

ALASKA LEGISLATURE COMMITTEE BILL FILES - 1987 - 1988 8879

HB 409, HB 412 361

HB

409

**FINANCE COMMITTEE REPORT**

{11}

Date referred: 2/19/88

FURTHER REFERRALS:

DATE: 4/8/88

The Finance Committee has considered HB 409

"An Act relating to forgiveness of student loans of certain health care providers."

**RECOMMENDS:**

- replace with CS HB 409 (Fin.)  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 \_\_\_\_\_
- zero fiscal note  same as previous zero fiscal note published \_\_\_\_\_
- zero with analysis

**SIGNING DO PASS:**

Adams *Al Adams*

Rivest *John Rivest*

Larson *Tom Larson*

Goll *Titus Goll*

Boyer *Mark Boyer*

Wallis *Kay Wallis*

**SIGNING OTHER RECOMMENDATIONS:**

Frank *Frank* NO Rec

*Al Adams*  
Chairman's signature

FISCAL NOTE

REQUEST:

Revision Date: 3/31/88  
 Title: RE: Forgiveness of Student Loans-  
Health Care Providers  
 Sponsor: Ellis & Koponen  
 Requestor: House Finance  
 Agency Affected: Education  
 BRU: Postsecondary Education/  
Student Loan Corporation  
 Components: Student Loan Fund

EXPENDITURES/REVENUES: (Thousands of Dollars)

| OPERATING         | FY 88 | FY 89 | FY 90 | FY 91 | FY 92 | FY 93 |
|-------------------|-------|-------|-------|-------|-------|-------|
| PERSONAL SERVICES |       |       |       |       |       |       |
| TRAVEL            |       |       |       |       |       |       |
| CONTRACTUAL       |       |       |       |       |       |       |
| SUPPLIES          |       |       |       |       |       |       |
| EQUIPMENT         |       |       |       |       |       |       |
| LAND & STRUCTURES |       |       |       |       |       |       |
| GRANTS, CLAIMS    | -0-   | -0-   | 25.4  | 56.7  | 92.8  | 115.1 |
| MISCELLANEOUS     |       |       |       |       |       |       |
| TOTAL OPERATING   | -0-   | -0-   | 25.4  | 56.7  | 92.8  | 115.1 |

|         |  |  |  |  |  |  |
|---------|--|--|--|--|--|--|
| CAPITAL |  |  |  |  |  |  |
|---------|--|--|--|--|--|--|

|         |  |  |  |  |  |  |
|---------|--|--|--|--|--|--|
| REVENUE |  |  |  |  |  |  |
|---------|--|--|--|--|--|--|

FUNDING: (Thousands of Dollars)

|               |     |     |      |      |      |       |
|---------------|-----|-----|------|------|------|-------|
| GENERAL FUND  | -0- | -0- | 25.4 | 56.7 | 92.8 | 115.1 |
| FEDERAL FUNDS |     |     |      |      |      |       |
| OTHER         |     |     |      |      |      |       |
| TOTAL         |     |     |      |      |      |       |

POSITIONS:

|           |  |  |  |  |  |  |
|-----------|--|--|--|--|--|--|
| FULL-TIME |  |  |  |  |  |  |
| PART-TIME |  |  |  |  |  |  |
| TEMPORARY |  |  |  |  |  |  |

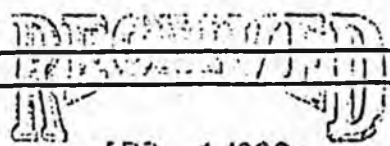
ANALYSIS : (Attach a separate page if necessary)

See Attached

Prepared by: Kerry D. Romesburg Phone: 465-2854  
 Division: Commission on Postsecondary Education Date: 3/31/88

Approved by Commissioner: \_\_\_\_\_ Date: \_\_\_\_\_  
 Agency: \_\_\_\_\_

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



LEGISLATIVE FINANCE

151151

HB 409  
Analysis of Fiscal Impact

A. Assumptions

1. The current student loan population is representative of the future attendance pattern for students of selected health care fields.
2. Indebtedness levels will increase as costs of attendance rise. The inflationary increase will be about 3% per year in the average loan amount.
3. Only a small proportion of health care graduates will actually qualify for the benefits of HB 409. The estimate used for the analysis is 1-in-10 medical graduates (physicians, surgeons, psychiatrists), and 1-in-8 nursing graduates. Additionally, of these, it is estimated that the average forgiveness will be 36% (that is 3-of-5 years of eligible forgiveness).
4. Borrowing years will vary by health care field. For this fiscal note, the following are assumed:

|                    |         |
|--------------------|---------|
| Medical Profession | 8 years |
| Nursing            | 3 years |

B. Projections

GRADUATES BY FIELD

| <u>Field</u>  | <u>1988-89</u> | <u>1989-90</u> | <u>1990-91</u> | <u>1991-92</u> | <u>1992-93</u> | <u>1993-94</u> |
|---------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Medical Prof. | 32             | 32             | 31             | 32             | 33             | 34             |
| Nursing       | 67             | 67             | 68             | 70             | 71             | 72             |
| Totals:       | <u>99</u>      | <u>99</u>      | <u>99</u>      | <u>102</u>     | <u>104</u>     | <u>106</u>     |

C. Fiscal Impact

| <u>Year</u> | <u>Amount</u> |
|-------------|---------------|
| 1988-89     | \$ -0-        |
| 1989-90     | 25,410        |
| 1990-91     | 56,663        |
| 1991-92     | 92,813        |
| 1992-93     | 115,082       |
| 1993-94     | 131,876       |

Original sponsors: Ellis, Koponen,  
Menard et al.

1 IN THE HOUSE

THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 409 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to forgiveness of student loans of  
7 certain health care professionals; and providing for  
8 an effective date."

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

10 \* Section 1. AS 14.43.120 is amended by adding new subsections to read:

11 (s) If a borrower meets the conditions provided in this section  
12 and is employed as a health care professional in an area more than 60  
13 miles from a hospital, or in an area determined to have a health care  
14 professional shortage for the borrower's profession by the Department  
15 of Health and Social Services under AS 44.29.020(b), a portion of the  
16 loan shall, subject to appropriation by the legislature, be paid by  
17 the state equal to the following percentages of the total loan re-  
18 ceived plus interest up to a total of 70 percent of the total loan:  
19 (1) one year employment, 10 percent; (2) two years employment, an  
20 additional 12 percent; (3) three years employment, an additional 14  
21 percent; (4) four years employment, an additional 16 percent; (5) five  
22 years employment, an additional 18 percent. In this subsection,  
23 "health care professional" means a person who is licensed as a physi-  
24 cian or osteopath under AS 08.64.230, or as a registered nurse under  
25 AS 08.68.190 or 08.68.200.

26 (t) Notwithstanding any other provision of law, while a person's  
27 loan is being paid by the state under (s) of this section, that person  
28 may not receive forgiveness of a loan under any other section of this  
29 chapter.

1 \* Sec. 2. AS 44.29.020 is amended by adding a new subsection to read:

2 (b) The department shall, by September 30 of each year, prepare  
3 a report that (1) lists by profession those geographic areas of the  
4 state that have a health care professional shortage, (2) identifies  
5 the number of health care professionals employed in each area of  
6 shortage, and (3) recommends changes to the health care professional  
7 loan forgiveness program under AS 14.43.120(s). The report prepared  
8 under this subsection shall be provided to the Alaska Commission on  
9 Postsecondary Education. The commissioner of health and social ser-  
10 vices shall adopt regulations regarding the determination of geo-  
11 graphic areas with a health care professional shortage. In this  
12 subsection "health care professional" has the meaning given in AS 14.-  
13 43.120(s).

14 \* Sec. 3. APPLICABILITY. This Act applies to a person's employment as  
15 a health care professional that occurs after July 1, 1988.

16 \* Sec. 4. This Act takes effect July 1, 1988.  
17  
18  
19  
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22  
23  
24  
25  
26  
27  
28  
29

[ ] Deleted language  
— New language

Original sponsors: Ellis, Koponen,  
Menard et al.

1 IN THE HOUSE

THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 409 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

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

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12 and is employed as a health care professional in an area more than 60  
13 miles from a hospital, or in an area determined to have a health care

14 professional shortage for the borrower's profession by the <sup>[U.S.]</sup> Department  
15 of Health and Social Services under AS 44.29.020(b), a portion of the <sup>Public Health - Social Services under AS 42.03C</sup>

16 loan shall, subject to appropriation by the legislature, be paid by  
17 the state equal to the following percentages of the total loan re-  
18 ceived plus interest up to a total of <sup>[100]</sup> 70 percent of the total loan:

19 (1) one year employment, <sup>[15]</sup> 10 percent; (2) two years employment, an  
20 additional <sup>[15]</sup> 12 percent; (3) three years employment, an additional <sup>[15]</sup> 14  
21 percent; (4) four years employment, an additional <sup>[25]</sup> 16 percent; (5) five  
22 years employment, an additional <sup>[30]</sup> 18 percent. In this subsection,

23 "health care professional" means a person who is licensed as a physi-  
24 cian or osteopath under AS 08.64.230, or as a registered nurse under  
25 AS 08.68.190 or 08.68.200.

26 (t) Notwithstanding any other provision of law, while a person's  
27 loan is being paid by the state under (s) of this section, that person  
28 may not receive forgiveness of a loan under any other section of this  
29 chapter.

1 \* Sec. 2. AS 44.29.020 is amended by adding a new subsection to read:

2 (b) The department shall, <sup>[determine]</sup> by September 30 of each year, prepare  
3 a report that (1) lists by profession those geographic areas <sup>of INSTITUTION</sup> of the  
4 state that have a health care professional shortage, (2) identifies  
5 the number of health care professionals employed in each area of  
6 shortage, and (3) recommends changes to the health care professional  
7 loan forgiveness program under AS 14.43.120(s). <sup>Information</sup> The report prepared  
8 under this subsection shall be provided to the Alaska Commission on  
9 Postsecondary Education. The commissioner of health and social ser-  
10 vices shall adopt regulations regarding the determination of geo-  
11 graphic areas with a health care professional shortage. In this  
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14 \* Sec. 3. APPLICABILITY. This Act applies to a person's employment as  
15 a health care professional that occurs after July 1, 1988.

16 \* Sec. 4. This Act takes effect July 1, 1988.

INDIAN HEALTH SERVICE VACANCIES

ANCHORAGE:

1 Radiologist  
1 Urologist  
1 Psychiatrist

BARROW:

4 Family Practitioners

BETHEL:

7 Family Practitioners  
2 Psychiatrists  
1 Pediatrician

JUNEAU:

2 Family Practitioners

KOTZEBUE:

2 Family Practitioners

SITKA--MT. EDGE CUMBE:

1 Family Practitioner  
1 Psychiatrist  
1 OBGYN  
1 Pediatrician

KETCHIKAN:

1 Family Practitioner

FAIRBANKS:

1 Psychiatrist

TOTAL:

17 Family Practitioners  
5 Psychiatrists  
2 Pediatricians  
1 Radiologist  
1 Urologist  
1 OBGYN

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27 VACANCIES

SOURCE:

National Indian Health Service  
Statistics February 1988  
Services  
IHS recruiter: Deryl Pratt

lmw

NURSING VACANCIES

Alaska-PHS, IHS

ANCHORAGE:

7 Supervisory  
Clinical Nurses  
24 Clinical Nurses

BARROW:

1 Assistant Admin  
of Nursing  
1 Outpatient Dept  
Head Nurse  
6 Clinical Nurses

BETHEL:

1 Night Supervisor  
5 Clinical Nurses

KANAKANAK:

4 Clinical Nurses

KOTZEBUE:

1 Assistant Admin  
of Nursing  
4 Clinical Nurses

MT. EDGE CUMBE:

2 Mental Health  
Nurses  
3.5 Med-Surg Nurses

TOTAL:

43 Clinical Nurses  
7 Supervisory  
Clinical Nurses  
3.5 Med-Surg Nurses  
2 Mental Health  
Nurses  
2 Assistant Admin  
of Nursing  
1 Outpatient Dept  
Head Nurse  
1 Night Supervisor

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59.5 VACANCIES

SOURCE:

Department of Health & Human  
Services, Public Health  
Service  
AK Area Nursing Section  
Dr. David Schraer

# Alaska State Legislature

REPRESENTATIVE  
PAT POURCHOT

HOUSE FINANCE COMMITTEE,  
VICE CHAIR

HOUSE ETHICS COMMITTEE, CHAIR

LEGISLATIVE BUDGET & AUDIT  
COMMITTEE



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(H) (907) 338-2425

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P.O. BOX V  
STATE CAPITOL  
JUNEAU, AK 99811  
(907) 465-3712

## House of Representatives

### M E M O R A N D U M

TO: House Finance Committee Members

FROM: Representative Pat Pourchot, Chairman  
House Finance Subcommittee on HB 409

DATE: April 7, 1988

RE: House Finance Committee Substitute for HB 409

HB 409 provides forgiveness of student loans for certain health care professionals. In an effort to reduce the cost of the forgiveness proposal, the subcommittee narrowed the bill's scope. The following changes were adopted:

page 1, lines 12-13

A definition of health care professional shortage was established: A shortage area is any area more than 60 miles from a hospital or any other area determined by the Department of Health and Social Services to be inadequately served.

page 1, line 16

Language was added to clarify that the program is subject to legislative appropriation. This is intended to ensure that the bill does not create a legal obligation of the state in regard to forgiveness payments.

page 1, lines 18-22

The total amount of forgiveness was reduced from 100% to 70% (10% after the first year of employment followed by an additional 12%, 14%, 16%, and 18% in subsequent years).

page 1, lines 23-25

The definition of "health care professional" was limited to physicians and registered nurses licensed by the state. The original definition included anyone authorized by the state to administer health care.

page 1, lines 26-29

Language was added to ensure that anyone receiving forgiveness under HB 409 will not also receive forgiveness under the previous forgiveness program.

