment of loans must be secured in a manner that the department determines is feasible to assure prompt repayment under a loan agreement entered into with the borrower.

(CWA) SEC 603 (d)(1) the recipient of a loan will establish a dedicated source of revenue for repayment of loans;

46.03.032 (f) The department may spend money from the fund to pay the costs of administering the fund.

(CWA) SEC 603 (d)(7) "for the reasonable costs of administering the fund and conducting activities under this title, except that such amounts shall not exceed 4 percent of all grant awards to such fund under this title.

46.03.032 (g) A municipality wishing to borrow money from the fund must demonstrate to the satisfaction of the department,

- (1) sufficient legal authority to incur the debt for which it is applying;
and
- (2) that it will establish and maintain a dedicated source of revenue or other acceptable revenue source for repayment of the loan.

(CWA) SEC 603 (d)(1) "to make loans, on the condition that--
(A) such loans are made at or below market interest rates, including interest free loans, at terms not to exceed 20 years; (B) annual principal and interest payments will commence not later than 1 year after completion of any project and all loans will be fully amortized not later than 20 years after project completion; (C) the recipient of a loan will establish a dedicated source of revenue for repayment of loans; and (D) the fund will be credited with all payments of principal and interest on all loans.

46.03.032 (h) Allocation of Alaska clean water fund loans must be made in accordance with the priority list developed by the department, using criteria specified in regulations adopted by the department.

(CWA) SEC 603 (g) "Priority List Requirement.--The State may provide financial assistance from its water pollution control revolving fund only with respect to a project for construction of a treatment works described in subsection (c)(1) if such project is on the State's priority list under section 216 of this Act. Such assistance may be provided regardless of the rank of such project on such list.

46.03.032 (i) Before making a loan from the Alaska clean water fund, the department shall, by regulation, specify

- (1) standards for the eligibility of borrowers and the type of projects to be financed with loans;
- (2) loan term and interest rate policies for loans made from the fund;
- (3) standards regarding the technical and economic viability and revenue self-sufficiency of eligible projects;
- (4) collateral or other security required for loans;
- (5) terms of loans; and
- (6) other relevant criteria, standards, or procedures.

46.03.032 (j) A loan made by the department must be made according to the standards, criteria, and procedures established by regulation under this section.

The Clean Water Act did not address these standards, but EPA is expected to give the State federal guidelines to follow in establishing State regulations.

46.03.032 (k) The department shall prepare reports required by the federal government in conjunction with federal capitalization grant award with an annual report on the Alaska clean water fund on or before the first day of each legislative session.

- (CWA) SEC 606 (c) " Intended Use Plan.--After providing for public comment and review, each State shall annually prepare a plan identifying the intended uses of the amounts available to its water pollution control revolving fund. Such intended use plan shall include, but not be limited to--
- (1) a list of those projects for construction of publicly owned treatment works on the State's priority list developed pursuant to section 216 of this Act and a list of activities eligible for assistance under sections 319 and 320 of this Act;
 - (2) a description of the short and long-term goals and objectives of its water pollution control revolving fund;
 - (3) information on the activities to be supported, including a description of project categories, discharge requirements under titles III and IV of this Act, terms of financial assistance, and communities served;
 - (4) assurances and specific proposals for meeting the requirements of paragraphs (3), (4), (5), and (6) of section 602 (b) of this Act; and
 - (5) the criteria and method established for the distribution of funds.

- (CWA) SEC 606 (d) Annual Report.--Beginning the first fiscal year after receipt of payments under this title, the State shall provide an annual report to the Administrator describing how the State has met the goals and objectives for the previous fiscal year as identified in the plan prepared for the previous fiscal year pursuant to subsection (c), including identification of loan recipients, loan amounts, and loan terms and similar details on other forms of financial assistance provided from the water pollution control revolving fund.

46.03.032 (l) Loan repayments and interest earned by loans from the Alaska clean water fund must be deposited in the fund.

- (CWA) Sec. 603 (d)(1)(D) "The fund will be credited with all payments of principal and interest on all loans."

46.03.032 (m) Annual principal payments must commence within one year after project completion, or within two years after the date the loan is made, whichever is earlier.

- (CWA) SEC 603 (d)(1)(b) "annual principal and interest payments will commence not later than 1 year after completion of any project ..."



Official Business

Alaska State Legislature

Senate

P.O. BOX V
State Capitol
Juneau, Alaska 99811

SENATE

LETTER OF INTENT SB 167

It is the intent of the Senate Committee on Community and Regional Affairs that, contingent upon federal requirements, when establishing interest rate policy as defined in AS 46.03.032 (i) (2) and setting interest standards for collateral or security as defined in AS 46.03.032 (i) (4) and (e), the department will adhere to the following;

1. The interest rate charged to a community for loans from the Alaska Clean Water Fund will be 66% of the current rate defined by the Municipal Bond Index for all loans prior to July 1, 1992, and 75% of the current rate for all loans after July 1, 1992; and
2. In order to determine that repayment of loans is secured (as required by federal legislation), the department will perform a financial capability review of the community. This review must demonstrate that the recipient has sufficiently pledged a dedicated revenue stream to repay the loan as well as operate and maintain the facility; and
3. Municipalities that repay loans to the Alaska Clean Water Fund by consumer utility billings will charge a rate that is consistent with the savings realized by municipalities participating in this loan program.

Adopted by Senate 4/15/87

STATE OF ALASKA

STEVE COWPER, GOVERNOR

DEPT. OF ENVIRONMENTAL CONSERVATION

POSITION PAPER

Bill No: SB 167

Date: March 16, 1987

Title: An Act relating to grants for water supply, sewage, and solid waste facilities; establishing a Revolving Loan Fund; and providing for an effective date.

Contact: Gary Hayden
465-2610

Department's Position

We support the bill.

Effect of the Bill

SB 167 would create the mechanism the State needs to take advantage of federal dollars authorized under the 1987 amendments to the Clean Water Act. The amendments provide for a transition from a federally funded grant program for sewage treatment facilities to a federally and State funded loan program. About \$69 million in federal funds will be available in the next seven years to capitalize a revolving loan fund in Alaska. The State would match with another twenty percent. SB 167 will allow the Department of Environmental Conservation to make low interest loans to communities to construct sewage treatment plants.

The bill also makes adjustments to the existing statute concerning the Department's fifty percent Construction Grants Program.

Impact on the Agency

The proposed revolving loan program would replace the federal grant program being administered by the Department. Therefore, we would administer the proposed loan program with existing staff, with no increase in the operating budget.



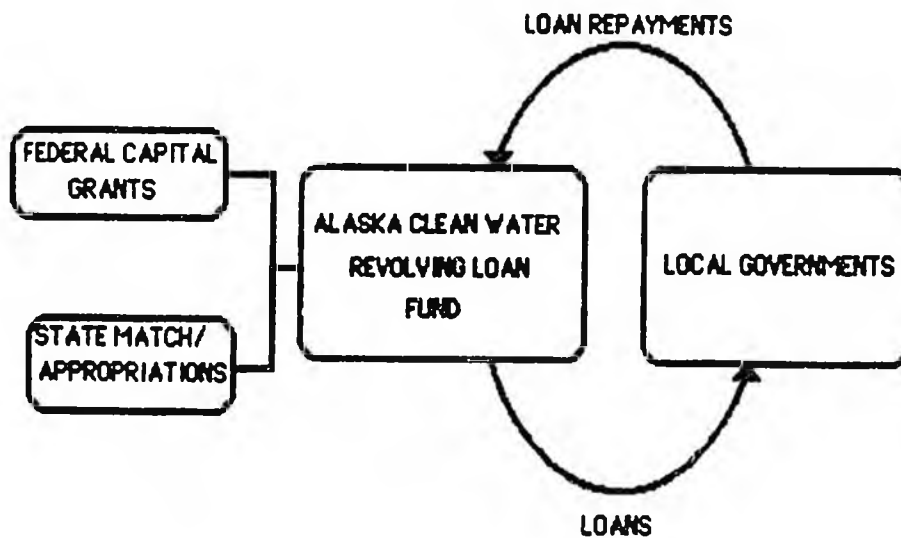
Dennis D. Keiso
Commissioner

HISTORY OF GRANT PROGRAMS BY MUNICIPALITY -

EXHIBIT I

MUNICIPALITY	TOTAL FED GRANT AWARDS
ANCHORAGE	\$54,982,845
BRISTOL BAY BOR.	\$6,131,552
CORDOVA	\$3,194,776
DILLINGHAM	\$1,526,780
FAIRBANKS	\$11,475,009
HAINES	\$1,086,224
HOMER	\$15,000
JUNEAU	\$19,188,866
KENAI	\$4,181,559
KETCHIKAN	\$12,918,119
KODIAK	\$7,553,029
NOME	\$308,358
PALMER	\$1,056,674
PELICAN	\$37,497
PETERSBURG	\$6,285,531
SELDOVIA	\$18,579
SEWARD	\$5,404,575
SKAGWAY	\$2,455,092
SITKA	\$17,498,197
SOLDOTNA	\$2,739,608
UNALASKA	\$4,055,070
VALDEZ	\$4,889,029
WASILLA	\$8,916,207
WHITTIER	\$856,420
WRANGELL	\$387,089
 TOTALS:	 \$177,161,685