CSHB 409(Fin)  
April 7, 1988  
Page 2

page 2, lines 1-9

A procedure for ensuring cooperation between the Postsecondary Education Commission and DHSS was established. By September 30 of each year DHSS must submit to the Commission a report listing areas with health care shortages, identifying the number of health care professionals employed in each area, and recommending any needed changes to the program.

page 2, lines 10-11

A requirement that DHSS adopt regulations outlining the procedure for determining health care shortage areas was added.

page 2, lines 14-15

Language clarifying that the provisions of the bill apply to employment occurring after the bill's effective date (July 1, 1988) was added.

These changes have resulted in a zero fiscal note for FY 89, as forgiveness payments would be made after the first year of eligible employment (July 1, 1988 to July 1, 1989). The program cost for FY 90 is reduced from \$169,000 to \$25,400 with increases during subsequent years reduced as well.

FISCAL NOTE

REQUEST:

Revision Date: 3/31/88  
 Title: RE: Forgiveness of Student Loans-  
 Health Care Providers  
 Sponsor: Ellis & Koponen  
 Requestor: House Finance

Agency Affected: Education  
 BRU: Postsecondary Education/  
 Student Loan Corporation  
 Components: Student Loan Fund

EXPENDITURES/REVENUES: (Thousands of Dollars)

| OPERATING         | FY 88 | FY 89 | FY 90 | FY 91 | FY 92 | FY 93 |
|-------------------|-------|-------|-------|-------|-------|-------|
| PERSONAL SERVICES |       |       |       |       |       |       |
| TRAVEL            |       |       |       |       |       |       |
| CONTRACTUAL       |       |       |       |       |       |       |
| SUPPLIES          |       |       |       |       |       |       |
| EQUIPMENT         |       |       |       |       |       |       |
| LAND & STRUCTURES |       |       |       |       |       |       |
| GRANTS, CLAIMS    | -0-   | -0-   | 25.4  | 56.7  | 92.8  | 115.1 |
| MISCELLANEOUS     |       |       |       |       |       |       |
| TOTAL OPERATING   | -0-   | -0-   | 25.4  | 56.7  | 92.8  | 115.1 |
|                   |       |       |       |       |       |       |
| CAPITAL           |       |       |       |       |       |       |
|                   |       |       |       |       |       |       |
| REVENUE           |       |       |       |       |       |       |

FUNDING: (Thousands of Dollars)

|               |     |     |      |      |      |       |
|---------------|-----|-----|------|------|------|-------|
| GENERAL FUND  | -0- | -0- | 25.4 | 56.7 | 92.8 | 115.1 |
| FEDERAL FUNDS |     |     |      |      |      |       |
| OTHER         |     |     |      |      |      |       |
| TOTAL         |     |     |      |      |      |       |

POSITIONS:

|           |  |  |  |  |  |  |
|-----------|--|--|--|--|--|--|
| FULL-TIME |  |  |  |  |  |  |
| PART-TIME |  |  |  |  |  |  |
| TEMPORARY |  |  |  |  |  |  |

ANALYSIS : (Attach a separate page if necessary)

See Attached



Prepared by: Kerry D. Romesburg Phone: 465-2854  
 Division: Commission on Postsecondary Education Date: 3/31/88

Approved by Commissioner: \_\_\_\_\_ Date: \_\_\_\_\_  
 Agency: \_\_\_\_\_

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

HB 409  
Analysis of Fiscal Impact

A. Assumptions

1. The current student loan population is representative of the future attendance pattern for students of selected health care fields.
2. Indebtedness levels will increase as costs of attendance rise. The inflationary increase will be about 3% per year in the average loan amount.
3. Only a small proportion of health care graduates will actually qualify for the benefits of HB 409. The estimate used for the analysis is 1-in-10 medical graduates (physicians, surgeons, psychiatrists), and 1-in-8 nursing graduates. Additionally, of these, it is estimated that the average forgiveness will be 36% (that is 3-of-5 years of eligible forgiveness).
4. Borrowing years will vary by health care field. For this fiscal note, the following are assumed:

|                    |         |
|--------------------|---------|
| Medical Profession | 8 years |
| Nursing            | 3 years |

B. Projections

GRADUATES BY FIELD

| <u>Field</u>  | <u>1988-89</u> | <u>1989-90</u> | <u>1990-91</u> | <u>1991-92</u> | <u>1992-93</u> | <u>1993-94</u> |
|---------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Medical Prof. | 32             | 32             | 31             | 32             | 33             | 34             |
| Nursing       | 67             | 67             | 68             | 70             | 71             | 72             |
| Totals:       | <u>99</u>      | <u>99</u>      | <u>99</u>      | <u>102</u>     | <u>104</u>     | <u>106</u>     |

C. Fiscal Impact

| <u>Year</u> | <u>Amount</u> |
|-------------|---------------|
| 1988-89     | \$ -0-        |
| 1989-90     | 25,410        |
| 1990-91     | 56,663        |
| 1991-92     | 92,813        |
| 1992-93     | 115,082       |
| 1993-94     | 131,876       |

1024 WEST SIXTH AVENUE  
ANCHORAGE, ALASKA 99501  
(907) 274-4031

WHILE IN SESSION  
P.O. BOX V  
JUNEAU, ALASKA 99811  
(907) 485-3704

# ALASKA STATE HOUSE

OFFICE OF MAJORITY WHIP

CO-CHAIR  
HEALTH, EDUCATION & SOCIAL SERVICES

LABOR & COMMERCE  
SUBCOMMITTEE ON FOREIGN TRADE



## REPRESENTATIVE JOHNNY ELLIS

### SPONSOR POSITION PAPER

#### HB409

**"An act relating to forgiveness of student loans of certain health care providers."**

The purpose of this bill is to create an incentive program for medically trained Alaskans to work in those areas of Alaska that need health care provider services most.

Modeled after the Teacher Scholarship Loan Program, this legislation offers the incentive of Alaska Student Loan forgiveness in return for health care service in areas of the State determined to be medically underserved.

This program would also allow students who qualify to take advantage of the new National Health Service Corps Loan Repayment Program, which offers up to 75% Federal matching funds for such a State program.

#### \*WHY HB409?

##### 1. Federal recruitment program ending.

The National Health Service Corps (NHSC) Scholarship Program, which placed 1000 national health care providers in medically underserved areas in 1987, will issue no new scholarships. According to the US Congressional Office of Technology Assessments, NHSC will have 413 scholars in 1988; 76 in 1989; and 4 in 1990, to place nation wide. Ken Bahms, the NHSC Region X Director, indicated that, no new NHSC scholars will be designated for Alaska.

##### 2. Indian Health Service (IHS) dependent upon NHSC placements.

According to the Office of Technology Assessment, "Problems of training and retaining health professionals will become critical for IHS over the next 5 years as the NHSC program is phased out."

##### 3. Existing NHSC placements expire August 1989.

There are currently FIVE NHSC placements in Alaska:

- (1) Anchorage Neighborhood Health Center--Obstetrician  
Summer '85 to Summer '88
- (2) Nome--Family Practitioner  
Summer '86 to September '89

- (3) Anchorage--Physiatrist (physical rehabilitation)  
Summer '86 to July '89
- (4) Anchorage (Arctic I Lab)--Pediatrician  
Summer '87 to December '88
- (5) Dillingham--Family Practitioner  
Summer '87 to August '89

**\*WHO is medically underserved?**

42 U.S.C. 254(e) is a Federal distinction to determine a "health manpower shortage area". The Department of Health and Human Services has distinguished:

In Alaska:

- 29 psychiatry areas
- 14 primary medical care areas
- 4 dental service areas

**\*WHY forgiveness?**

**1. Recruitment increasing problem.**

All reports indicate that recruitment of health care professionals into rural/medically underserved areas is a chronic problem. Studies indicate that the national shortage of nurses will only enhance this problem.

**2. Retention difficult.**

Office of Technology Assessments indicate that, "Nearly all physicians who enter IHS with NHSC scholarship payback obligations, however, leave after their obligation is fulfilled. Only about 5 percent stay at least 1 additional year."

**3. Alaska Student Loan established program.**

Forgiveness of the Alaska Student Loans will ensure that Alaskan residents are encouraged to remain in Alaska and serve in those areas of greatest need.

**4. 100 percent forgiveness is an adequate incentive.**

A forgiveness program designed over a five year period with increasing percentages in the fourth and fifth years will not only help in recruiting but also in retaining health care professionals to areas that have been traditionally difficult to fill.

**\*HOW to receive Federal matching funds?**

PL 100-177 provides for state programs similar to the NHSC Loan Repayment Program to receive up to 75 percent Federal matching funds through a three-year grant program. Although specific regulations have not yet been published, all relevant Federal agencies contacted have recommended that Alaska establish an independent State program first. Matching funds will be issued in accordance with demonstrated need and existing State programs.

STATE OF ALASKA  
1988 LEGISLATIVE SESSION

BILL VERSION: HB 409 (alternate)  
PUBLISH DATE: N.A.

FISCAL NOTE

REQUEST:

Revision Date: 2/1/88  
Title: Re: Forgiveness of Student  
Loans - Health Care Providers  
Sponsor: Ellis and Koponen  
Requestor: House HESS

Agency Affected: Education  
BRU: Postsecondary Education/  
Student Loan Corporation  
Components: Student Loan Fund

EXPENDITURES/REVENUES: (Thousands of Dollars)

| OPERATING         | FY 88 | FY 89 | FY 90 | FY 91 | FY 92 | FY 93 |
|-------------------|-------|-------|-------|-------|-------|-------|
| PERSONAL SERVICES |       |       |       |       |       |       |
| TRAVEL            |       |       |       |       |       |       |
| CONTRACTUAL       |       |       |       |       |       |       |
| SUPPLIES          |       |       |       |       |       |       |
| EQUIPMENT         |       |       |       |       |       |       |
| LAND & STRUCTURES |       |       |       |       |       |       |
| GRANTS, CLAIMS    | -0-   | 56.4  | 112.6 | 168.9 | 225.3 | 281.7 |
| MISCELLANEOUS     |       |       |       |       |       |       |
| TOTAL OPERATING   | -0-   | 56.4  | 112.6 | 168.9 | 225.3 | 281.7 |

|         |  |  |  |  |  |  |
|---------|--|--|--|--|--|--|
| CAPITAL |  |  |  |  |  |  |
|---------|--|--|--|--|--|--|

|         |  |  |  |  |  |  |
|---------|--|--|--|--|--|--|
| REVENUE |  |  |  |  |  |  |
|---------|--|--|--|--|--|--|

FUNDING: (Thousands of Dollars)

|               |     |      |       |       |       |       |
|---------------|-----|------|-------|-------|-------|-------|
| GENERAL FUND  | -0- | 56.4 | 112.6 | 168.9 | 225.3 | 281.7 |
| FEDERAL FUNDS |     |      |       |       |       |       |
| OTHER         |     |      |       |       |       |       |
| TOTAL         |     |      |       |       |       |       |

POSITIONS:

|           |  |  |  |  |  |  |
|-----------|--|--|--|--|--|--|
| FULL-TIME |  |  |  |  |  |  |
| PART-TIME |  |  |  |  |  |  |
| TEMPORARY |  |  |  |  |  |  |

ANALYSIS : (Attach a separate page if necessary)

Figures are based upon 50% forgiveness at 10% per year.

Prepared by: Kerry D. Romes Executive Director Phone: 465-2854  
Division: Alaska Commission on Postsecondary Education Date: 2/1/88

Approved by Commissioner: \_\_\_\_\_ Date: \_\_\_\_\_  
Agency: \_\_\_\_\_

Distribution (by preparer):

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

## HMSA

### SHORTAGE AREA CRITERIA

#### SOURCE:

Compendium of State Health Professions Distribution Programs:  
1986 US Department of Health & Human Services

#### STATISTICS:

Of the 113 Compendium programs, 61 (54 percent) have some type of shortage criteria. About a third of programs and states use the federal HMSA criteria or slight modifications of them.

| Criteria             | Programs | States   |
|----------------------|----------|----------|
| HMSA                 | 16       | 14       |
| HMSA &/or MUA        | 2        | 2        |
| Modified HMSA        | 5        | 4        |
| Population:physician | 3        | 3        |
| Community size       | 8        | 8        |
| Anywhere in State    | 10       | 8        |
| State criteria       | 8        | 4        |
| Other                | <u>9</u> | <u>8</u> |
| TOTAL                | 61       | 51       |

#### 1. Health Manpower Shortage Areas (HMSA)

Sixteen programs in 14 states (Arizona, Kentucky, Massachusetts, Maine, Nebraska, New Mexico, North Carolina, North Dakota, Oklahoma, Pennsylvania, South Carolina, Tennessee, Virginia, and West Virginia) use HMSA alone. Two programs in two states (Arkansas and Nevada) use HMSA or MUA. No programs use MUA alone.