THE ALASKA CLEAN WATER REVOLVING LOAN FUND



May 5, 1987

DEPARTMENT OF ENVIRONMENTAL CONSERVATION
STATE REVOLVING WASTEWATER TREATMENT FACILITIES LOAN FUND

BACKGROUND OF FEDERAL GRANTS PROGRAM

- The Federal Government is phasing out its construction grant program for wastewater treatment projects
- Since 1972 \$177,161,685 for Alaskan communities
- 1982 The Department received full delegation of federal program
- Program will be phased out by 1990

CLEAN WATER REVOLVING LOAN FUND

- From 1987 to 1994, \$69,240,600 seed money from the Federal Government available to establish a revolving loan fund for wastewater treatment projects
- Requires 20% state match, for total of \$13,848,120
- After 1994 no more federal money will be put into the fund. It should be self sustaining
- Loans will be made at rate less than or equal to the current market rate

PROGRESS TO DATE

- Received 23 responses to survey of municipal officials.
- Ran computer simulations of loan program.
- SB167 sponsored by Senators Halford and Sturgulewski sets up the statutory framework for the Alaska Clean Water Fund (3/6/87).
- Passed out by the Senate Community and Regional Affairs Committee (4/1/87).
- Senate Finance Committees passed out bill (4/9/87).
- Passed Senate floor with a 18-0 vote. (4/15/87).
- Referred to House Resource and Finance Committees (4/15/87).
- House Resources assigns bill to subcommittee (4/27/87).
- SB167 amended by committee substitute (5/2/87).
- House Resources passed out bill with letter of intent and Committee substitute (5/2/87)
- Waiting Senate Finance Committee hearing

TYPES OF ASSISTANCE

- Low interest rate loans
- Refinancing of certain projects
- Guaranteeing or purchasing insurance of local obligations

PROGRAM ADMINISTRATION

- The existing staff of The Facility Construction and Operation Division will be used for the loan program
- Administrative costs will come from loan fund
- Operation of the loan program will follow current federal construction grants procedures
- Projects selected by same process used in current federal program

3-17-87

215161

CAPITALIZATION OF THE STATE REVOLVING LOAN FUND

FED F.Y.	FED SEED GRANT	STATE MATCH	TOTAL
88	\$10,895,400	\$2,179,080	\$13,074,480
89	\$10,763,600	\$2,152,720	\$12,916,320
90	\$11,263,600	\$2,252,720	\$13,516,320
91	\$14,527,200	\$2,905,440	\$17,432,640
92	\$10,895,400	\$2,179,080	\$13,074,480
93	\$7,263,600	\$1,452,720	\$8,716,320
94	\$3,631,800	\$726,360	\$4,358,160
TOTALS:	\$69,240,600	\$13,848,120	\$83,088,720

42 187 100 SHEETS
NATIONAL

3/17/87

DEPARTMENT OF ENVIRONMENTAL CONSERVATION
FACILITY CONSTRUCTION & OPERATION

ACTIVE PROJECTS

Anchorage - 020087-04	Point Woronzof Outfall	\$ 3,860,307
Anchorage - 020087-05	Chester Creek Interceptor	2,110,133
Anchorage - 020087-07	Point Woronzof Phase VI	18,464,000
Anchorage - 020087-09	Gravity Thickeners	1,788,080
Anchorage - 020087-10	Effluent Tunnel	4,188,204
Dillingham - 020066-02	Wastewater Treatment Facility	1,526,720
Juneau - 020108-01	Mendenhall STP Expansion	13,105,000
Petersburg - 020047-03	Sewerage Facility	4,055,000
Wasilla - 020073-02	Sewerage System	6,554,506

ISSUE: WHO IS ELIGIBLE TO RECEIVE LOANS FROM THE CLEAN WATER FUND?

THERE ARE THREE FEDERAL REQUIREMENTS WHICH OUTLINE WHO CAN RECEIVE LOANS FROM THE FUND:

FEDERAL WATER POLLUTION CONTROL ACT (P.L. 100-4)

THE STATE WILL REQUIRE AS A CONDITION OF MAKING A LOAN ...FROM THE FUND THAT THE RECIPIENT OF SUCH ASSISTANCE WILL MAINTAIN PROJECT ACCOUNTS IN ACCORDANCE WITH GENERALLY ACCEPTED GOVERNMENT ACCOUNTING PROCEDURES."

SEC. 603 (C). "THE AMOUNTS OF FUNDS AVAILABLE TO EACH STATE WATER POLLUTION CONTROL REVOLVING FUND SHALL BE USED ONLY FOR PROVIDING FINANCIAL ASSISTANCE (1) TO ANY MUNICIPALITY, INTERMUNICIPAL, OR STATE AGENCY FOR CONSTRUCTION OF PUBLICLY OWNED TREATMENT WORKS (AS DEFINED IN SEC. 212 OF THIS ACT)."

SEC. 603 (d)(1)(c). "THE RECIPIENT OF A LOAN WILL ESTABLISH A DEDICATED SOURCE OF REVENUE FOR REPAYMENT OF LOANS."

FEDERAL DEFINITION OF "MUNICIPALITY":

"A CITY, TOWN, ETC..HAVING ITS OWN INCORPORATED GOVERNMENT FOR LOCAL AFFAIRS."

AS SEC. 29.08.030:

"GENERAL LAW MUNICIPALITIES ARE OF FIVE CLASSES:

- (1) FIRST CLASS BOROUGHES;
- (2) SECOND CLASS BOROUGHES;
- (3) THIRD CLASS BOROUGHES;
- (4) FIRST CLASS CITIES;
- (5) SECOND CLASS CITIES;

AS SEC 46.03.900 (PROVIDES DEFINITIONS FOR CHAPTER DEALING WITH POWERS AND LIMITATIONS OF THE DEPARTMENT OF ENVIRONMENTAL CONSERVATION):

"MUNICIPALITY MEANS AN ORGANIZED BOROUGH OR AN INCORPORATED CITY OUTSIDE AN ORGANIZED BOROUGH, AND INCLUDES ALL CLASSES OF BOROUGHES AND CITIES WHETHER HOME RULE OR OTHERWISE."

APPLICATION

CITIES AND BOROUGHES ARE DISTINCT LEGAL ENTITIES (MUNICIPALITIES) INCORPORATED UNDER THE LAWS OF ALASKA TO PERFORM BOTH REGULATORY AND PROPRIETY FUNCTIONS. THESE POWERS CAN ALLOW A CITY TO PROVIDE A WIDE RANGE OF COMMUNITY SERVICES AND FACILITIES; IN PRACTICE, HOWEVER, POPULATION AND FISCAL CONSTRAINTS SERVE TO LIMIT THE NUMBER PROVIDED BY MANY CITIES. ALTHOUGH ANY INCORPORATED BOROUGH, MUNICIPALITY, FIRST AND SECOND CLASS CITY IS ELIGIBLE BY DEFINITION TO RECEIVE LOANS FROM THE CLEAN WATER FUND, SOME CITIES MAY NOT FIND THE PROGRAM ATTRACTIVE OR FINANCIALLY FEASIBLE DUE TO THE FEDERAL ADMINISTRATIVE AND ACCOUNTING REQUIREMENTS.

CONCLUSION

ANY INCORPORATED CITY OR MUNICIPALITY, GENERAL OR HOMERULE, IS ELIGIBLE BY DEFINITION TO RECIEVE A LOAN FROM THE ALASKA CLEAN WATER FUND.

3/19/87

COMMUNITIES EXPRESSING AN INTEREST IN THE ALASKA CLEAN WATER FUND.

TWENTY-THREE COMMUNITIES RESPONDED TO THE SURVEY THE DEPARTMENT SENT OUT LAST SEPTEMBER. ALL RESPONDENTS INDICATED AN INTEREST IN THE LOAN PROGRAM. A LISTING OF RESPONDENTS FOLLOWS. IT SHOULD BE NOTED THAT AT THE TIME THE QUESTIONNAIRE WAS SENT OUT, IT WAS BELIEVED THAT THE LOAN FUND WOULD NOT BE AN AVAILABLE SERVICE TO SECOND CLASS CITIES, THEREFORE THEY WERE NOT SURVEYED. WE HAVE SINCE FOUND OUT THAT SUCH CITIES ARE ELIGIBLE TO PARTICIPATE IN THE PROGRAM.