Those states using HMSA for their own programs report doing so for three reasons:

- a) Some say that HMSA methodology, while not perfect, is sound and useful for their purposes.
- b) Others indicate preference for having federal program officials expend the necessary resources for undertaking the process, and equally importantly, absorb the dissatisfaction from some professional societies or unsuccessful applicant communities.
- c) Finally, at least a few states express preference for developing their own designation process, but lack the necessary staff.

## 2. HMSA Modifications

Five additional programs in four states essentially use the HMSA designations to place health professionals, modifying the process only slightly to suit their own purposes. These programs are in Maryland, Maine, New Mexico, and North Carolina.

These states accept the HMSA designation of geographic shortage areas. The four states then add their state and local health, mental health, and corrections institutions to a list of acceptable practice sites. Unlike the federal designation process, there are no formal state mechanisms for declaring particular institutions to be lacking sufficient personnel.

a) Maryland

HMSA Modification: HMSA, state or local public institution

b) Maine

1) HMSA Modification: HMSA, underserved specialty group, population group, or any combination of these.

2) HMSA Modification: HMSA, geographic area, specialty group, population group, or any combination of these.

c) New Mexico

approval on a case-by-case basis.

d) North Carolina

HMSA Modification: HMSA, rural community of fewer than 10,000 people, state or local institutions.

**FISCAL NOTE**

**REQUEST:**

Revision Date: 1/27/88  
 Title: An Act relating to forgive-  
 ness of student loans . . .  
 Sponsor: Ellis and Koponen  
 Requestor: \_\_\_\_\_

Agency Affected: Health & Social Services  
 BRU: State Health Services  
 Components: Public Health Adminis-  
 tration

**EXPENDITURES/REVENUES: (Thousands of Dollars)**

| OPERATING              | FY 88 | FY 89 | FY 90 | FY 91 | FY 92 | FY 93 |
|------------------------|-------|-------|-------|-------|-------|-------|
| PERSONAL SERVICES      |       |       |       |       |       |       |
| TRAVEL                 |       |       |       |       |       |       |
| CONTRACTUAL            |       |       |       |       |       |       |
| SUPPLIES               |       |       |       |       |       |       |
| EQUIPMENT              |       |       |       |       |       |       |
| LAND & STRUCTURES      |       |       |       |       |       |       |
| GRANTS, CLAIMS         |       |       |       |       |       |       |
| MISCELLANEOUS          |       |       |       |       |       |       |
| <b>TOTAL OPERATING</b> |       | -0-   | -0-   | -0-   | -0-   | -0-   |

|         |  |  |  |  |  |  |
|---------|--|--|--|--|--|--|
| CAPITAL |  |  |  |  |  |  |
|---------|--|--|--|--|--|--|

|         |  |  |  |  |  |  |
|---------|--|--|--|--|--|--|
| REVENUE |  |  |  |  |  |  |
|---------|--|--|--|--|--|--|

**FUNDING: (Thousands of Dollars)**

|               |  |     |     |     |     |     |
|---------------|--|-----|-----|-----|-----|-----|
| GENERAL FUND  |  |     |     |     |     |     |
| FEDERAL FUNDS |  |     |     |     |     |     |
| OTHER         |  |     |     |     |     |     |
| <b>TOTAL</b>  |  | -0- | -0- | -0- | -0- | -0- |

**POSITIONS:**

|           |  |  |  |  |  |  |
|-----------|--|--|--|--|--|--|
| FULL-TIME |  |  |  |  |  |  |
| PART-TIME |  |  |  |  |  |  |
| TEMPORARY |  |  |  |  |  |  |

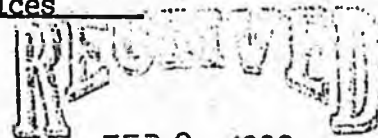
**ANALYSIS :** (Attach a separate page if necessary)

The enactment of HB 409 would have no direct fiscal impact on the Department of Health and Social Services.

Prepared by: Elizabeth Ward, Director Phone: 465-3090  
 Division: Public Health Date: 2-10-88

Approved by Commissioner: Mary Kaye McManis Date: 2-11-88  
 Agency: Department of Health & Social Services

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



FEB 22 1988

Position Paper

CSHB 409

For an Act entitled: "An Act relating to forgiveness of student loans of certain health care providers."

HB 409 would provide a student loan forgiveness program for health care professionals who provide services in areas designated by the United States Public Health Service as meeting professional shortage criteria. Loan forgiveness would be based on a yearly percentage of service in a designated area, up to five years, at which point the entire loan would be forgiven by the state.

Recruitment and retention of health care professionals for rural areas is often difficult and expensive. Agencies and communities providing services in these areas are faced with the ongoing problem of obtaining qualified individuals who will live in rural areas for an extended period of time. This chronic turnover results in substantial cost increases and service disruption due to vacancies.

Eligible professionals providing health services in designated areas would benefit economically from this program. This economic incentive will enhance the ability of communities and agencies to recruit and retain health care providers. In addition, rural Alaskans would be encouraged to obtain advanced education and return to practice in their communities.

Position

The Department of Health and Social Services, while deferring the cost analysis of this legislation to the Department of Education, supports the economic incentives in assisting rural areas to recruit and retain qualified health professionals.

Recommended by:

*Elizabeth Ward*  
Elizabeth Ward, M.N.  
Director  
Division of Public Health

Date:

*February 10, 1989*

Approved by:

*Myra M. Munson 2/10/88*  
Myra M. Munson  
Commissioner  
Department of Health and  
Social Services

1024 WEST SIXTH AVENUE  
ANCHORAGE, ALASKA 99501  
(907) 274-4031

WHILE IN SESSION  
P.O. BOX V  
JUNEAU, ALASKA 99811  
(907) 485-3704

# ALASKA STATE HOUSE

OFFICE OF MAJORITY WHIP



CO-CHAIR  
HEALTH, EDUCATION & SOCIAL SERVICES

LABOR & COMMERCE  
SUBCOMMITTEE ON FOREIGN TRADE

REPRESENTATIVE JOHNNY ELLIS

February 22, 1988

Gail M. McGill, RN  
Executive Secretary  
Alaska Board of Nursing  
Division of Occupational Licensing  
7th Floor Frontier Bldg.  
3601 C Street, Suite 722  
Anchorage, Alaska 99503

Dear Ms. McGill:

Thank you for your letter regarding the Alaska Board of Nursing's review of HB 409. I share your concerns that the 42 U.S.C. 254(e) health care professional shortage designation alone is inadequate to determine Alaska's needs. To allow for accurate and up-to-date designations of health care areas and professions in Alaska, I proposed the enclosed House Health, Education and Social Services (HESS) Committee Substitute for HB 409.

CS HB 409 instructs the State Department of Health and Social Services (HSS) to "determine by profession those geographic areas or institutions of the state that have a health care professional shortage." Undoubtedly, HSS will need to work closely with the Division of Occupational Licensing in order to make such distinctions. This amendment, to allow for State determination, was designed specifically to ensure that both rural and urban areas with nursing shortages would be designated.

Further testimony was taken regarding HB 409 on February 18, 1988 by the House HESS Committee. At that time CS HB 409 (HESS) was adopted and referred to Finance (the next committee of referral).

I am including a copy of your letter and this response in the bill folder. I will let you know when Finance calendars CS HB 409 so you may make further testimony at that time. Thank you again for your letter of support. I hope that the CS for HB 409 meets your concerns.

Sincerely,

Handwritten signature of Johnny Ellis in cursive script.  
Johnny Ellis

encl: 2

# STATE OF ALASKA

STEVE COWPER, GOVERNOR

## DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT

DIVISION OF OCCUPATIONAL LICENSING

7TH FLOOR FRONTIER BLDG.  
3601 C STREET, SUITE 722  
ANCHORAGE, ALASKA 99503  
PHONE: (907) 561-2878

February 19, 1988

Leola Weimer, Legislative Aid  
Representative Johnnie Ellis  
P.O. Box 5V  
Juneau, Alaska 99811

Dear Ms. Weimer:

As indicated in previous correspondence from me earlier this month, the Board of Nursing met on February 11-12, 1988. The board reviewed House Bill 409 and the information which was available to them regarding this piece of legislation.

The board expressed support for HB409. However, with the board's limited knowledge of the United States Public Health Service designation of health care provider shortage areas, there was a concern that the language of the bill was too narrow. The board is troubled by the fact that several Alaska communities may experience severe nursing shortages but may not be designated as medically underserved by the U.S.P.H.S. The board suggested a state agency such as the regulatory boards under the Division of Occupational Licensing could be added to the bill as responsible for identifying shortage areas. An additional concern was expressed that the federal list may not be as current as needed and a state agency would have more up to date information.

We hope this information is of value to you. If you have any questions, please do not hesitate to contact this office again.

Sincerely,



Gail M. McGill, RN  
Executive Secretary  
Alaska Board of Nursing

GMM/md  
0219n



Office of Regents' Affairs  
(907) 474-7908

UNIVERSITY OF ALASKA  
FAIRBANKS, ALASKA 99775-5080

FEB 4 1988

November 23, 1987

NOV 27 1987

Alaska Commission on  
Postsecondary Education

Dr. Kerry D. Romesburg  
Executive Director  
Alaska Postsecondary Education Commission  
P.O. Box FP  
Juneau, Alaska 99811

Dear Dr. Romesburg:

Members of the University of Alaska Board of Regents requested that a copy of the following motion, adopted by the Board at its November 20, 1987 meeting in Anchorage, be forwarded to your attention:

PASSED:

"The Board of Regents directs its representatives on the Alaska Postsecondary Education Commission to forward to the commission a proposal for the development of a scholarship program for medical students from Alaska, similar to the Teacher Scholarship Loan Program, which would include forgiveness of payment if an individual practices medicine for a specified period of time in rural Alaska. This motion is effective November 20, 1987."

The above motion was made by Regent Susan Stitham, seconded by Regent Mark Helmericks, and passed unanimously by the Board of Regents.

Very truly yours,

A handwritten signature in cursive script that reads "Julie E. Chavez".

Julie E. Chavez,  
Regents' Affairs Officer

cc: Regents Stitham, Helmericks, and Rasmuson  
President Donald O'Dowd  
Dr. Donald Behrend

# Alaska Native Health Board

1135 W. 3th AVENUE, SUITE 2, ANCHORAGE, ALASKA 99501

PHONE 807 276 9339

February 10, 1988

Representative Johnny Ellis  
Alaska State Legislature

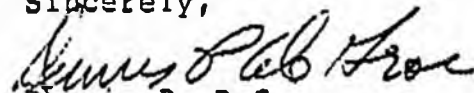
Dear Representative Ellis:

The Alaska Native Health Board strongly supports HB 409, "An Act Relating to Forgiveness of Student Loans of Certain Health Care Providers". In our statewide system of Native health care (Comprised of the Indian Health Service and 16 regional and other Native tribal health provider agencies), the number of vacant positions has varied between 41 and 59 over the past two months. At the present time there is a need for 9 physicians, 1 dentist, 22 nurses, 1 med tech, 1 physician assistant, 1 pharmacist, and 2 Xray technicians.

While the general requirement for employment in our system is that new hires have a minimum of 3 years past experience, our Internship program would allow about 14 new health provider graduates per year to enter the system directly from graduation. Our view is that the proposed bill would help us and other employers of health professionals in Alaska, such as municipalities and the State of Alaska, to hire Alaskans.

Thank you for the opportunity to comment in support of HB 409.

Sincerely,

  
Dennis P. DeGross  
Executive Director

ALEUT ANCHORAGE ISLAND ASSOCIATION  
BRISTOL BAY AREA HEALTH CORPORATION  
COOK INLET NATIVE ASSOCIATION  
COPPER RIVER NATIVE ASSOCIATION

KODIAK AREA NATIVE ASSOCIATION  
KVALAPYAK ASSOCIATION  
THE NORTH PACIFIC  
NORTH SLOPE SCROUGH HEALTH CORP

NORTON SOUND HEALTH CORPORATION  
SOUTHEAST ALASKA REGIONAL HEALTH CORP  
TANANA CHIEFS CONFERENCE  
YUKON-KUSKOKWIM HEALTH CORPORATION

877-276-9339



DEPARTMENT OF HEALTH & HUMAN SERVICES  
PUBLIC HEALTH SERVICE

February 10, 1988

Refer to: A-NSS

Rep. Johnny Ellis  
Co-chair HESS Committee  
Pouch V  
State Capitol  
Juneau, AK 99811

Dear Rep. Ellis:

Response on behalf of Marion Bayless, Administrator, Alaska Area Nursing Services Section, in support of HB409 "An act relating to forgiveness of student loans of certain health care providers", we offer the following data and information:

The area, number, and type of nursing vacancies in Alaska-PHS, IHS are as follows:

Anchorage - ANMC

7 - Supervisory Clinical Nurses  
24 - Clinical Nurses

|                | <u>Current</u>  | <u>Anticipated</u> |   |
|----------------|---|--------------------|---|
| Med-Surg       | 6   | 3                  |   |
| *OB            | 2   | 2                  |   |
| ***Peds Infant | 5 (3 neonate, 2 older peds)                           |                    |   |
| ICU            | 2   |                    |   |
| **OR           | 2   |                    |   |
| OPD            |   | 1                  |   |
| Specialty Cl.  | 1   |                    |   |
|                | <hr style="width: 100%; border: 0.5px solid black;"/> | 6                  | = 24-26 running number<br>vacancies for past 5<br>months. |

Barrow

1 Assistant Administrator of Nursing  
1 Outpatient Dept. Head Nurse  
6 Clinical nurses

Bethel

1 Night Supervisor  
5 Clinical Nurses

Kanakanak

4 Clinical Nurses

Kotzebue

1 Assistant Administrator of Nursing  
4 Clinical Nurses

Mt. Edgecumbe

2 Mental Health Nurses  
3.5 Med-Surg Nurses

Rep. Johnny Ellis  
February 10, 1988  
Page 2

\* It currently takes ANMC 5-6 months to recruit qualified Obstetric Clinical Nurses due to the high skill requirement of this high risk patient population and the complexity of care, equipment, and procedures.

\*\* It takes up to 12 months to recruit qualified OR nurses.

\*\*\* It takes 6-8 months to recruit ~~qualified~~ neonatal nurses.

Current literature and research on Recruitment and Retention reflects educational opportunity and advancement to be high priorities for nurses surveyed in the Lower 48 States.

A Federal Interagency Staff Nurse Recruitment and Retention Task Force has identified educational opportunity and advancement to be among the top three priorities for recruitment and retention.

Attraction of minority students unable to meet financial obligation to field of nursing.

Alaska PHS-IHS exit interviews consistently reflect a primary reason for a change of employment location being:

- a) Lack of educational opportunities or advancement in present position.
- b) Seeking continuing educational opportunities with another agency (often East Coast States).

\* Financial Support/Loan Forgiveness: Among the most comprehensive approaches to the recruitment into nursing problem is the one undertaken by some hospital-based schools of nursing which have decided to underwrite the costs of tuition for nursing students. The students must be willing to commit themselves to a designated period of employment in their school's hospital which will qualify them for full tuition reimbursement. Some programs will advance the required tuition while others will reimburse after the fact. In making the mutual commitment to this relationship, the student nurse and the hospital are investing time and energy in each other. The hospital stands to gain a certain number of guaranteed staff nurses upon graduation, and the student is able to obtain a nursing education without becoming encumbered with loans. In many respects this arrangement has much in common with the U. S. military R.O.T.C. programs, which supports a student in collegiate nursing education in exchange for a commitment to a given number of years in military nursing service. Two hospital-based schools of nursing which have been notably successful in recruiting students with this strategy are: Framingham Union Hospital, 115 Lincoln St., Framingham, MA 01701, Jane Woodward, Associate Administrator; and Crouse-Irving Memorial Hospital School of Nursing, 736 Irving Avenue, Syracuse, NY 13210, Dr. Suzanne Spaulding, Director.

Rep. Johnny Ellis  
February 10, 1988  
Page 3

\* The Adult Pool of Potential RNs: In maximizing the impact of available resources, it would be advisable to consider the pool of current health care workers, such as LPNs, EMTs and paramedics. They are familiar with the hospital world, so facilitating their transition into the RN pool may provide a rapid return on available resources. Several diploma schools of nursing as well as AD programs in community colleges are recruiting this population into their RN educational programs. In order to make these programs more accessible, several offer weekend classes and evening classes for those who are employed full time. Some hospitals which might have laid off LPNs in the past have decided to try to meet the manpower needs of their institutions by offering generous academic loans to these individual with commitments to "forgive" these loans if the graduate will return to work as an RN for a given period of time.

Thank you for the opportunity to comment on this vital Alaska Health Care issue.

Sincerely,



David J. Schraer, MD  
Chief, Area Patient Care Standards Br.

\*Reference: American Organization Nurse Executives, American Hospital Association.

*Tanana Chiefs Conference, Inc.*

201 First Ave.  
Fairbanks, Alaska 99701  
(907) 452-8251

FEB 11 1988

FEB. 8, 1988

REP. JOHNNY ELLIS  
HOUSE HESS COMMITTEE  
ALASKA STATE LEGISLATURE  
POUCH V  
JUNEAU, ALASKA

REFERENCE: HB 409: HEALTH PROVIDER STUDENT LOAN FORGIVENESS

DEAR REP. ELLIS:

THIS IS IN RESPONSE TO YOUR LETTER OF FEBRUARY 5, 1988 REQUESTING COMMENTS CONCERNING HB409, SUPPORTING LOAN FORGIVENESS FOR HEALTH PROFESSIONAL STUDENT LOANS.

THE TANANA CHIEFS CONFERENCE, INC. IS SUPPORTIVE OF THIS PROPOSED LEGISLATION.

HEALTH PROFESSIONAL RECRUITMENT IS AN ON-GOING CONCERN FOR US, ALTHOUGH FAIRBANKS IS GENERALLY ONE OF THE MORE DESIRABLE LOCATIONS FOR PROFESSIONALS IN ALASKA, AND WE HAVE LESS OF A PROBLEM THAN MANY OF THE OTHER REGIONS OF THE STATE.

OUR MOST SIGNIFICANT RECRUITMENT PROBLEM HAS BEEN FOR A REGIONAL PSYCHIATRIST TO SERVE INTERIOR ALASKA VILLAGES. WE ARE A DESIGNATED PSYCHIATRIC MANPOWER SHORTAGE AREA, AND HAVE NOT BEEN ABLE TO FIND A CANDIDATE DESPITE NEARLY TWO YEARS OF ACTIVE RECRUITMENT (FINANCING IS ALSO A PROBLEM: WE HAVE REQUESTED AN INCREASE IN OUR DHSS B.R.U. TO PROVIDE THIS SUPPORT).

OTHER ONGOING RECRUITING NEEDS INCLUDE PHYSICIAN'S ASSISTANTS TO SERVE AS PRIMARY CARE PROVIDERS AND HEALTH AIDE SUPERVISORS (CURRENT VACANCIES IN TOK AND MCGRATH), AND MENTAL HEALTH CLINICIANS (MSW OR PHD). WE HAVE REGULAR VACANCIES IN THESE TYPES OF POSITIONS (EVERY TWO-THREE YEARS).

RECRUITMENT FOR PHYSICIANS, DENTISTS, AND NURSES HAS NOT BEEN A SIGNIFICANT PROBLEM FOR US, ALTHOUGH WE WOULD PREFER TO HIRE INDIVIDUALS WHO HAVE ALASKA EXPERIENCE VS. RELOCATING INDIVIDUALS FROM THE LOWER 48.

ONE AREA OF CRITICAL CONCERN FOR THE TCC IS THE DEVELOPMENT OF ALASKA NATIVE HEALTH CARE PROFESSIONALS. AT PRESENT ONLY TEN PERCENT OF PROFESSIONAL PROVIDERS SERVING THE RURAL INTERIOR ARE ALASKA NATIVE (TWO PHYSICIANS ASSISTANTS AND ONE DEPARTMENT MANAGER IN HEALTH EDUCATION). SUCCESSFUL NATIVE COLLEGE GRADUATES SEEM TO BE CHOOSING CAREERS IN EDUCATION AND BUSINESS RATHER THAN HEALTH CARE PROFESSIONS.

LETTER TO REP. ELLIS

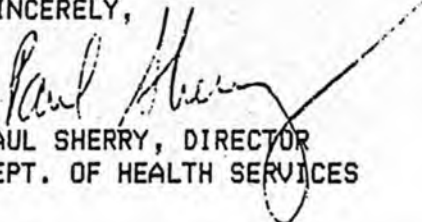
PAGE TWO

THE PROVISIONS OF HB409 WOULD APPEAR TO PROVIDE RELIEF AND SUPPORT FOR OUR EFFORTS TO INCREASE ALASKAN HIRE IN HEALTH PROFESSIONS.

THE FORGIVENESS PROVISIONS WOULD ENCOURAGE COLLEGE STUDENTS TO MORE FAVORABLY CONSIDER HEALTH CAREERS, AND INCREASE THE AVAILABILITY OF PROFESSIONALS WHO WOULD MAKE A LONGER TERM COMMITMENT TO ALASKAN SERVICE.

YOU HAVE THE SUPPORT OF THE TANANA CHIEFS CONFERENCE, INC. IN YOUR EFFORTS TO ENACT THIS LEGISLATION.

SINCERELY,



PAUL SHERRY, DIRECTOR  
DEPT. OF HEALTH SERVICES

CC: SEN. JOHNE BINKLEY  
REP. KAY WALLIS  
MITCH DEMIENTIEFF, TCC PRESIDENT



DEPARTMENT OF HEALTH & HUMAN SERVICES  
PUBLIC HEALTH SERVICE

February 9, 1988

Rep. Johnny Ellis  
Pouch V  
State Capitol  
Juneau, AK 99811

We appreciate the support of the Alaska State Legislature in encouraging placement and retention of health professions in medically underserved areas of Alaska through House Bill 409. The Yukon-Kuskokwim Delta Service Unit and the Bethel Family Clinic has been dependent on the National Health Service Corps placement for physician staffing for approximately 4 - 6 physician positions each year for several years. Though Bethel was not listed on the sponsor position paper, six of the 18 physicians residing in Bethel are recipients of a National Health Service Corps Scholarship. We are currently experiencing a nursing shortage with little potential for improvement due to a nationwide nursing shortage. If HB 409 applies to loans for nursing education also, this would improve our ability to recruit graduates of the University of Alaska Nursing School.

One suggestion, forgiveness over a four year commitment period is much more likely to enhance recruitment. Long-term retention is a complex issue. I personally think that the improved recruitment associated with a four year forgiveness period will outweigh any gains of an extra year of service.

Sincerely,

DEWEY SCHEID, M. D.  
COMMUNITY HEALTH DIRECTOR  
Yukon-Kuskokwim Delta  
Service Unit  
PHS, Alaska Native Hospital  
Pouch 3000  
Bethel, Alaska 99559

0931C/DS/hib/02-09-88

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ANCHORAGE, ALASKA 99501  
(907) 274-4031

WHILE IN SESSION  
P.O. BOX V  
JUNEAU, ALASKA 99811  
(907) 465-3704

# ALASKA STATE HOUSE

OFFICE OF MAJORITY WHIP



CO-CHAIR  
HEALTH, EDUCATION & SOCIAL SERVICES

LABOR & COMMERCE  
SUBCOMMITTEE ON FOREIGN TRADE

REPRESENTATIVE JOHNNY ELLIS

February 11, 1988

Alaska WAMI Medical Students  
University of Washington  
Office of the Dean of  
Regional Affairs  
Seattle, WA 98105

Dear Denise, Carolyn, Jeff, Mark and Rogin:

Thank you for your letter of February 10, 1988 regarding House Bill No. 409 which is currently before the HESS Committee. The concerns you raise are valid ones and I hope the following explanation helps to clarify the purpose and workings of HB 409.

"Who will fund the practitioners who participate in this program?"

The funding for Alaska Student Loan Forgiveness for certain health care professionals will be through general fund appropriation in accordance with the fiscal note the Commission on Postsecondary Education has prepared. Enclosed is a copy of that fiscal note and their rationale behind it. Please note that HB 409 is dealing ONLY with forgiveness of ALASKA STUDENT LOANS and not in the direct hiring of practitioners.

HB 409 does NOT require physicians to set up private practices in underserved areas. If, however, a physician (or any other health care professional) accepts a contract to work in an area designated to have a shortage in their profession, they may receive up to 100 percent forgiveness on their ALASKA STUDENT LOANS. Public Health Service contracts in shortage areas would therefore qualify.

PL100-177 established the NHSC FEDERAL Loan Repayment Program. This new program is designed to replace the existing NHSC Scholarship Program. Funding for this program allows for only 20 to 30 individual loan repayments per year nation wide. Kenneth Bahm, the NHSC Region X director, has informed us that Alaska can expect to receive NO NEW NHSC Scholarship or Loan Repayment recipients.

NHCS has identified Health Manpower Shortage Areas (HMSA) in Alaska as follows: 50 psychiatry, 20 primary medical care, and 4 dental shortage areas. The National Health Service (IHS) shows a current listing of 27 physician vacancies throughout Alaska. The Alaska Public Health Service lists 59.5 current Nursing vacancies throughout Alaska.

Given the fact that Alaska shall receive no new NHSC Scholarships (upon which IHS has been dependent) and due to the national nursing shortage, recruitment for these positions will be even more difficult. HB 409 has been proposed as an aid to recruiting Alaskans to work in these underserved areas. HB 409 is an incentive program designed to make PHS or IHS jobs more attractive by forgiving up to 100 percent of the borrowers Alaska Student Loans.

"What does 'an area . . . shortage' really mean?"

It means that there is a vacancy in a certain profession that a given health institution cannot fill or in which there is a high turnover. This determination is made by the NHSC. Additional determinations for geographic areas or professions not covered under NHSC will be made through the Alaskan Department of Health and Social Services (HSS).