1. KING COVE
2. NORTH SLOPE BOROUGH
3. SAND POINT
4. SOLDOTNA
5. KETCHIKAN GATEWAY BOROUGH
6. YAKUTAT
7. PETERSBURG
8. SITKA
9. CITY OF KETCHIKAN
10. UNALASKA
11. KODIAK ISLAND BOROUGH
12. HAINES
13. CRAIG
14. GALENA
15. BRISTOL BAY BOROUGH
16. JUNEAU
17. FAIRBANKS
18. ST. MARY'S
19. MUNICIPALITY OF ANCHORAGE
20. KODIAK
21. NORTH POLE
22. PELICAN
23. NOME

SUMMARY
TITLE VI
STATE WATER POLLUTION CONTROL REVOLVING FUNDS

1987 AMENDMENTS TO CLEAN WATER ACT
March 19, 1987

Sec 601 - GENERAL AUTHORITY

- a) Administrator (EPA) shall make capitalization grants to each state for a water pollution control revolving fund for
1. Construction of treatment works
 2. Management program under Sec 391
 3. Management program under Sec 320
- b) Establish a schedule of payments based on State's intended use plan.

Sec 602 - CAPITALIZATION GRANT AGREEMENTS

- a) State shall enter into agreement with EPA administrator.
- b) 1. Establish payment schedule and deposit all payments in the revolving fund.
2. State 20 percent match on or before quarterly payment.
 3. State must enter binding commitments to provide assistance within one year of receipt of grants.
 4. Funds will be expended in an expeditious and timely manner.
 5. Funds will be used to first assure progress toward enforceable deadlines, goals, and requirements of this Act, including municipal compliance deadlines.

6. Projects constructed before year 1995 will meet Title II of the Act [see attached summary].
7. Expend in accordance with laws and procedures applicable to State.
8. Use accounting, audit, and fiscal procedures generally accepted government standards.
9. State will require recipient's records to meet generally accepted government standards.
10. State will make annual reports to EPA administrator.

Sec 603 - WATER POLLUTION CONTROL REVOLVING LOAN FUNDS

- a) First establish a revolving fund complying with this section.
- b) Fund will be administered by an instrumentality of the State, with powers to operate fund in accordance with the Act.
- c) Projects eligible for assistance
 1. To any municipality, intermunicipal, interstate, or State agency for construction of publically owned treatment works
 2. Sec 319 implementation
 3. Sec 320 implementation

d) Types of Assistance

1. Loans on the condition that
 - A) At or below market interest rate, not to exceed 20 years.
 - B) Annual principal and interest will commence not later than one year and will be amortized not later than 20 years.
 - C) Receipts will establish a dedicated source of revenue for repayment of loans; and
 - D) Funds will be credited with all payments.
2. Buy or refinance loan debt where obligations incurred after March 7, 1988.
3. Guarantee or purchase insurance for local obligations when it improves market access or reduce interest rates.
4. As a source of revenue or surity for revenue or general obligation bonds
5. To provide loan guarantees
6. To earn interest
7. For administering funds not to exceed 4 percent

g) Priority list requirements

1. Must be on list developed under Sec 216
2. Regardless of the ranking on list

Sec 604 - ALLOTMENT OF FUNDS

- b) one percent, or \$100,000, for Sec 205(j) and 303(e)
- c) 1. Period of availability for grant award during fiscal year authorized and following year
- 2. Reallotment of unobligated funds
 - A. Administrator (EPA) will reallocate if not obligated at end of second year.
 - B. No funds if State has not obligated within first year.

Sec 605 - CORRECTIVE ACTION

Sec 606 - AUDITS, REPORTS, AND FISCAL CONTROLS

- a) Establish fiscal controls
- b) Annual federal audit
- c) Intended use plan
 - 1. List of projects
 - 2. Long and short-term goals, objectives
 - 3. Information on activities, project categories, discharge requirements under Title III and IV of the Act, terms of financial assistance, and communities served.
 - 4. Assurances and specific proposal for meeting requirements 3, 4, 5, and 6 of Sec 602(b).
 - 5. Criteria and method established for distribution of funds

d) Annual report

e) Annual federal oversight review

Sec 607 - AUTHORIZATION OF APPROPRIATIONS

1.	\$1.2 billion	1989 and 1990
2.	2.4 billion	1991
3.	1.8 billion	1992
4.	1.2 billion	1993
5.	0.6 billion	1994

1. Can we use 50 percent of construction grant in 1986 and 1987,
and 70 percent in 1988

2. Notice Requirement

A) In 1987, no later than 90 days after Act is enacted

B) Other years, 90 days before fiscal year start

I. ELIGIBILITY RELATED PROVISIONS.

1. 201(b). Must Use Best Practicable Waste Treatment Technology.
2. 201(g)(1). Must be secondary treatment or more stringent or any cost effective alternative for the following categories:
 - new interceptors
 - I/I correction
 - Other categories determined by governor
3. 201(n)(1). Can use funds for combined sewer overflows.
4. 201(o). Encouraged to file a capital financing plan that
 - projects future requirements for ≥ 10 years.
 - projects nature, extent, costs, timing of future expansions.
 - sets forth financing plans for future expansions.
5. 211. No collectors unless
 - replacement/major rehab or existing systems necessary for total system integrity or;
 - new collectors in existing community with sufficient existing or planned capacity for treatment.

II. APPLICATION RELATED PROVISIONS.

1. 201(g)(2). Applicant must:
 - evaluate alternative waste treatment technology.
 - allow for application of later technology to provide for reclaiming/recycling of water.
2. 201(g)(3). Applicant must show that sewer collection system doesn't have excessive infiltration.
3. 201(g)(5). Applicant must study/evaluate
 - innovative/alternative technology.
 - reclamation reuse of water or elimination of discharge.
 - land treatment.
 - low energy usage systems.
4. 201(g)(6). Applicant must analyze open space and recreational opportunities.
5. 204(a)(1). Before approving grants, Administrator shall determine that treatment works are included in any applicable 208 plan.
6. 204(a)(2). Before approving grants, Administrator shall determine that treatment works are included in any applicable 303(e) plan.
7. 204(b)(2). Applicant must:
 - adopt a user charge system
 - demonstrate legal, managerial, & financial capability to construct/operate/maintain the treatment works.
8. 218. The applicant must
 - show the cost effective solution in the facility plan
 - use value engineering for high cost projects.
9. 511(c)(1). Projects are subject to NEPA.

III. CONSTRUCTION RELATED PROVISIONS.

1. 204(d)(2). Grantee must provide one year performance
 - certification.
2. 513. Project is subject to Davis-Bacon wage rates.

ALASKA CLEAN WATER FUND 20 YEAR PERFORMANCE EVALUATION

- assumptions: (1) Inflation rate: 4.6%
 (2) Investment rate: 9.2%
 (3) Interest rate on loans: 4.3% yrs 1-7, 5% yrs 8-20

*****SIRF FULL 20 YEAR REPORT*****	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
SOURCES OF FUNDS					
BEGINNING BALANCE		12,499,503	12,884,079	15,098,004	21,837,090
CAPITALIZATION					
Current	\$13,074,480	12,916,320	13,516,320	17,432,640	13,074,480
Cumulative	\$13,074,480	25,990,800	39,507,120	56,939,760	70,014,240
BONDS ISSUED					
Current	\$0	0	0	0	0
Cumulative	\$0	0	0	0	0
OTHER INCOME (INCLUDING PENALTIES)					
Current	\$0	0	0	0	0
Cumulative	\$0	0	0	0	0
LOAN ACTIVITY					
LOAN REPAYMENTS					
Current	\$0	0	977,929	1,902,889	2,872,728
Cumulative	\$0	0	977,929	2,880,818	5,753,545
LOAN DEFAULTS					
Current	\$0	0	0	0	0
Cumulative	\$0	0	0	0	0
NET LOAN REPAYMENTS					
Current	\$0	0	977,929	1,902,889	2,872,728
Cumulative	\$0	0	977,929	2,880,818	5,753,545
INVESTED FUNDS	\$13,074,480	12,341,343	14,462,007	20,917,213	20,351,658
Interest Rate for Invested Funds	0.00%	9.20%	9.20%	9.20%	9.20%
Interest on Invested Funds	\$0	\$1,135,404	\$1,330,505	\$1,924,384	\$1,972,353
TOTAL SOURCES OF FUNDS					
Current	\$13,074,480	25,551,226	28,708,832	36,357,917	39,656,651
Cumulative	\$13,074,480	39,625,706	68,334,538	104,692,455	144,349,106
USES OF FUNDS					
BOND RETIREMENT					
Current	\$0	0	0	0	0
Cumulative	\$0	0	0	0	0
TOTAL BOND INSURANCE FEE	\$0	0	0	0	0
—LOAN ACTIVITY—					
LOANS MADE					
Current	\$0	13,074,480	12,366,320	12,966,320	16,882,640
Cumulative	\$0	13,074,480	25,440,800	38,407,120	55,289,760
GRANTS MADE					
Current	\$0	0	0	0	0
Cumulative	\$0	0	0	0	0
TOTAL LOANS & GRANTS MADE					
Current	\$0	13,074,480	12,366,320	12,966,320	16,882,640
Cumulative	\$0	13,074,480	25,440,800	38,407,120	55,289,760
ADMINISTRATIVE/OPERATIONAL COSTS	\$0	\$0	\$550,000	\$550,000	\$550,000
TOTAL USES OF FUNDS					
Current	\$0	13,074,480	12,916,320	13,516,320	17,432,640
Cumulative	\$0	13,074,480	25,990,800	39,507,120	56,939,760
****FUND BALANCE**** (END OF YEAR)	\$13,074,480	\$13,476,746	\$15,792,512	\$22,841,597	\$22,224,011
INFLATION ANALYSIS OF FUND					
INFLATION RATE	4.60%	4.60%	4.60%	4.60%	4.60%
CONSTANT DOLLARS	\$12,499,503	12,884,079	15,098,004	21,837,090	21,246,664