"Toward which loans will the forgiveness apply?"

Forgiveness will apply toward all undergraduate and graduate Alaska Student Loans taken by a borrower who qualifies.

"Does this program provide a meaningful incentive?"

100 percent forgiveness is undoubtedly a meaningful incentive. Five years of service with increasing percentages of forgiveness for the fourth and fifth years is designed to encourage continuity and lower the high turnover rate found in such areas.

Thank you for your comments. I hope that this answers your questions regarding HB 409. Enclosed is a copy of the proposed committee substitute for HB 409. The House HESS Committee will be taking further testimony on Thursday, February 18 from 8:30 to 10:00 am. I encourage you to read CS HB 409 and submit comments to us before that time. If you have any further questions, please feel free to call Leola at (907) 465-3704.

Sincerely,

Johnny Ellis  
Co-chair HESS Committee

encl 2  
lmw

(undersigned are first year Alaska WAMI students)

February 10, 1988

Alaska WAMI Medical Students  
University of Washington  
Office of the Dean of  
Regional Affairs  
Seattle, WA 98105

TO: Representative Ellis

Several of the first year Alaska WAMI medical students met to discuss your proposed House Bill No. 409. Here are a few of our concerns.

**Who will fund the practitioners who participate in this program?**

Surely the expectation is not for a physician to be given a designated underserved area and then run out to set up a private practice - it would be extremely difficult to make a living much less pay back loans. Since the primary employer of physicians in underserved areas is the Public Health Service, is some sort of arrangement to be worked out with this agency? Also, we were wondering if the Public Health Service has reinstated their own loan forgiveness program?

**What does "an area determined to have a health care provider shortage" really mean?**

For example, if a neurosurgeon or some other specialist is needed in Fairbanks will this program apply to that position?

**Toward which loans will the forgiveness apply?**

Does this bill encompass all educational loans incurred while attending medical school, including GSL, HPL and any other educational loans? Or does it solely apply to the Alaska Student Loan program? Also, does 'total loans received' include Alaska student loans obtained for undergraduate education? The undergraduate loan issue is not a significant one for those of us currently in the WAMI program (our undergraduate loans had the forgiveness clause), but for future medical students it will be important - the difference between paying back \$28,000 or \$50,000.

**Does this program provide a meaningful incentive?**

Our concern is that the lack of an adequate incentive might prevent some individuals from using this program. The salary needs to be competitive with other post-residency health service salaries. Would it be possible to attain total forgiveness in four years instead of five - a year of service for a year of loan forgiveness?

Thank you for your efforts on our behalf. Please keep us posted on the status of this bill and let us know if we can provide you with any further information.

Sincerely,

Denise Dudley  
Carolyn Rader  
Jeff Edwards  
Mark Whipple  
Rogin Grendahl

## GENERAL PROCEDURES FOR DESIGNATION

Request for designation (or withdrawal of designation) of health manpower shortage areas should be sent to the Office of Data Analysis and Management at the following address:

Office of Data Analysis and Management  
Attention: Distribution and Shortage  
Analysis Branch  
Parklawn Building, Room 8-57  
5600 Fishers Lane  
Rockville, Maryland 20857

All requests should contain information on the supply of health manpower available to serve the area's population, the availability of resources in contiguous areas, and the presence of any special needs of the population, using the measures specified in the criteria for shortage, as set forth in the November 17, 1980, issue of the Federal Register. Requests should also include a map showing the location of resources within the area and in contiguous areas. Data sources should be cited, and any adjustments to practitioner supply or area population figures should be explained. In addition, the rationale for the selection of a particular service area definition (in terms of travel times, composition of the population, etc.) should be provided, particularly for non-county service area and population groups.

Requests for designation may be submitted by any individual. Before any request is evaluated, however, the appropriate health systems agency, State health planning and development agency, and Governor will be provided 30 days to comment on the request. Copies of the request are also sent to the appropriate State medical, dental, or other professional association for comment. Requests for psychiatric designations are sent to the appropriate State mental health authority. In order to shorten the designation process, it is recommended that persons submitting a request solicit the assistance and/or endorsement of these parties, or at least provide them with a copy of the request simultaneously with its submission to us.

Once comments have been received or the comment period has expired, the request will be evaluated to see whether the criteria for designation have been satisfied. If the information in a request is inadequate, the applicant will be notified. Notification of final action taken on a designation request will be sent to the applicant and to the appropriate health systems agency, State health planning and development agency, Governor, and Public Health Service Regional Office. Efforts are made to act on each designation request within 60 days.

seek abrogation and the death benefit paid under life insurance, is admissible after the fact finder has rendered an award. The court may take into account the value of claimant's rights to coverage exhausted or depleted by payment of these collateral benefits by adding back a reasonable estimate of their probable value, or by earmarking and holding for possible periodic payment under (a) of this section that amount of the award that would otherwise have been deducted, to see if the impairment of claimant's rights actually takes place in the future. (§ 35 ch 102 SLA 1976)

Editor's notes. — This section is set out above to correct a minor error in the main pamphlet.

Sec. 09.55.560. Definitions. In AS 09.55.530 — 09.55.560

(1) "health care provider" means an audiologist licensed under AS 08.11; a chiropractor licensed under AS 08.20; a dental hygienist licensed under AS 08.32; a dentist licensed under AS 08.36; a nurse licensed under AS 08.68; a dispensing optician licensed under AS 08.71; a naturopath licensed under AS 08.45; an optometrist licensed under AS 08.72; a pharmacist licensed under AS 08.80; a physical therapist or occupational therapist licensed under AS 08.84; a physician licensed under AS 08.64; a podiatrist; a psychologist and a psychological associate licensed under AS 08.86; and a hospital as defined in AS 18.20.130, including a governmentally owned or operated hospital; a corporate entity covered under AS 21.88.050(b)(11); and an employee of a health care provider acting within the course and scope of employment;

(2) "board" means an arbitration board established under AS 09.55.535;

(3) "panel" means an expert advisory panel established under AS 09.55.536. (§ 37 ch 102 SLA 1976; am § 24 ch 177 SLA 1978; am § 6 ch 56 SLA 1986; am § 9 ch 131 SLA 1986; § 26 ch 2 FSSLA 1987)

Effect of amendments. — The first 1986 amendment in paragraph (1) inserted "a naturopath licensed under AS 08.45."

The second 1986 amendment near the

beginning of paragraph (1) inserted "an audiologist licensed under AS 08.11."

The 1987 amendment, effective January 1, 1988, inserted "or occupational therapist" in paragraph (1).

Article 6. Actions by or Against Deceased Persons.

Sec. 09.55.570. All causes of action survive.

NOTES TO DECISIONS

Cited in Goodlataw v. State, Dep't of Health & Social Servs., Sup. Ct. Op. No. 2929 (File No. S-279), 698 P.2d 1190 (1985).

Original sponsors: Ellis, Koponen,  
Menard and Donley

1 IN THE HOUSE

BY THE HEALTH, EDUCATION AND  
SOCIAL SERVICES COMMITTEE

2

CS FOR HOUSE BILL NO. 409 (HESS)

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FIFTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

6

For an Act entitled: "An Act relating to forgiveness of student loans of  
certain health care professionals."

7

8

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

9

\* Section 1. AS 14.43.120 is amended by adding a new subsection to  
read:

10

11

(s) If a borrower meets the conditions provided in this section

12

and is employed as a health care professional in an area determined to

13

have a health care professional shortage for the borrower's profession

14

by the United States Public Health Service under 42 U.S.C. 254(e) or

15

by the Department of Health and Social Services under AS 44.29.020(b),

16

a portion of the loan shall be paid by the state equal to the follow-

17

ing percentages of the total loan received plus interest up to a total

18

of 100 percent of the total loan: (1) one year employment, 15 per-

19

cent; (2) two years employment, an additional 15 percent; (3) three

20

years employment, an additional 15 percent; (4) four years employment,

21

an additional 25 percent; (5) five years employment, an additional 30

22

percent. In this subsection, "health care professional" means a

23

person who is licensed, certified, or otherwise authorized by the

24

state to administer health care in the ordinary course of a business

25

or practice of a profession.

26

\* Sec. 2. AS 44.29.020 is amended by adding a new subsection to

27

read:

28

(b) The department shall determine by profession those geo-

29

graphic areas or institutions of the state that have a health care

1 professional shortage. The information determined under this sub-  
2 section shall be provided to the Alaska Commission on Postsecondary  
3 Education. In this subsection "health care professional" has the  
4 meaning given in AS 14.43.120(s).

1 IN THE HOUSE

BY ELLIS AND KOPONEN

2

HOUSE BILL NO. 409

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FIFTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

6 For an Act entitled: "An Act relating to forgiveness of student loans of  
7 certain health care providers."

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

9 \* Section 1. AS 14.43.120 is amended by adding a new subsection to  
10 read:

11 (s) If a borrower meets the conditions provided in this section  
12 and is employed as a health care provider in an area determined to  
13 have a health provider shortage by the United States Public Health  
14 Service under 42 U.S.C. 254(e), a portion of the loan shall be paid by  
15 the state equal to the following percentages of the total loan re-  
16 ceived plus interest up to a total of 100 percent of the total loan:  
17 (1) one year employment, 15 percent; (2) two years employment, an  
18 additional 15 percent; (3) three years employment, an additional 15  
19 percent; (4) four years employment, an additional 25 percent; (5) over  
20 four years employment, an additional 30 percent. In this subsection,  
21 "health care provider" means a person who is licensed, certified, or  
22 otherwise authorized by the state to administer health care in the  
23 ordinary course of business or practice of a profession.

H B

4 1 2

Date referred: 3/31/88

FURTHER REFERRALS:

(Finance added 3/31)

DATE: 4/8/88

The Finance Committee has considered HB 412

"An Act relating to the pre-emancipation services for certain minors."

RECOMMENDS:

- replace with CS HB 412 (HESS)  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 \_\_\_\_\_
- zero fiscal note  same as previous zero fiscal note published \_\_\_\_\_
- zero with analysis

SIGNING DO PASS:

POURCHER [Signature]

GOLL [Signature]

BOYER MARK BOYER

WALLIS Ray Wallis

SIGNING OTHER RECOMMENDATIONS:

ADAMS Al Adams - No Rec

LARSON Ron Larson - No Rec. - There are other [unclear]

FRANK [Signature] No Rec

Al Adams  
Chairman's signature

STATE OF ALASKA  
1988 LEGISLATIVE SESSION

BILL VERSION: CS HB 412 (Hess)  
PUBLISH DATE: \_\_\_\_\_

FISCAL NOTE

REQUEST: \_\_\_\_\_

Revision Date: \_\_\_\_\_  
Title: An act relating to the pre-  
emancipation services for certain minors  
Sponsor: HESS  
Requestor: \_\_\_\_\_

Agency Affected: Health and Social Services  
BRU: Child and Youth Custody  
Components: Foster care, Residential care.

EXPENDITURES/REVENUES: (Thousands of Dollars)

| OPERATING         | FY 88 | FY 89 | FY 90 | FY 91 | FY 92 | FY 93 |
|-------------------|-------|-------|-------|-------|-------|-------|
| PERSONAL SERVICES |       |       |       |       |       |       |
| TRAVEL            |       | 3.0   | 3.0   | 3.0   | 3.0   | 3.0   |
| CONTRACTUAL       |       |       |       |       |       |       |
| SUPPLIES          |       |       |       |       |       |       |
| EQUIPMENT         |       |       |       |       |       |       |
| LAND & STRUCTURES |       |       |       |       |       |       |
| GRANTS, CLAIMS    |       | 188.4 | 244.8 | 244.8 | 244.8 | 244.8 |
| MISCELLANEOUS     |       |       |       |       |       |       |
| TOTAL OPERATING   | -0-   | 191.4 | 247.8 | 247.8 | 247.8 | 247.8 |

|         |     |     |     |     |     |     |
|---------|-----|-----|-----|-----|-----|-----|
| 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 |     | 191.4 | 247.8 | 247.8 | 247.8 | 247.8 |
| OTHER         |     |       |       |       |       |       |
| TOTAL         | -0- | 191.4 | 247.8 | 247.8 | 247.8 | 247.8 |

POSITIONS:

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

ANALYSIS : (Attach a separate page if necessary)

See attached page(s).

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

Phone: 465-3170  
Date: 04-08-88

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

Date: 4-8-88

Distribution (by preparer):

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

FY 89

TRAVEL:

Central Office Component \$ 3.0

Travel and per diem for staff to monitor programs, aid in curriculum development, and provide training. 6 Trips x \$600/trip.

GRANTS:

Central Office Component \$ 20.0

Initial cost to develop and purchase training curriculum for emancipation services/independent living skills, as well as purchase films, video's, and reference materials for foster parents, residential child care providers and state youth correctional institution.

Foster Care Component \$ 25.0

Provides training for 40 foster parents in independent living concepts and skills. These trained foster parents could then provide independent living skills to 50 youth the first year and 125 per year thereafter.

Residential Care Component \$143.4

\$30,000 to train 50 staff from 21 residential child care facilities and 4 youth corrections facilities in the independent living skills curriculum. These care givers would then teach independent living skills to 75 youth the first year and 175 youth each year thereafter. Each of the residential and youth correction facilities would be required to add this component to their treatment programs.

\$81,000 to provide supervised independent living to 10 full time equivalent youth ages 17 and older at an annual cost of \$8,100/year for the first year. Costs will vary per youth because of varying levels of maturity and abilities to

achieve transition to subsidized independent living or full independence. Maximum time in supervised independent living would be one year.

\$2,400 to provide an average subsidy of \$675/month to 4 full time equivalent youth. The amount and length of time subsidies will be provided will vary within a range based on individual needs. A full subsidy will be funded initially and decreased to zero during the course of a year.

TOTAL: \$191.4

FY 90-93

TRAVEL:

Central Office Component \$ 3.0

Travel and per diem for staff to monitor programs, aid in curriculum development, and provide training.  
6 Trips x \$600 per trip.

GRANTS:

Foster Care Component \$ 8.0

A cost of \$8,000 per year would be required to train additional or new foster parents to accommodate turnover among foster parents, and to update and enhance the curriculum.

Residential Care Component \$ 10.0

\$10,000 each year to update and enhance the independent living curriculum and to train staff from residential child care facilities and youth corrections facilities due to turnover and the need to update skills.

\$162,000 to provided supervised independent living to 20 youth ages 17 and older at an annual cost of \$8,100/year. Costs will vary per youth because of varying levels of maturity and abilities to achieve \$162.0

transition to subsidized independent living or full independence. Maximum time in supervised independent living would be one year.

\$64,800 to provide an average subsidy of \$675/month to 8 full time equivalent youth. The amount and length of time subsidies will be provided will vary within a range based on individual needs. A full subsidy will be funded initially and decreasing to zero during the course of a year.

TOTAL:

\$247.8

Original sponsor: Health, Education and  
Social Services Committee

1 IN THE HOUSE BY THE HEALTH, EDUCATION AND  
SOCIAL SERVICES COMMITTEE

2 CS FOR HOUSE BILL NO. 412 (HESS)  
3 IN THE LEGISLATURE OF THE STATE OF ALASKA  
4 FIFTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the pre-emancipation services for  
7 certain minors."

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

9 \* Section 1. AS 47.10.080(b) is amended to read:

10 (b) If the court finds that the minor is delinquent, it shall

11 (1) order the minor committed to the Department of Health  
12 and Social Services for a period of time that does not [TO] exceed two  
13 years and that does not [OR IN ANY EVENT] extend past the minor's 19th  
14 birthday [DAY THE MINOR BECOMES 19], except that the department may  
15 petition for and the court may grant in a hearing (A) two-year ex-  
16 tensions of commitment that [WHICH] do not extend beyond the minor's  
17 [CHILD'S] 19th birthday if the extension is in the best interests of  
18 the minor and the public; and (B) an additional one-year period of  
19 supervision past the minor's 19th birthday [AGE 19] if continued  
20 supervision is in the best interests of the minor or the minor is  
21 receiving pre-emancipation services, [PERSON] and the minor [PERSON]  
22 consents to the additional period of supervision [IT]; the department  
23 shall place the minor in the juvenile facility [WHICH] the department  
24 considers appropriate, [AND] which may include a juvenile correctional  
25 school, detention home, or detention facility; the minor may be re-  
26 leased from placement or detention and placed on probation on order of  
27 the court and may also be released by the department, in its dis-  
28 cretion, under AS 47.10.200;

29 (2) order the minor placed on probation, to be supervised

1 by the department, and released to the minor's parents, guardian, or a  
2 suitable person; if the court orders the minor placed on probation, it  
3 may specify the terms and conditions of probation; the probation may  
4 be for a period of time that does [,] not [TO] exceed two years and  
5 that does not [IN NO EVENT] extend past the minor's 19th birthday [DAY  
6 THE MINOR BECOMES 19], except that the department may petition for and  
7 the court may grant in a hearing

8 (A) two-year extensions of supervision that [WHICH] do  
9 not extend beyond the minor's [CHILD'S] 19th birthday, if the  
10 extension is in the best interests of the minor and the public;  
11 and

12 (B) an additional one-year period of supervision past  
13 the minor's 19th birthday, [AGE 19] if the continued supervision  
14 is in the best interests of the minor [PERSON] and the minor  
15 [PERSON] consents to it;

16 (3) order the minor committed to the department and placed  
17 on probation, to be supervised by the department, and released to the  
18 minor's parents, guardian, other suitable person, or suitable non-  
19 detention setting such as a family home, group care facility, [OR]  
20 child care facility, or supervised independent residence, whichever  
21 the department considers appropriate to implement the treatment plan  
22 of the predisposition report; if the court orders the minor placed on  
23 probation, it may specify the terms and conditions of probation; the  
24 department may transfer the minor, in the minor's best interests, from  
25 one of the probationary placement settings listed in this paragraph to  
26 another, and the minor, the minor's parents or guardian, and the  
27 minor's attorney are entitled to reasonable notice of the transfer;  
28 the probation may be for a period of time that does not [, NOT TO]  
29 exceed two years and that does not [IN NO EVENT] extend past the

1 minor's 19th birthday [DAY THE MINOR BECOMES 19], except that the  
2 department may petition for and the court may grant in a hearing

3 (A) two-year extensions of commitment that [WHICH] do  
4 not extend beyond the minor's [CHILD'S] 19th birthday, if the  
5 extension is in the best interests of the minor and the public;  
6 and

7 (B) an additional one-year period of supervision past  
8 the minor's 19th birthday, [AGE 19] if the continued supervision  
9 is in the best interests of the minor or the minor is receiving  
10 pre-emancipation services, [PERSON] and the minor [PERSON] con-  
11 sents to the additional period of supervision; [IT; OR]

12 (4) order the minor to make suitable restitution in lieu of  
13 or in addition to the court's order under (1), (2) or (3) of this  
14 subsection; or [.]

15 (5) order the minor committed to the Department of Health  
16 and Social Services for placement in an adventure-based education  
17 program established under AS 47.21.020 with conditions the court  
18 considers appropriate concerning release upon satisfactory completion  
19 of the program or commitment under (1) of this subsection if the  
20 program is not satisfactorily completed.

21 \* Sec. 2. AS 47.10.080(c) is amended to read:

22 (c) If the court finds that the minor is a child in need of aid,  
23 it shall

24 (1) order the minor committed to the department for place-  
25 ment in an appropriate setting, which may include a supervised in-  
26 dependent residence, for a period of time that does not [TO] exceed  
27 two years and that does not extend [OR IN ANY EVENT] past the minor's  
28 19th birthday [DATE THE MINOR BECOMES 19 YEARS OF AGE], except that  
29 the department may petition for and the court may grant in a hearing

1 (A) two-year extensions of commitment that [WHICH] do not extend  
2 beyond the minor's 19th birthday, if the extension is in the best  
3 interests of the minor and the public; and (B) an additional one-year  
4 period of supervision past the minor's 19th birthday, [AGE 19] if the  
5 continued supervision is in the best interests of the minor or the  
6 minor is receiving pre-emption services, [PERSON] and the minor  
7 [PERSON] consents to the additional period of supervision [IT]; the  
8 department may transfer the minor, in the minor's best interests, from  
9 one placement setting to another, and the minor, the minor's parents  
10 or guardian, and the minor's attorney are entitled to reasonable  
11 notice of the transfer;

12 (2) order the minor released to the minor's parents, guard-  
13 ian, or some other suitable person, and, in appropriate cases, order  
14 the parents, guardian, or other person to provide medical or other  
15 care and treatment; if the court releases the minor, it shall direct  
16 the department to supervise the care and treatment given to the minor,  
17 but the court may dispense with the department's supervision if the  
18 court finds that the adult to whom the minor is released will ade-  
19 quately care for the minor without supervision; the department's  
20 supervision may not exceed two years and may not [OR IN ANY EVENT]  
21 extend past the minor's 19th birthday [DATE THE MINOR REACHES AGE 19],  
22 except that the department may petition for and the court may grant in  
23 a hearing

24 (A) two-year extensions of supervision that [WHICH] do  
25 not extend beyond the minor's 19th birthday, if the extension is  
26 in the best interests of the minor and the public; and

27 (B) an additional one-year period of supervision past  
28 the minor's 19th birthday, [AGE 19] if the continued supervision  
29 is in the best interests of the minor [PERSON] and the minor

1 [PERSON] consents to it; or

2 (3) by order, upon a showing in the adjudication by clear  
3 and convincing evidence that there is a child in need of aid under  
4 AS 47.10.010(a)(2) as a result of parental conduct and upon a showing  
5 in the disposition by clear and convincing evidence that the parental  
6 conduct is likely to continue to exist if there is no termination of  
7 parental rights, terminate parental rights and responsibilities of one  
8 or both parents and commit the child to the department or to a legally  
9 appointed guardian of the person of the child, and the department or  
10 guardian shall report annually to the court on efforts being made to  
11 find a permanent placement for the child.

12 \* Sec. 3. AS 47.10.230 is amended by adding new subsections to read:

13 (h) The department shall provide appropriate pre-emption  
14 services to a child 16 years of age or older who has been committed to  
15 the custody of the department and who makes a request to receive the  
16 services, unless the department finds that pre-emption services  
17 are inappropriate for the child. The commissioner shall adopt regu-  
18 lations establishing criteria for determining whether pre-emption  
19 services are inappropriate for a child. The services may include

20 (1) assistance in completing academic or vocational train-  
21 ing designed to make the child employable;

22 (2) assistance in acquiring suitable housing;

23 (3) training in skills needed for independent living;

24 (4) assistance in petitioning for removal of the disabili-  
25 ties of minority; and

26 (5) social support and services coordination.

27 (i) The department may award a grant to or contract with a  
28 municipality or with an entity incorporated under AS 10.20 to provide  
29 pre-emption services under (h) of this section. The commissioner

1 shall adopt regulations establishing criteria for the award of grants  
2 under this subsection.

STATE OF ALASKA  
1988 LEGISLATIVE SESSION

BILL VERSION: CS HB 412  
PUBLISH DATE: \_\_\_\_\_

FISCAL NOTE

REQUEST:

Revision Date: \_\_\_\_\_  
Title: An act relating to the pre-  
emancipation services for certain minors  
Sponsor: HESS  
Requestor: \_\_\_\_\_

Agency Affected: Health and Social Services  
BRU: Child and Youth Custody  
Components: Foster care, Residential care.

EXPENDITURES/REVENUES: (Thousands of Dollars)

| OPERATING         | FY 88 | FY 89 | FY 90 | FY 91 | FY 92 | FY 93 |
|-------------------|-------|-------|-------|-------|-------|-------|
| PERSONAL SERVICES |       |       |       |       |       |       |
| TRAVEL            |       | 3.0   | 3.0   | 3.0   | 3.0   | 3.0   |
| CONTRACTUAL       |       |       |       |       |       |       |
| SUPPLIES          |       |       |       |       |       |       |
| EQUIPMENT         |       |       |       |       |       |       |
| LAND & STRUCTURES |       |       |       |       |       |       |
| GRANTS, CLAIMS    |       | 188.4 | 244.8 | 244.8 | 244.8 | 244.8 |
| MISCELLANEOUS     |       |       |       |       |       |       |
| TOTAL OPERATING   | -0-   | 191.4 | 247.8 | 247.8 | 247.8 | 247.8 |

|         |     |     |     |     |     |     |
|---------|-----|-----|-----|-----|-----|-----|
| 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 |     | 191.4 | 247.8 | 247.8 | 247.8 | 247.8 |
| OTHER         |     |       |       |       |       |       |
| TOTAL         | -0- | 191.4 | 247.8 | 247.8 | 247.8 | 247.8 |

POSITIONS:

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

ANALYSIS : (Attach a separate page if necessary)

See attached page(s).

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

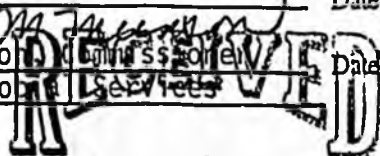
Phone: 465-3170  
Date: 04-08-88

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

Date: 4-8-88

Distribution (by preparer):

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



APR 21 1988

LEGISLATIVE FINANCE

FY 89

TRAVEL:

Central Office Component \$ 3.0

Travel and per diem for staff to monitor programs, aid in curriculum development, and provide training. 6 Trips x \$600/trip.

GRANTS:

Central Office Component \$ 20.0

Initial cost to develop and purchase training curriculum for emancipation services/independent living skills, as well as purchase films, video's, and reference materials for foster parents, residential child care providers and state youth correctional institution.

Foster Care Component \$ 25.0

Provides training for 40 foster parents in independent living concepts and skills. These trained foster parents could then provide independent living skills to 50 youth the first year and 125 per year thereafter.

Residential Care Component \$143.4

\$30,000 to train 50 staff from 21 residential child care facilities and 4 youth corrections facilities in the independent living skills curriculum. These care givers would then teach independent living skills to 75 youth the first year and 175 youth each year thereafter. Each of the residential and youth correction facilities would be required to add this component to their treatment programs.

\$81,000 to provide supervised independent living to 10 full time equivalent youth ages 17 and older at an annual cost of \$8,100/year for the first year. Costs will vary per youth because of varying levels of maturity and abilities to

achieve transition to subsidized independent living or full independence. Maximum time in supervised independent living would be one year.