*****SIRF FULL 20 YEAR REPORT*****

	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10
SOURCES OF FUNDS					
BEGINNING BALANCE	21,246,664	21,948,572	21,745,016	17,763,549	14,435,762
CAPITALIZATION					
Current	8,716,320	4,358,160	0	0	0
Cumulative	78,730,560	83,088,720	83,088,720	83,088,720	83,088,720
BONDS ISSUED					
Current	0	0	0	0	0
Cumulative	0	0	0	0	0
OTHER INCOME (INCLUDING PENALTIES)					
Current	0	0	0	0	0
Cumulative	0	0	0	0	0
LOAN ACTIVITY					
LOAN REPAYMENTS					
Current	4,135,494	5,072,285	5,820,252	6,614,113	7,407,974
Cumulative	9,889,040	14,961,325	20,781,577	27,395,690	34,803,664
LOAN DEFAULTS					
Current	0	0	0	0	0
Cumulative	0	0	0	0	0
NET LOAN REPAYMENTS					
Current	4,135,494	5,072,285	5,820,252	6,614,113	7,407,974
Cumulative	9,889,040	14,961,325	20,781,577	27,395,690	34,803,664
INVESTED FUNDS	21,023,999	20,823,017	17,015,268	13,827,662	11,293,736
Interest Rate for Invested Funds	9.20%	9.20%	9.20%	9.20%	9.20%
Interest on Invested Funds	\$1,934,208	\$1,916,270	\$1,565,485	\$1,272,145	\$1,039,024
TOTAL SOURCES OF FUNDS					
Current	36,032,686	33,295,286	29,130,672	25,649,807	22,882,760
Cumulative	180,381,792	213,677,079	242,807,751	268,457,558	291,340,318
USES OF FUNDS					
BOND RETIREMENT					
Current	0	0	0	0	0
Cumulative	0	0	0	0	0
TOTAL BOND INSURANCE FEE	0	0	0	0	0
—LOAN ACTIVITY—					
LOANS MADE					
Current	12,524,480	10,000,000	10,000,000	10,000,000	10,000,000
Cumulative	67,814,240	77,814,240	87,814,240	97,814,240	107,814,240
GRANTS MADE					
Current	0	0	0	0	0
Cumulative	0	0	0	0	0
TOTAL LOANS & GRANTS MADE					
Current	12,524,480	10,000,000	10,000,000	10,000,000	10,000,000
Cumulative	67,814,240	77,814,240	87,814,240	97,814,240	107,814,240
ADMINISTRATIVE/OPERATIONAL COSTS	\$550,000	\$550,000	\$550,000	\$550,000	\$550,000
TOTAL USES OF FUNDS					
Current	13,074,480	10,550,000	10,550,000	10,550,000	10,550,000
Cumulative	70,014,240	80,564,240	91,114,240	101,664,240	112,214,240
FUND BALANCE (END OF YEAR)	\$22,958,206	\$22,745,286	\$18,580,672	\$15,099,807	\$12,332,760
INFLATION ANALYSIS OF FUND					
INFLATION RATE	4.60%	4.60%	4.60%	4.60%	4.50%
CONSTANT DOLLARS	21,948,572	21,745,016	17,763,549	14,435,762	11,790,402

****SIRF FULL 20 YEAR REPORT****

	YEAR 11	YEAR 12	YEAR 13	YEAR 14	YEAR 15
SOURCES OF FUNDS					
BEGINNING BALANCE	11,790,402	9,857,478	8,668,324	8,255,646	8,653,593
CAPITALIZATION					
Current	0	0	0	0	0
Cumulative	83,088,720	83,088,720	83,088,720	83,088,720	83,088,720
BONDS ISSUED					
Current	0	0	0	0	0
Cumulative	0	0	0	0	0
OTHER INCOME (INCLUDING PENALTIES)					
Current	0	0	0	0	0
Cumulative	0	0	0	0	0
LOAN ACTIVITY					
LOAN REPAYMENTS					
Current	8,201,835	8,995,696	9,789,557	10,583,418	11,377,279
Cumulative	43,005,499	52,001,195	61,790,752	72,374,170	83,751,449
LOAN DEFAULTS					
Current	0	0	0	0	0
Cumulative	0	0	0	0	0
NET LOAN REPAYMENTS					
Current	8,201,835	8,995,696	9,789,557	10,583,418	11,377,279
Cumulative	43,005,499	52,001,195	61,790,752	72,374,170	83,751,449
INVESTED FUNDS	9,442,237	8,303,175	7,907,881	8,289,064	9,460,672
Interest Rate for Invested Funds	9.20%	9.20%	9.20%	9.20%	9.20%
Interest on Invested Funds	\$868,686	\$763,892	\$727,525	\$762,594	\$872,240
TOTAL SOURCES OF FUNDS					
Current	20,860,922	19,617,067	19,185,406	19,601,658	20,903,112
Cumulative	312,201,241	331,918,308	351,003,713	370,605,371	391,508,483
USES OF FUNDS					
BOND RETIREMENT					
Current	0	0	0	0	0
Cumulative	0	0	0	0	0
TOTAL BOND INSURANCE FEE	0	0	0	0	0
---LOAN ACTIVITY---					
LOANS MADE					
Current	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
Cumulative	117,814,240	127,814,240	137,814,240	147,814,240	157,814,240
GRANTS MADE					
Current	0	0	0	0	0
Cumulative	0	0	0	0	0
TOTAL LOANS & GRANTS MADE					
Current	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
Cumulative	117,814,240	127,814,240	137,814,240	147,814,240	157,814,240
ADMINISTRATIVE/OPERATIONAL COSTS	\$550,000	\$550,000	\$550,000	\$550,000	\$550,000
TOTAL USES OF FUNDS					
Current	10,550,000	10,550,000	10,550,000	10,550,000	10,550,000
Cumulative	122,764,240	133,314,240	143,864,240	154,414,240	164,964,240
****FUND BALANCE**** (END OF YEAR)					
	\$10,310,922	\$9,067,067	\$8,635,406	\$9,051,658	\$10,353,112
INFLATION ANALYSIS OF FUND					
INFLATION RATE	4.60%	4.60%	4.60%	4.60%	4.60%
CONSTANT DOLLARS	9,857,478	8,668,324	8,255,646	8,653,593	9,997,812