\$2,400 to provide an average subsidy of \$675/month to 4 full time equivalent youth. The amount and length of time subsidies will be provided will vary within a range based on individual needs. A full subsidy will be funded initially and decreased to zero during the course of a year.

TOTAL: \$191.4

FY 90-93

TRAVEL:

Central Office Component \$ 3.0

Travel and per diem for staff to monitor programs, aid in curriculum development, and provide training. 6 Trips x \$600 per trip.

GRANTS:

Foster Care Component \$ 8.0

A cost of \$8,000 per year would be required to train additional or new foster parents to accomodate turnover among foster parents, and to update and enhance the curriculum.

Residential Care Component \$ 10.0

\$10,000 each year to update and enhance the independent living curriculum and to train staff from residential child care facilities and youth corrections facilities due to turnover and the need to update skills.

\$162,000 to provided supervised independent living to 20 youth ages 17 and older at an annual cost of \$8,100/year. Costs will vary per youth because of varying levels of maturity and abilities to achieve \$162.0

transition to subsidized independent living or full independence. Maximum time in supervised independent living would be one year.

\$64,800 to provide an average subsidy of \$675/month to 8 full time equivalent youth. The amount and length of time subsidies will be provided will vary within a range based on individual needs. A full subsidy will be funded initially and decreasing to zero during the course of a year.

TOTAL:

\$247.8

FISCAL NOTE

REQUEST:

Revision Date: \_\_\_\_\_  
Title: An Act relating to the pre-  
emancipation services for certain minors  
Sponsor: HFSS  
Requestor: \_\_\_\_\_

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

Components: Foster Care, Residential Care

EXPENDITURES/REVENUES: (Thousands of Dollars)

| OPERATING         | FY 88 | FY 89 | FY 90 | FY 91 | FY 92 | FY 93 |
|-------------------|-------|-------|-------|-------|-------|-------|
| PERSONAL SERVICES |       |       |       |       |       |       |
| TRAVEL            |       | 3.0   | 3.0   | 3.0   | 3.0   | 3.0   |
| CONTRACTUAL       |       |       |       |       |       |       |
| SUPPLIES          |       |       |       |       |       |       |
| EQUIPMENT         |       | 4.5   |       |       |       |       |
| LAND & STRUCTURES |       |       |       |       |       |       |
| GRANTS, CLAIMS    | 20.0  | 253.0 | 423.0 | 423.0 | 423.0 | 423.0 |
| MISCELLANEOUS     |       |       |       |       |       |       |
| TOTAL OPERATING   | 20.0  | 260.5 | 426.0 | 426.0 | 426.0 | 426.0 |
| CAPITAL           |       |       |       |       |       |       |
| REVENUE           |       |       |       |       |       |       |

FUNDING: (Thousands of Dollars)

|               |      |       |       |       |       |       |
|---------------|------|-------|-------|-------|-------|-------|
| GENERAL FUND  | 20.0 | 260.5 | 426.0 | 426.0 | 426.0 | 426.0 |
| FEDERAL FUNDS |      |       |       |       |       |       |
| OTHER         |      |       |       |       |       |       |
| TOTAL         | 20.0 | 260.5 | 426.0 | 426.0 | 426.0 | 426.0 |

POSITIONS:

|           |  |  |  |  |  |  |
|-----------|--|--|--|--|--|--|
| FULL-TIME |  |  |  |  |  |  |
| PART-TIME |  |  |  |  |  |  |
| TEMPORARY |  |  |  |  |  |  |

ANALYSIS : (Attach a separate page if necessary)

(See attached Page(s)).

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

Phone: 465-3170  
Date: 02-23-88

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

Date: 2-24-88

Distribution (by preparer):

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

## CENTRAL OFFICE COMPONENT

CSHB 412(HESS)  
HOUSE 2/22/88FY 88 Grants

Initial cost of \$20,000 to develop and purchase training curriculum for emancipation services/ independent living skills, as well as purchase films, video's, and reference materials for foster parents, residential child care providers and state youth correctional institutions.

Total \$ 20,000.

FY 89 Equipment

\$4,500 to purchase a computer for program development and client tracking. This computer would be used in administering the program and to avoid the need for additional personal service costs.

FY 89 Travel

\$3,000 to monitor programs, and to aid in curriculum development and provide training.

Total \$ 7,500.

FY 90-93 Travel

\$3,000 per year to monitor programs, and to aid in curriculum developpe and provide training.

Total \$ 3,000.

## FOSTER CARE COMPONENT

FY 88 Grants

\$ 00.

FY 89 Grants

\$25,000 to train 40 foster parents in independent living concepts and skills. These foster parents would then provide training to other foster parents from their areas. These trained foster parents could then provide independent living skills to 50 youth the first year and 125 per year thereafter.

Total \$ 25,000.

## House Bill 412

CSHB 412 (HESS)  
HOUSE 2/22/88FY 90-93 Grants

A cost of \$8,000 per year thereafter be required to train additional or new foster parents to accommodate turnover among foster parents, and to update and enhance the curriculum. \$ 8,000.

Total Per Year \$ 8,000.

## RESIDENTIAL CHILD CARE COMPONENT

FY 88 Grants -0-

FY 89 Grants

\$30,000 to train staff from 14 residential child care facilities and 4 youth corrections facilities in the independent living skills curriculum. \$ 30,000.  
These care givers would then teach independent living skills to 75 youth the first year and 175 youth each year thereafter. Each of the residential and youth correction facilities would be required to add this component to their treatment programs.

\$135,000 to provide supervised independent living to 15 youth ages 17 and older at an annual cost of \$9,000/year for the first year. Costs will vary per youth because of varying levels of maturity and abilities to achieve transition to subsidized independent living or full independence. Maximum time in supervised independent living would be one year. \$135,000.

\$ 63,000 to provide an average subsidy of \$750/month to 7 full time equivalent youth. The amount and length of time subsidies will be provided will vary within a range based on individual needs. A full subsidy will be funded initially and decreasing to zero during the course of a year. \$ 63,000.

TOTAL \$228,000.

FY 90-93 Grants

\$10,000 each year to update and enhance the independent living curriculum and to train staff from residential child care facilities and youth corrections facilities due to turnover and the need to update skills. \$ 10,000.

## House Bill 412

\$270,000 to provide supervised independent living to 30 youth ages 17 and older at an annual cost of \$9,000/year for the first year. Costs will vary per youth because of varying levels of maturity and abilities to achieve transition to subsidized independent living or full independence. Maximum time in supervised independent living would be one year.

\$270,000.

\$135,000 to provide an average subsidy of \$750/month to 15 full time equivalent youth. The amount and length of time subsidies will be provided will vary within a range based on individual needs. A full subsidy will be funded initially and decreasing to zero during the course of a year. Only youth who have gone through an independent curriculum may be admitted to this program. An independent living subsidy will assist the youth in making the transition to independent living.

\$135,000.

TOTAL \$415,000.



# UNIVERSITY OF ALASKA, ANCHORAGE

1211 Providence Drive  
Anchorage, Alaska 99508

COLLEGE OF ARTS AND SCIENCES  
DEPARTMENT OF SOCIAL WORK

April 4, 1988

Health Education and Social Services Committee  
Alaska House of Representatives  
Attention: Jim Nordlund  
Juneau, Alaska 99811

Re: HB 412 - Fiscal Note

After our review of the fiscal note submitted by the Department of Health and Social Services on HB412, Ms. Angela Salerno and I have the following suggestions regarding revisions which we believe will both lower the fiscal impact and more realistically address the implementation of HB412.

FY88 - Central Office/Foster Care

|  |                        |
|--|------------------------|
| Purchase materials, curriculum, films, videos          | \$10,000               |
| Travel   | 3,000                  |
| Foster Parent Training<br>(SB169/HB242 should address) | -0-                    |
| <b>FY88</b>  | <b><u>\$13,000</u></b> |

FY89 - Residential Child Care/Independent Living

|   |                         |
|---|-------------------------|
| Train Staff (Residential Child Care and Youth Counselors)   | \$10,000                |
| Independent Living Subsidy -<br>22 youth provided with supervised living subsidy up to \$600 per month (costs will vary - decreasing to zero in one year) | 158,400                 |
| "Start Up" Fund to be used as needed to facilitate setting up independent living arrangements<br>22 youths @ \$345  | 7,600                   |
| Vocational Training Contingency Fund (to be used as needed for training when State Student Loan, etc., are not available)                                 | 10,000                  |
| <b>FY89</b>   | <b><u>\$186,000</u></b> |

FY90-93

|   |                         |
|---|-------------------------|
| Independent Living Subsidy<br>30 youth @ \$600/month as above | \$216,000               |
| "Start Up" Fund<br>30 youth @ \$345                           | 10,350                  |
| Vocation Training Contingency                                 | 10,000                  |
| <b>FY90-93</b>  | <b><u>\$236,350</u></b> |



UNIVERSITY OF ALASKA, FAIRBANKS

April 4, 1988  
HB412 - Fiscal Note  
page 2

I have already transmitted a copy of the State of Oregon's regulations regarding their independent living program on which our suggestions are based.

Please give either Mr. Salerno or myself a call if discussion or explanation is necessary.

Ms. Salerno's phones are: home: 278-4396  
work: 258-7819

and mine are: home: 563-6073  
work: 786-1725

Sincerely,

Cecilia Klein Kauf, ACSW  
Associate Professor of Social Work

/mp

**POSITION PAPER**

**HOUSE BILL NO. 412**

For an Act entitled: "An Act relating to the pre-emancipation services for certain minors."

House Bill No. 412 would require the Department to provide a full range of pre-emancipation services to youths 16 years of age or older to facilitate their transition to full adult independence. It would also establish authority necessary to provide such services. Specifically the bill would:

- 1) require the Department to provide pre-emancipation services to any youth age 16 or older who requested the service;
- 2) authorize extension of Departmental custody beyond a youth's nineteenth birthday in order for the youth to continue receiving pre-emancipation services;
- 3) authorize the Department to utilize supervised independent living situations as placement alternatives for youth committed to Departmental custody;
- 4) authorize the Department to grant or to contract with municipalities or private non-profit organizations for the provision of pre-emancipation services.

Needs Addressed by HB 412

Most youth in our society have the opportunity to acquire the knowledge and skills necessary for successful independence gradually throughout childhood and adolescence. And for most youth the transition to full independence is also accomplished gradually and with the support and assistance of parents or parent substitutes. For youth in state custody and for those youth who are informally emancipated this type of gradual training and transition cannot or does not occur either because of statutory or funding limitations or because of a lack of needed services.

Informal preparation for independence does occur as a part of foster care and residential care placements for older youths in state custody. However, this is not an area of primary focus nor does it follow a special curriculum to ensure its completeness or effectiveness. Foster parents and residential care staff are not generally trained specifically to prepare youths for informal living and there are no mechanisms available to provide for support for the final phases of the transition to independent living.

DEPARTMENT POSITION

The Department has long recognized the need to provide better transition services for children leaving state custody and for other youth who do not have the transition support traditionally provided by parents. The

Department supports the intent of House Bill 412 to address this need. However, there is a need to better define the population of youth for whom the services are intended.

Not all youth who might request pre-emancipation services under the language of the bill would benefit from or be appropriate to receive the services. The current language would not allow the Department flexibility to establish criteria for determining the appropriateness of service. It would require the service to be provided to any youth age 16 or older upon request. Not all children who reach the age of 16 years are ready or appropriate for emancipation services. The appropriateness of a child for pre-emancipation services and the specific services to be provided should be determined on the basis of established criteria in conjunction with the case plan for the individual child. The Department recommends that the bill be amended to provide sufficient administrative flexibility in determining eligibility for pre-emancipation services to accommodate the realities of appropriations provided for the services.

The Department also suggests that the scope of services to be provided be better defined in the bill or that language be structured to provide the Department flexibility in determining the services to be provided. Currently, a variety of programs are being offered in several states which would provide the linkages that are essential for a relatively smooth transition from childhood to adulthood. One of the essential elements in successful programs is a continuum of services. This ensures that the youth do not miss any of the phases, and that the progress to independent living and adulthood is one of gradual preparation, assuring a higher degree of success.

Attached is a chart which outlines the various types of services in the continuum toward independent living which are generally offered in other states. Estimated costs of providing these services to children in the custody of the Department as well as to children outside of state custody are included.

RECOMMENDED:

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

DATE:

*2/17/88*

APPROVED:

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

DATE:

*2/17/88*

## Continuum of Services

Informal Independent  
Living ConceptsFormalized Training  
ProgramsSupervised Practice  
LivingSelf-Sufficiency  
(After-Care)

## Type of Service

Placement in substitute care (Residential or foster care) with the intent of encouraging youth to be involved in decision making, problem solving, and everyday tasks. (Existing Service)

DFYS has a small federal grant (\$6000) to purchase a training curriculum for for youth and their care-takers to work through together. Some skill handling programs already exist in Alaska, but need to focus on this special population of youth.

Both residential care and foster care providers can be trained to work with this population.

Two items of importance here: 1) Only youth who have been through the first three phases should be accepted into these programs; 2) An independent living subsidy (either offered or being developed by 27 states) assists the youth in making the transition to independent living.