****SIRF FULL 20 YEAR REPORT****

	YEAR 16	YEAR 17	YEAR 18	YEAR 19	YEAR 20
SOURCES OF FUNDS					
BEGINNING BALANCE	9,897,812	12,025,522	15,075,574	19,088,532	24,106,742
CAPITALIZATION					
Current	0	0	0	0	0
Cumulative	83,088,720	83,088,720	83,088,720	83,088,720	83,088,720
BONDS ISSUED					
Current	0	0	0	0	0
Cumulative	0	0	0	0	0
OTHER INCOME (INCLUDING PENALTIES)					
Current	0	0	0	0	0
Cumulative	0	0	0	0	0
LOAN ACTIVITY*					
LOAN REPAYMENTS					
Current	12,171,140	12,965,001	13,758,862	14,552,723	15,346,584
Cumulative	95,922,589	108,887,590	122,646,452	137,199,174	152,545,758
LOAN DEFAULTS					
Current	0	0	0	0	0
Cumulative	0	0	0	0	0
NET LOAN REPAYMENTS					
Current	12,171,140	12,965,001	13,758,862	14,552,723	15,346,584
Cumulative	95,922,589	108,887,590	122,646,452	137,199,174	152,545,758
INVESTED FUNDS	11,518,952	14,440,523	18,284,436	23,091,255	28,903,324
Interest Rate for Invested Funds	9.20%	9.20%	9.20%	9.20%	9.20%
Interest on Invested Funds	\$1,059,744	\$1,328,528	\$1,682,168	\$2,124,395	2,659,126
TOTAL SOURCES OF FUNDS					
Current	23,128,696	26,319,051	30,516,604	35,765,650	42,112,430
Cumulative	414,637,179	440,956,230	471,472,834	507,238,484	549,350,914
USES OF FUNDS					
BOND RETIREMENT					
Current	0	0	0	0	0
Cumulative	0	0	0	0	0
TOTAL BOND INSURANCE FEE	0	0	0	0	0
--LOAN ACTIVITY--					
LOANS MADE					
Current	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
Cumulative	167,814,240	177,814,240	187,814,240	197,814,240	207,814,240
GRANTS MADE					
Current	0	0	0	0	0
Cumulative	0	0	0	0	0
TOTAL LOANS & GRANTS MADE					
Current	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
Cumulative	167,814,240	177,814,240	187,814,240	197,814,240	207,814,240
ADMINISTRATIVE/OPERATIONAL COSTS	\$550,000	\$550,000	\$550,000	\$550,000	\$550,000
TOTAL USES OF FUNDS					
Current	10,550,000	10,550,000	10,550,000	10,550,000	10,550,000
Cumulative	175,514,240	186,064,240	196,614,240	207,164,240	217,714,240
****FUND BALANCE**** (END OF YEAR)	\$12,578,696	\$15,769,051	\$19,966,604	\$25,215,650	\$31,562,430
INFLATION ANALYSIS OF FUND					
INFLATION RATE	4.60%	4.60%	4.60%	4.60%	4.60%
CONSTANT DOLLARS	12,025,522	15,075,574	19,088,532	24,106,740	30,174,407

Original sponsors: Halford and Sturgulewski

1 IN THE SENATE BY THE RESOURCES COMMITTEE
2 HOUSE CS FOR SENATE BILL NO. 167 (Resources)
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 FIFTEENTH LEGISLATURE - FIRST SESSION
5 A BILL
6 For an Act entitled: "An Act relating to grants for water supply, sewage,
7 and solid waste facilities; establishing a revolving
8 loan fund; and providing for an effective date."
9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:
10 * Section 1. AS 46.03.030(c) is amended to read:
11 (c) There is a water quality enhancement program and [,] water
12 supply, sewage [SEWERAGE], and solid waste facilities fund created in
13 the department to carry out the purposes of this section.
14 * Sec. 2. AS 46.03.030(d) is amended to read:
15 (d) The department shall, by regulation, identify those costs
16 that [WHICH] are eligible costs for the purposes of this section.
17 Eligible costs include the costs established in a construction con-
18 tract which are necessary for construction of a project, but do not
19 include the cost of interest and financing and right-of-way acquisi-
20 tion, or costs related to operation, maintenance, or repair [OR RE-
21 PLACEMENT] of a project.
22 * Sec. 3. AS 46.03.030(e) is amended to read:
23 (e) The department may grant to a municipality not more than 50
24 percent of the eligible costs that [, INCLUDING COSTS OF OBTAINING
25 FEDERAL WAIVERS FROM THE REQUIREMENT FOR SECONDARY TREATMENT PLANTS,
26 WHICH] are not paid for by the federal government for solid waste
27 processing or disposal facilities constructed after July 1, 1980.
28 However, the department may grant a municipality up to 60 percent of
29 the eligible costs not paid for by the federal government for a solid

1 waste processing or disposal facility constructed after July 1, 1980,
2 if the facility is used for resource recovery. The eligible costs of
3 a solid waste processing or disposal facility are determined by the
4 federal agency granting the most monetary assistance for construction
5 of the facility. For a solid waste processing or disposal facility
6 for which federal money is not available, the department shall deter-
7 mine the eligible costs in accordance with (d) of this section. A
8 municipality shall construct solid waste processing or disposal facil-
9 ities financed by grants under this section according to plans and
10 specifications approved by the department.

11 * Sec. 4. AS 46.03 is amended by adding a new section to read:

12 Sec. 46.03.032. ALASKA CLEAN WATER FUND. (a) There is estab-
13 lished as a separate fund the Alaska clean water fund, which is dis-
14 tinct from any other money or fund in the treasury, and which consists
15 of money appropriated by the legislature to meet federal matching
16 requirements, federal capitalization grants, loan repayments, interest
17 received from loan repayments, and interest received from investment
18 of money in the clean water fund.

19 (b) The department shall administer the Alaska clean water fund.

20 (c) The department may accept and make use of all capitalization
21 grants provided by the federal government under the federal Clean
22 Water Act, as amended by P.L. 100-4.

23 (d) Except as otherwise limited by federal law, the Alaska clean
24 water fund may be used for the following:

25 (1) buying or refinancing treatment works debt obligations
26 of municipalities;

27 (2) planning, designing, building, constructing, and re-
28 habilitating facilities associated with public sewage collection,
29 treatment, and discharge facilities;

1 (3) constructing, equipping, modifying, improving, and
2 expanding public water supply, treatment, and distribution systems;

3 (4) guaranteeing or purchasing insurance for public agency
4 obligations related to treatment works construction.

5 (e) Repayment of loans must be secured in a manner that the
6 department determines is feasible to assure prompt repayment under a
7 loan agreement entered into with the borrower.

8 (f) The department may spend money from the fund to pay the
9 costs of administering the fund.

10 (g) A municipality wishing to borrow money from the fund must
11 demonstrate to the satisfaction of the department,

12 (1) sufficient legal authority to incur the debt for which
13 it is applying; and

14 (2) that it will establish and maintain a dedicated source
15 of revenue or other acceptable revenue source for repayment of the
16 loan.

17 (h) Allocation of Alaska clean water fund loans must be made in
18 accordance with the priority list developed by the department, using
19 criteria specified in regulations adopted by the department.

20 (i) Before making a loan from the Alaska clean water fund, the
21 department shall, by regulation, specify

22 (1) standards for the eligibility of borrowers and the type
23 of projects to be financed with loans;

24 (2) loan term and interest rate policies for loans made
25 from the fund;

26 (3) standards regarding the technical and economic viabili-
27 ty and revenue self-sufficiency of eligible projects;

28 (4) collateral or other security required for loans;

29 (5) terms of loans; and

1 (6) other relevant criteria, standards, or procedures.

2 (j) A loan made by the department must be made according to the
3 standards, criteria, and procedures established by regulations under
4 this section.

5 (k) The department shall prepare reports required by the federal
6 government in conjunction with federal capitalization grant award
7 conditions. The department shall also provide the Alaska legislature
8 with an annual report on the Alaska clean water fund on or before the
9 first day of each legislative session.

10 (l) Except as provided in (n) of this section, loan repayments
11 and interest earned by loans from the Alaska clean water fund must be
12 deposited in the fund.

13 (m) Annual principal payments must commence within one year
14 after project completion, or within two years after the date the loan
15 is made, whichever is earlier.

16 (n) State appropriations in excess of the amount required by the
17 federal Clean Water Act, as amended by P.L. 100-4, shall be accounted
18 for separately. Repayments of principal from loans made from these
19 amounts shall be deposited in the Alaska clean water fund. Repayments
20 of interest from loans made from these amounts and earnings on these
21 amounts shall be deposited in the general fund. The commissioner of
22 administration shall separately account for the interest repayments
23 and earnings that the Department of Environmental Conservation de-
24 posits in the general fund.

25 * Sec. 5. This Act takes effect immediately under AS 01.10.070(c).

1 IN THE SENATE

BY HALFORD

2

SENATE BILL NO. 167

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FIFTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act relating to grants for water supply, sewage,

7

and solid waste facilities; establishing a revolving

8

loan fund; and providing for an effective date."

9

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

10

* Section 1. AS 46.03.030(c) is amended to read:

11

(c) There is a water quality enhancement program and [,] water

12

supply, sewage [SEWERAGE], and solid waste facilities fund created in

13

the department to carry out the purposes of this section.

14

* Sec. 2. AS 46.03.030(d) is amended to read:

15

(d) The department shall, by regulation, identify those costs

16

that [WHICH] are eligible costs for the purposes of this section.

17

Eligible costs include the costs established in a construction con-

18

tract which are necessary for construction of a project, but do not

19

include the cost of interest and financing and right-of-way acqui-

20

sition, or costs related to operation, maintenance, or repair [OR RE-

21

PLACEMENT] of a project.

22

* Sec. 3. AS 46.03.030(e) is amended to read:

23

(e) The department may grant to a municipality not more than 50

24

percent of the eligible costs that [, INCLUDING COSTS OF OBTAINING

25

FEDERAL WAIVERS FROM THE REQUIREMENT FOR SECONDARY TREATMENT PLANTS,

26

WHICH] are not paid for by the federal government for solid waste

27

processing or disposal facilities constructed after July 1, 1980.

28

However, the department may grant a municipality up to 60 percent of

29

the eligible costs not paid for by the federal government for a solid

1 waste processing or disposal facility constructed after July 1, 1980,
2 if the facility is used for resource recovery. The eligible costs of
3 a solid waste processing or disposal facility are determined by the
4 federal agency granting the most monetary assistance for construction
5 of the facility. For a solid waste processing or disposal facility
6 for which federal money is not available, the department shall deter-
7 mine the eligible costs in accordance with (d) of this section. A
8 municipality shall construct solid waste processing or disposal
9 facilities financed by grants under this section according to plans
10 and specifications approved by the department.

11 * Sec. 4. AS 46.03 is amended by adding a new section to read:

12 Sec. 46.03.032. ALASKA CLEAN WATER FUND. (a) There is estab-
13 lished as a separate fund the Alaska clean water fund, which is dis-
14 tinct from any other money or fund in the treasury, and which consists
15 of money appropriated by the legislature, federal capitalization
16 grants, loan repayments, interest received from loan repayments, and
17 interest received from investment of money in the clean water fund.

18 (b) The department shall administer the Alaska clean water fund.

19 (c) The department may accept and make use of all capitalization
20 grants provided by the federal government under the federal Clean
21 Water Act, as amended by P.L. 100-4.

22 (d) Except as otherwise limited by federal law, the Alaska clean
23 water fund may be used for the following:

24 (1) buying or refinancing treatment works debt obligations
25 of municipalities;

26 (2) planning, designing, building, constructing, and re-
27 habilitating facilities associated with public sewage collection,
28 treatment, and discharge facilities;

29 (3) constructing, equipping, modifying, improving, and

1 expanding public water supply, treatment, and distribution systems;

2 (4) guaranteeing or purchasing insurance for public agency
3 obligations related to treatment works construction.

4 (e) Repayment of loans must be secured in a manner that the
5 department determines is feasible to assure prompt repayment under a
6 loan agreement entered into with the borrower.

7 (f) The department may spend money from the fund to pay the
8 costs of administering the fund.

9 (g) A municipality wishing to borrow money from the fund must
10 demonstrate to the satisfaction of the department,

11 (1) sufficient legal authority to incur the debt for which
12 it is applying; and

13 (2) that it will establish and maintain a dedicated source
14 of revenue or other acceptable revenue source for repayment of the
15 loan.

16 (h) Allocation of Alaska clean water fund loans must be made in
17 accordance with the priority list developed by the department, using
18 criteria specified in regulations adopted by the department.

19 (i) Before making a loan from the Alaska clean water fund, the
20 department shall, by regulation, specify

21 (1) standards for the eligibility of borrowers and the type
22 of projects to be financed with loans;

23 (2) loan term and interest rate policies for loans made
24 from the fund;

25 (3) standards regarding the technical and economic viabili-
26 ty and revenue self-sufficiency of eligible projects;

27 (4) collateral or other security required for loans;

28 (5) terms of loans; and

29 (6) other relevant criteria, standards, or procedures.

1 (j) A loan made by the department must be made according to the
2 standards, criteria, and procedures established by regulations under
3 this section.

4 (k) The department shall prepare reports required by the federal
5 government in conjunction with federal capitalization grant award
6 conditions. The department shall also provide the Alaska legislature
7 with an annual report on the Alaska clean water fund on or before the
8 first day of each legislative session.

9 (l) Loan repayments and interest earned by loans from the Alaska
10 clean water fund must be deposited in the fund.

11 (m) Annual principal payments must commence within one year
12 after project completion, or within two years after the date the loan
13 is made, whichever is earlier.

14 * Sec. 5. This Act takes effect immediately under AS 01.10.070(c).

S B

1 6 9

4/16/87 Received after
bill R/o of
committee

STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE

REQUEST: _____
Revision Date: _____
Title: An Act relating to the
training of foster parents.
Sponsor: Fischer
Requestor: _____

Bill Version: CS SB 169
Publish Date: _____
Agency Affected: Health & Social Services
BRU: Child and Youth Custody
Components: Foster Care

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES	-0-	-0-	-0-	-0-	-0-	-0-
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-

CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
---------	-----	-----	-----	-----	-----	-----

REVENUE	-0-	-0-	-0-	-0-	-0-	-0-
---------	-----	-----	-----	-----	-----	-----

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS:

FULL-TIME	-0-	-0-	-0-	-0-	-0-	-0-
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

n/a

Prepared by: Yvonne M. Chase, Director
Division: Division of Family and Youth Services
Approved by Commissioner: Myra M. Munson, Commissioner
Agency: Department of Health and Social Services

Phone: 465-3170
Date: 4/9/87
Date: 4/15/87

- Distribution (by preparer):
- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)
- Senate Secretary

RECEIVED
APR 16 1987

POSITION PAPER

COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 169

For an Act entitled: "An Act relating to the training of foster parents."

The Division of Family and Youth Services (DFYS), within the Department of Health and Social Services, has primary responsibility for foster placements. On June 30, 1986, there were 738 children in foster care and 948 state licensed foster homes.

The Division is very supportive of foster parent training. Placement in out-of-home care is, unfortunately, a reality for many of Alaska's children, and if they are to receive not only the food, shelter and nurturance that they need, but an environment which will assist them in meeting their own special needs, training for foster parents is not only important, but essential.

The goal of foster parent training is to increase knowledge, and enhance skills of foster parents to work with children who usually enter foster care with a number of emotional and behavioral disturbances. These children often require specialized skills and foster parents, as significant participants in the child welfare service delivery system, are better equipped to participate as an active member of the service team when appropriately trained. In addition, national studies in other states have shown that foster parent retention is significantly lengthened when foster parents receive appropriate training.

There is no simple formula for determining who has the greatest need and the Department is supportive of a requirement of a minimal level of training which will be required of all foster parents. The Division of Family and Youth Services is presently developing foster care regulations which will be ready for public hearing by July 1, 1987. All foster parents statewide will receive a copy of the proposed regulations and will have the opportunity to comment on the appropriateness and feasibility of training requirements, especially in rural locations. Through regulations, levels of training for different types of care and different geographical areas of the State can be established.

RECOMMENDED:

Yvonne M. Chase
Yvonne M. Chase, Director
Division of Family
and Youth Services

DATE:

April 10, 1987

APPROVED:

Myra M. Munson
Myra M. Munson, Commissioner
Department of Health
and Social Services

DATE:

April 15, 1987

RD Sje 4/16/87

STATE OF ALASKA 1987 LEGISLATIVE SESSION FISCAL NOTE

REQUEST: _____

Bill Version: CSSB No. 169 (HESS)
Publish Date: _____

Revision Date: _____

Agency Affected: Health & Social Services
BRU: Child and Youth Custody

Title: An Act relating to the training of foster parents.

Sponsor: _____

Components: Foster Care

Requestor: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES	-0-	-0-	-0-	-0-	-0-	-0-
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-

CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
---------	-----	-----	-----	-----	-----	-----

REVENUE	-0-	-0-	-0-	-0-	-0-	-0-
---------	-----	-----	-----	-----	-----	-----

FUNDING: (Thousands of Dollars)

GENERAL FUND	-0-	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS						
OTHER						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS:

FULL-TIME	-0-	-0-	-0-	-0-	-0-	-0-
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

n/a

Prepared by: Yvonne M. Chase, Director
Division: Division of Family and Youth Services

Phone: 465-3170
Date: 03/23/87

Approved by Commissioner: Myra M. Munson, Commissioner
Agency: Department of Health and Social Services

Date: 3/24/87

Distribution (by preparer):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)
- Senate Secretary

RECEIVED
MAR 24 1987

SENATE COMMITTEE REPORT

FURTHER:

3/24/87

DATE TURNED INTO OFFICE 4/16/87

Mr. President:

FINANCE

Committee considered SB 169

training of foster parents.

and recommended:

^{ADOPT} replace with CS FOR SB 169 (HESS) same title
 or adopt _____ CS FOR _____ new title

attached amendment(s) and

do pass

do not pass

no recommendation

individual recommendations

further referral to _____

letter of intent adopted _____

Committee attached or adopted fiscal note(s)

new updated or previous
 zero fiscal impact

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

Paul Fisher
[Signature]
[Signature]
[Signature]

[Signature] DO PASS
Chairman signature and recommendation

Committee Backup Attached

**STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE**

Bill Version: CSSB No. 169 (HESS)
Publish Date: _____

REQUEST: _____
Revision Date: _____
Title: An Act relating to the
training of foster parents.
Sponsor: _____
Requestor: _____

Agency Affected: Health & Social Services
BRU: Child and Youth Custody
Components: Foster Care

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES	-0-	-0-	-0-	-0-	-0-	-0-
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-

CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
----------------	-----	-----	-----	-----	-----	-----

REVENUE	-0-	-0-	-0-	-0-	-0-	-0-
----------------	-----	-----	-----	-----	-----	-----

FUNDING: (Thousands of Dollars)

GENERAL FUND	-0-	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS						
OTHER						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS:

FULL-TIME	-0-	-0-	-0-	-0-	-0-	-0-
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

n/a

Prepared by: Yvonne M. Chase, Director *YMC* Phone: 465-3170
Division: Division of Family and Youth Services Date: 03/23/87

Approved by Commissioner: Mvra M. Munson *Mvra M. Munson* Date: 3/24/87
Agency: Department of Health and Social Services

Distribution (by preparer):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)
- Senate Secretary

RECEIVED

MAR 24 1987

page 1 of 1

Original sponsor: Fischer

1 IN THE SENATE

BY THE HEALTH, EDUCATION AND
SOCIAL SERVICES COMMITTEE

2

CS FOR SENATE BILL NO. 169 (HESS)

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FIFTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6 For an Act entitled: "An Act relating to the training of foster parents."

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

8 * Section 1. AS 47.35 is amended by adding a new section to read:

9 Sec. 47.35.035. FOSTER PARENT TRAINING. (a) A person may not
10 be licensed under this chapter to maintain or conduct a foster home
11 unless the person has completed an orientation for foster parents
12 approved by the department. An orientation required under this sub-
13 section must provide information about foster care regulations, poli-
14 cies, and procedures, practical instruction about the realities of
15 caring for a child who is placed in a foster home, and other appro-
16 priate information.

17 (b) To maintain a license issued under this chapter for the
18 maintenance or conduct of a foster home, a licensee shall complete
19 annual foster parent training approved by the department. Training
20 under this subsection need not be conducted in a classroom setting,
21 but must include methods of instruction that meet the varying needs of
22 foster parents and the department.

23 (c) The requirements for training under this section may not be
24 waived.

25 * Sec. 2. AS 47.35.040(c) is amended to read:

26 (c) Except as provided in AS 47.35.035, the [THE] department may
27 waive compliance with a standard set out in regulations adopted under
28 AS 47.35.010 - 47.35.080 if an acceptable alternative is established
29 that meets the purpose of the provision and reasonably assures the

1 well-being of persons in care.

2 * Sec. 3. Notwithstanding the provisions of AS 47.35.035, as enacted by
3 sec. 1 of this Act, and AS 47.35.040(c), as amended by sec. 2 of this Act,
4 a licensee shall be considered to have completed annual training if the
5 licensee completes the training during either fiscal year 1988 or fiscal
6 year 1989. The Department of Health and Social Services may schedule
7 training so that approximately one-half of licensees receive training
8 during each of the fiscal years 1988 and 1989.

POSITION PAPER

COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 169

For an Act entitled: "An Act relating to the training of foster parents."

The Division of Family and Youth Services (DFYS), within the Department of Health and Social Services, has primary responsibility for foster placements. On June 30, 1986, there were 738 children in foster care and 948 state licensed foster homes.

The Division is very supportive of foster parent training. Placement in out-of-home care is, unfortunately, a reality for many of Alaska's children, and if they are to receive not only the food, shelter and nurturance that they need, but an environment which will assist them in meeting their own special needs, training for foster parents is not only important, but essential.

The goal of foster parent training is to increase knowledge, and enhance skills of foster parents to work with children who usually enter foster care with a number of emotional and behavioral disturbances. These children often require specialized skills and foster parents, as significant participants in the child welfare service delivery system, are better equipped to participate as an active member of the service team when appropriately trained. In addition, national studies in other states have shown that foster parent retention is significantly lengthened when foster parents receive appropriate training.

There is no simple formula for determining who has the greatest need and the Department is supportive of a requirement of a minimal level of training which will be required of all foster parents. The Division of Family and Youth Services is presently developing foster care regulations which will be ready for public hearing by July 1, 1987. All foster parents statewide will receive a copy of the proposed regulations and will have the opportunity to comment on the appropriateness and feasibility of training requirements, especially in rural locations. Through regulations, levels of training for different types of care and different geographical areas of the State can be established.

RECOMMENDED:

Yvonne M. Chase
Yvonne M. Chase, Director
Division of Family
and Youth Services

DATE:

April 10, 1987

APPROVED:

Myra M. Munson
Myra M. Munson, Commissioner
Department of Health
and Social Services

DATE:

April 15, 1987

1 IN THE SENATE

BY FISCHER

2

SENATE BILL NO. 169

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FIFTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6 For an Act entitled: "An Act relating to the training of foster parents."

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

8 * Section 1. AS 47.35 is amended by adding a new section to read:

9 Sec. 47.35.035. FOSTER PARENT TRAINING. (a) A person may not
10 be licensed under this chapter to maintain or conduct a foster home
11 unless the person has completed an orientation for foster parents
12 approved by the department. An orientation required under this sub-
13 section must provide information about foster care regulations, poli-
14 cies, and procedures, practical instruction about the realities of
15 caring for a child who is placed in a foster home, and other appro-
16 priate information.

17 (b) To maintain a license issued under this chapter for the
18 maintenance or conduct of a foster home, a licensee shall complete
19 annual foster parent training approved by the department. Each adult
20 in a foster home shall complete at least 5 hours of annual training
21 under this subsection, and each foster care family shall complete a
22 total of at least 15 hours of annual training. Training under this
23 subsection need not be conducted in a classroom setting, but must
24 include methods of instruction that meet the varying needs of foster
25 parents and the department.

26 (c) The requirements for training under this section may not be
27 waived.

28 * Sec. 2. AS 47.35.040(c) is amended to read:

29 (c) Except as provided in AS 47.35.035, the [THE] department may

1 waive compliance with a standard set out in regulations adopted under
2 AS 47.35.010 - 47.35.080 if an acceptable alternative is established
3 that meets the purpose of the provision and reasonably assures the
4 well-being of persons in care.

SENATE COMMITTEE REPORT

FIRST COMMITTEE OF REFERRAL

Date of 3/11/87 5-DAY NOTICE
IN ACCORDANCE WITH UNIFORM RULE 23

FURTHER: FINANCE

**FISCAL NOTE(S) ATTACHED 1 **
IN ACCORDANCE WITH AS 24.08.035
(see below)

3/9/87 DATE TURNED INTO OFFICE 3/23/87
Mr. President:

HESS Committee considered SB 169

training of foster parents.

and recommended:

replace with CS SB 169 (HESS) same title
 attached amendment(s) and new title

majority
 do pass

do not pass

no recommendation

individual recommendations

further referral to _____

letter of intent adopted and attached

** Committee attached or adopted fiscal note(s)
 zero fiscal impact

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

[Signature]
[Signature]

Paul Frick Do Pass
Chairman signature and recommendation

Committee Backup Attached

Alaska State Legislature



Senator Paul A. Fischer
Senate District D
Box 784
Soldotna, Alaska 99669
(907) 262-9420 W
262-9269 H

While in Juneau
Pouch V
Juneau, Alaska 99811
(907) 465-3791

State Senate

To: Senators John Binkley & Don Bennett, Co-Chairmen
Senate Finance Committee

From: Senator Paul Fischer *PF*

Subject: SB 169, Foster Parent Training

Date: April 13, 1987

SB 169 would require potential foster parents to undergo training approved by the department before they are issued a license to run a foster home.

Many foster parents apply for licensing with the department hoping to contribute and help children in need of a stable home environment. Many of them are unaware of the time, commitment and potential problems both the foster child and the Division of Family & Youth Services might impose upon them.

It has been well established that foster parents who know what they are getting into are much more likely to go the distance without "burning out" due to the unanticipated trials and tribulations of foster care. Unanticipated burn-outs are very disruptive for both the child and the foster parents.

The subjects of such training might include:

- legalities and liabilities of foster care,
- often present problems of foster children, and
- services and role of DFYS.

Foster care is the most cost effective and practical care available for displaced children. The only other alternative is some type of institutional care which does not provide same nurturing of a home environment not to mention the prohibitive expense.

Attached please find a more detailed description of the courses content.



Alaska Foster Parents Association

P. O. BOX 8651 • ANCHORAGE, ALASKA 99508

January 1985

MANDATORY TRAINING FOR FOSTER PARENTS



PROBLEM: Prospective foster parents are being licensed and receiving children/youth without understanding the unique problems and care needed by children/youth in foster care; understanding the foster care system with its regulations and policies that affect the every day life of the foster parent and children; or a real commitment to the realities of foster care.

Children/youth who are in foster care have unique problems not usually encountered by the raising of your own children because of the life situations resulting in their placement in foster care. Their attitudes, ideas, development level (including emotional and educational, as well as physical), concepts of the world are impaired. They are from neglective, abusive, alcoholic, manipulative situations--disfunctional families. Foster parents need the knowledge to be able to deal with situations, feelings, and concepts the average parent will never encounter.

Since children/youth in foster care are in the custody of the Division of Family & Youth Services, or private agencies, foster parents must operate their families according to the laws, regulations, policies and procedures of the state plus coordinate their dealings with the youth with the social worker.

Foster parents "burn-out" quickly in the realities of dealing with disfunctional families and their children if they are not very prepared in what to expect and how to deal with those situations. If a foster family quit a child/youth must be moved, or the family finds they cannot deal with certain situations that are common to foster children/youth. If agency policies are not known or understood foster families "give up" or are eased out of the system--again to the detriment of children/youth.

RECOMMENDATION: The Division of Family & Youth Services is contemplating adding foster care training to regulations, but we feel it must have the force of a law change to insure inclusion.

The law (bill) should include 3 factors:

1. Initial training before licensing including all pertinent information on agency policies, what to expect from children, and well rounded information on "What is Foster Parenting".
2. Ongoing training with a minimum of 15 hours per family--5 minimum per adult.
3. Inability to be waived for certain families or locations.

ATTACHMENTS: Similar recommendation to the Division of Family & Youth Service from the 1977-78 Foster Family Care Task Force.
Expanded recommendation with specific topics of training

Add to Foster Care regulations:

- (1) Prospective foster parents shall attend pre-licensing training. This training should contain the following information:
 - a. What is Foster Parenting
Emergency, short and long term care
Why and how children arrive in Foster care
How Foster children differ from natural children
 - b. How children react to placement
Separation issues
 - c. Agency expectations
Roles, rights and responsibilities of:
Social workers
Placement agency
Foster parents
 - d. Natural parents
Visitations
Feelings and attitudes
Parental rights
 - e. Legal issues
Legal status of child/youth
Juvenile judges and Guardian ad Litem
Foster parent legal issues:
Placement and Licensing appeals
Foster parent Bill of Rights
 - f. Placement issues
Information needed at placement:
Medical release
Medicaid coupons
Clothing vouchers
Billing authorizations
Emergency placements
Foster parent stipend:
Philosophy and use
 - g. Discipline
 - h. Licensing procedure
Application
Standard by standard
Home visit
Foster parent handbook
- (2) To remain licensed, foster care givers must acquire a minimum of 15 hours of on-going training relating to foster care; to be shared between the adult care givers with a minimum of 5 hours for each adult. This training may be acquired through:
 - a. local foster parent educational meetings
 - b. Agency sponsored training sessions
 - c. Alaska Foster Parent Association conferences and/or workshops
 - d. Areawide foster parent conferences co-sponsored by Alaska Foster Parent Association and local associations
 - e. National Foster Parent Association conferences and/or workshops
 - f. Community offered child/youth related training
 - g. Institutes of higher learning
 - h. Books, films, video tapes related to foster care and/or child/youth management
- (3) This regulation is unable to be waived. Each area agency is responsible to maintain materials and offer information and training free of charge to prospective and currently licensed foster parents.

POSITION PAPER

SENATE BILL NO. 169

For an Act entitled: "An Act relating to the training of foster parents."

The Division of Family and Youth Services (DFYS), within the Department of Health and Social Services, has primary responsibility for foster placements. The Division is very supportive of foster parent training as is evidenced by contracts for the last two years from DFYS with the Alaska Foster Parent Association to provide training for foster parents. The Division also recognizes the concern of the foster parent association regarding the amount of time it has taken to implement regulations regarding foster parent training. The Division has prioritized finalizing regulatory drafts and they will be ready for public hearings before the end of the fiscal year. The regulations may be found as an appropriate means to address training. All foster parents statewide will receive a copy of the proposed regulations and will have an opportunity to comment on the appropriateness and feasibility of training requirements, especially in rural locations.

The Department would suggest that mandated training for foster parents would most appropriately be addressed in administrative policies. Through policy, levels of training for different types of care and geographical areas of the State can be established. As the primary purchaser of foster care services, the Division is also concerned about requirements for training which could not be waived.

RECOMMENDED:

Yvonne M. Chase
Yvonne M. Chase, ACSW, Director
Division of Family
and Youth Services

DATE:

3/17/87

APPROVED:

Myra W. Munson
Myra W. Munson, Commissioner
Department of Health
and Social Services

DATE:

3/18/87

**STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE**

REQUEST: _____

Bill Version : SB No. 169
Publish Date : _____

Revision Date: _____
Title: An Act relating to the
training of foster parents.
Sponsor: Fischer
Requestor: _____

Agency Affected: Health & Social Services
BRU: Child and Youth Custody
Components : Foster Care

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL	100,000	250,000				
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	100,000	250,000				

CAPITAL						
----------------	--	--	--	--	--	--

REVENUE						
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FUNDING: (Thousands of Dollars)

GENERAL FUND	100,000	250,000				
FEDERAL FUNDS						
OTHER						
TOTAL	100,000	250,000				

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary) The current contract with the Alaska Foster Parent Association provides training for one-half of foster parents statewide. If mandated for all foster parents, training costs would more than double. Costs would be incurred in modifying curriculum for different levels of care and in achieving a minimum standard for different areas of the State.

Prepared by: Yvonne M. Chase, Director YMC Phone: 465-3170
Division: Division of Family and Youth Services Date: 03/16/87
Approved by Commissioner: M. M. Munson, Commissioner Date: 3/18/87
Agency: Department of Health and Social Services

Distribution (by preparer):

Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)
Senate Secretary

A/B

STATE OF ALASKA 1987 LEGISLATIVE SESSION FISCAL NOTE

PSSA 169 HESS
Revision Date : 3-24-87

REQUEST

Bill/Resolution No. : SB 169
Title : "An Act relating to the training of foster parents"

Sponsor : _____
Requestor : _____
Date of Request : _____

FISCAL DETAIL

Agency Affected : _____
BRU : _____

Components : _____

EXPENDITURES/REVENUES : (Thousands of Dollars)

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL	0	0	0	0	0	0
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REVENUE	0	0	0	0	0	0
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FUNDING : (Thousands of Dollars)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS :

FULL-TIME	0	0	0	0	0	0
PART-TIME						
TEMPORARY						

ANALYSIS : Attach a separate page if necessary

Prepared by : Senate HESS Phone : 465-3791
Division : _____ Date : _____

Approved by Commissioner : Senator Paul Frank Date : _____
Agency : _____

Distribution (by Agency preparing fiscal note) :

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

**STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE**

REQUEST: _____
 Revision Date: _____
 Title: An Act relating to the
training of foster parents.
 Sponsor: Fischer
 Requestor: _____

Bill Version: SB No. 169
 Publish Date: _____

Agency Affected: Health & Social Services
 BRU: Child and Youth Custody
 Components: Foster Care

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL	100,000	250,000				
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	100,000	250,000				

CAPITAL						
---------	--	--	--	--	--	--

REVENUE						
---------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

GENERAL FUND	100,000	250,000				
FEDERAL FUNDS						
OTHER						
TOTAL	100,000	250,000				

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary) The current contract with the Alaska Foster Parent Association provides training for one-half of foster parents statewide. If mandated for all foster parents, training costs would more than double. Costs would be incurred in modifying curriculum for different levels of care and in achieving a minimum standard for different areas of the State.

Prepared by: Yvonne M. Chase, Director UMC Phone: 465-3170
 Division: Division of Family and Youth Services Date: 03/16/87

Approved by Commissioner: M. K. Munson Date: 3/18/87
 Agency: Department of Health and Social Services

- Distribution (by preparer):
- Legislative Finance
 - Legislative Sponsor
 - Requestor
 - Office of Management and Budget
 - Impacted Agency(ies)
 - Senate Secretary

MAR 18 1987

POSITION PAPER

SENATE BILL NO. 169

For an Act entitled: "An Act relating to the training of foster parents."

The Division of Family and Youth Services (DFYS), within the Department of Health and Social Services, has primary responsibility for foster placements. The Division is very supportive of foster parent training as is evidenced by contracts for the last two years from DFYS with the Alaska Foster Parent Association to provide training for foster parents. The Division also recognizes the concern of the foster parent association regarding the amount of time it has taken to implement regulations regarding foster parent training. The Division has prioritized finalizing regulatory drafts and they will be ready for public hearings before the end of the fiscal year. The regulations may be found as an appropriate means to address training. All foster parents statewide will receive a copy of the proposed regulations and will have an opportunity to comment on the appropriateness and feasibility of training requirements, especially in rural locations.

The Department would suggest that mandated training for foster parents would most appropriately be addressed in administrative policies. Through policy, levels of training for different types of care and geographical areas of the State can be established. As the primary purchaser of foster care services, the Division is also concerned about requirements for training which could not be waived.

RECOMMENDED:

Yvonne M. Chase
Yvonne M. Chase, ACSW, Director
Division of Family
and Youth Services

DATE:

3/17/87

APPROVED:

Myra M. Munson
Myra M. Munson, Commissioner
Department of Health
and Social Services

DATE:

3/18/87