Serving All Eligible  
Children (Total  
Estimate)

If youth is not in substitute care, independent living seminars would need to be developed and run by private provider. Cost estimate based on 100 children annually. \$20,000.

Cost estimate based on 45 youth in a formal skills development program for one year. \$45,000.

Some new program development needed here. Cost estimate based on 60 children annually. \$540,000. (Average cost of \$9,000. annually per child)

Subsidy estimate based on 31 youth, each with a subsidy for one year. (Average of \$750/month with greater subsidy initially decreases during the year) \$279,000.

Serving Children in  
State Custody (Total  
Estimate)

Existing Service -  
No Additional Cost

Purchase of training materials covered by federal grant; DFYS will provide training to foster parents. (No additional cost)

Cost estimates based on 50 children annually, using same cost per child as those in state custody. \$450,000.

Estimate based on 26 children with a subsidy for one year. \$234,000.



# UNIVERSITY OF ALASKA, ANCHORAGE

3211 Providence Drive  
Anchorage, Alaska 99508

COLLEGE OF ARTS AND SCIENCES  
DEPARTMENT OF SOCIAL WORK

April 4, 1988

Health Education and Social Services Committee  
Alaska House of Representatives  
Attention: Jim Nordlund  
Juneau, Alaska 99811

Re: HB 412 - Fiscal Note

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FY88 - Central Office/Foster Care

|  |                        |
|--|------------------------|
| Purchase materials, curriculum,<br>films, videos       | \$10,000               |
| Travel   | 3,000                  |
| Foster Parent Training<br>(SB169/HB242 should address) | -0-                    |
| <b>FY88</b>  | <b><u>\$13,000</u></b> |

FY89 - Residential Child Care/Independent Living

|  |                         |
|--|-------------------------|
| Train Staff (Residential Child<br>Care and Youth Counselors)   | \$10,000                |
| Independent Living Subsidy -<br>22 youth provided with supervised<br>living subsidy up to \$600 per month<br>(costs will vary - decreasing to<br>zero in one year) | 138,400                 |
| "Start Up" Fund to be used as<br>needed to facilitate setting up<br>independent living arrangements<br>22 youths @ \$345   | 7,600                   |
| Vocational Training Contingency Fund<br>(to be used as needed for training<br>when State Student Loan, etc., are<br>not available)                                 | 10,000                  |
| <b>FY89</b>  | <b><u>\$186,000</u></b> |

FY90-93

|   |                         |
|---|-------------------------|
| Independent Living Subsidy<br>30 youth @ \$600/month as above | \$216,000               |
| "Start Up" Fund<br>30 youth @ \$345                           | 10,350                  |
| Vocation Training Contingency                                 | 10,000                  |
| <b>FY90-93</b>  | <b><u>\$236,350</u></b> |



UNIVERSITY OF ALASKA, FAIRBANKS

April 4, 1988  
HM412 - Fiscal Note  
page 2

I have already transmitted a copy of the State of Oregon's regulations regarding their independent living program on which our suggestions are based.

Please give either Ms. Salerno or myself a call if discussion or explanation is necessary.

Ms. Salerno's phones are: home: 278-4396  
work: 258-7819

and mine are: home: 563-6073  
work: 786-1725

Sincerely,

Cecilia Kleinkauf, ACSW  
Associate Professor of Social Work

/mp



# Alaska State Legislature

Please enter into the record my testimony to the House Judiciary  
 committee name  
 committee on HB 412, dated March 22, 1988  
 bill/subject

The Alaska Chapter of National  
 Association of Social Workers supports  
 HB 412 and encourages its passage  
 into law.

Signed: Theresa Tuomey  
Marsha Schneider, Executive Director  
 Testifier  
NASW  
 Representing (Optional)  
PO Box 10430 Fairbanks 99710  
 Address  
457-5914  
 Phone No.

# Stepping Out of Foster Care Into Independent Living 15(2)

by Eileen Mayers Passtor, Jean Clarran, Elizabeth M. Timberlake and Linda Bayless

**A**lthough the overall foster care population continues to decrease, the proportion of adolescents in foster care has increased to the point that adolescents now comprise nearly half of the foster care population as compared to 20 percent a decade ago. Moreover, a large number of youths are remaining in the foster care system until the legal age for emancipation.<sup>1</sup>

To address the needs of older youths in foster care, the Children's Bureau,ACYF, funded a project in 1983 designed to prepare older adolescents to move out of foster care into responsible living. The project, entitled "Stepping Out Of Foster Care Into A More Self-Sufficient Independent Living Network," was conducted by the Baltimore County Department of Social Services.<sup>2</sup> In addition to accomplishing its primary objective, the research and demonstration project realized three secondary objectives: It combined resources from the public social service, the business and the academic sectors to meet local needs and reduce a potential drain on community resources; it integrated aspects of the model into agency policy and service delivery to youth and families; and it assessed the replicability of the model by other agencies and communities. In addition

to the authors, core project staff included three child welfare associates from the National Catholic School of Social Service, Deborah Brittain, Jane Park Cutler, D.S.W., and Judith Sheagren.

Project Stepping Out focused on increasing adolescents' competence in performing daily life management tasks, using resources to achieve economic self-sufficiency, improving social skills and developing psychosocial coping strengths. Based on an understanding of late adolescence as a transition period, the project sought to enhance the fit between the youths and their future social environment. Project social workers emphasized strengths and needs and provided "thinking," "feeling" and "doing" opportunities with respect to adult role functioning and social networking.

For adolescents who had experienced stressful life situations, uprooting and developmental difficulties, the project forged social support networks, which functioned as sources of support and encouraged the sharing of goods and services. Through these networks, the youths learned survival strategies, values and skills necessary for accomplishing developmental tasks.

## Target Population

Project Stepping Out provided services to 31 adolescents in family foster

homes and group homes. The youths ranged in age from 15 to 20, with an average of 17.1 years. There were slightly more females (54.8 percent) than males, and two-thirds of the youths were white and the remainder black. Academically, 45.2 percent were performing at a below average level, 35.3 percent at an average level and 19.4 percent, above average. Ninety percent were attending school, with 38.7 percent in the 11th or 12th grades. Three-quarters of the youths said they had previous work experience, but only a little more than a quarter had held a part-time job over four months.

Their time in foster care ranged from two months to 20 years, with an average of 6.5 years in care and 2.4 placements. Sixty-one percent were initially placed during adolescence, usually between the ages of 14 to 16 years. At the time of the project, the youths had established few bonds with their birth families. Half saw their birth mothers less than several times a month, and almost half had no contact with their fathers. Although the majority had birth siblings, only one-quarter lived in a foster care situation with a sibling.

**A**lmost half (48.4 percent) of the youths remained in care because of behavioral, health or intellectual problems related to the child. The majority, however, remained in care because of such family-related reasons as abandonment, family inability to plan and follow through, danger of abuse or neglect, financial or housing problems and a parent who was under arrest or who had a physical or mental illness.

## Service Delivery

Six service components were used to meet the project's objectives:

**Project social workers.** Three graduate students and three agency child welfare workers were assigned to Project Stepping Out on a part-time basis. They provided each young person with regular agency social work services as well as the project's special intervention services. Prior to the project's imple-

mentation, the service providers participated in a 28-hour training program presented by Nova University's Institute for Social Services to Families, and they received ongoing training, supervision and consultation from a field instructor provided by Catholic University's National Catholic School of Social Service.

**Strengths/Needs Assessments.** Adolescents' strengths and needs were explored in the areas of special interests, social and personal assets, education and employment, support systems of family and friends, values and attitudes, physical and mental health, and emancipation plan.

One assessment tool used by the adolescent and social worker was the life space diagram, which uses symbols to create a picture of the young person's experiences and feelings (on the diagram, a circle symbolizes a person, a square indicates a place and a triangle represents a situation).

For example, Jack—who had been suspended from school for fighting—drew a life space diagram that contained circles representing himself, his classmate-sparring opponent and his teacher; a triangle symbolizing the problem of suspension for fighting, and a square signifying school. In the process of drawing the diagram with his social worker, Jack was able to perceive how his anger concerning the fight that led to his suspension was related to the underlying problem of conflicts with his brother, which he viewed as the cause of his own placement in foster care. Jack realized then that his angry feelings and stinking out at friends represented "baggage" from the past that he carried in the present.

**B**y contrast, another assessment tool, the life history chart, provided an opportunity for the adolescents to probe earlier experiences with their birth families, reasons why they had entered and remained in foster care and their experiences in care.

Together, these tools enabled the youths to review the past, examine the

present and plan for the future.

**Task Groups.** These groups, co-led by project and agency staff, included six to 12 young people who identified, discussed and practiced skills for independent living. In a session on goal identification and planning, for example, youths discussed preparation for such occupations as veterinarian, beautician and construction worker. Activities in related sessions focusing on job search, career development and maintaining employment included resume writing, practice in asking a work supervisor for assistance and discussion of how to dress appropriately for work.

A session on daily living skills stressed practice in renting an apartment, writing checks and grocery shopping, while another on social networking centered on enhancing the youths' skills in meeting and keeping friends, living with roommates, reconnecting with birth parents and siblings and maintaining ties with foster families.

**One-Day Workshop.** The workshop, conducted by project and agency staff, was designed to compress the knowledge and skills learned in the task groups into an extensive examination of three primary topics: housing, vocational skills and independent living skills. The youths divided into small groups that rotated among the three discussion topics, and afterwards, they prepared and shared a meal—which, participants agreed, was a highlight of the day.

**Volunteers.** Adults to act as role models or mentors were recruited from local civic clubs and businesses to work with adolescents who needed a one-to-one relationship with a mature, responsible adult. Volunteers completed a 4-hour training program—conducted by the Baltimore County Department of Social Service's volunteer coordinator, the National Catholic School of Social Service's volunteer trainer and a Nova University Institute for Social Services to Families trainer—to prepare them to support the adolescent's growth toward autonomy and to teach remedial skills in selected areas.

One young person in residential care

was able to be discharged into family foster care because a volunteer provided transportation for the youth to out-patient treatment. Another adolescent, who found a job in a bakery, practiced making change with his volunteer while a third youth worked with her volunteer to make a new dress.

**Apprenticeships.** Community leaders were asked to approach potential apprenticeship providers on behalf of the project in general as well as individual youth. Profiles that included information about the young person's interests, strengths and needs regarding employment were shared with potential employers. The project was able to generate six additional apprenticeships apart from fast food services and the usual community summer employment, but only two-thirds of the youths who wanted jobs were able to obtain them. Two of the youths were placed in jobs through existing community projects.

## Implementing the Project

During the 9-month period of service delivery, each of the 31 adolescents participated in an average of three of the six service components. To assess the impact of these services, researchers from the National Catholic School of Social

*Eileen Mayers Passtor, who was co-director and trainer for Project Stepping Out under the auspices of the National Catholic School of Social Service, Catholic University of America, and Nova University's Institute for Social Services to Families, is currently a Child Welfare Associate with the Child Welfare Institute, Atlanta. Jean Clarran, the project's principal investigator, is Assistant Director for Child Welfare, Baltimore County Department of Social Services, Towson, Md. Elizabeth M. Timberlake, D.S.W., the project's principal researcher and program consultant, is Associate Professor, National Catholic School of Social Service, Washington, D.C., and Linda Bayless, Ph.D., the project's curriculum developer and trainer, is Assistant Director, Institute for Social Services to Families, Nova University, Fort Lauderdale, Fla.*

Service compared the project participants with a control group of 29 adolescents who were also in the foster care program of the Baltimore County Department of Social Services but were not receiving project services. To control for the influence of possible differences between the two groups, a pre- and post-test design was used. The experimental group's growth was measured by a psychosocial functioning scale and an emancipation social functioning scale.<sup>1</sup>

**O**n the emancipation social functioning scale, the difference between the experimental and control groups was substantial. Adolescents receiving project services achieved significantly more growth in the social functioning skills needed for emancipation, as measured by their total score in the areas of independent living, employment and social network skills, than did those adolescents who received no project services.

On the other hand, the percent of difference between the two groups on the psychosocial functioning scale was not significant. Adolescents participating in project services did not grow significantly in psychosocial functioning as measured by eight indicators: self-image, peer relationships, adult relationships, self-control, motivation, handling the learning demands of school and home, learning style and expression of feelings.

### Impact on Adolescents

That the experimental group achieved substantially more positive changes than the control group in social functioning was not surprising for a variety of reasons. Five of the services focused primarily on the knowledge, values and skills basic to social functioning after emancipation. Since the social functioning tasks and skills necessary for sorting out early career interests, functioning well on the job and handling day-to-day experiences are

concrete, they are probably learned and incorporated early.

Experiences dealing with employment skills and issues are also likely to capture the young person's interest, since jobs and spending money are considered both current and future needs. Nor should satisfaction derived from the immediate monetary rewards of the job be overlooked. While their actual skill development in the areas of employment, independent living and social networking may have been slight, these youths perceived themselves as having grown in their ability to step out of foster care into independent living.

The lack of significant, positive changes in the general level of psychosocial functioning was disappointing but not surprising, since only the social work service component addressed psychosocial issues as well as issues related to social functioning and coping with independent living. The foremost reason for this lack, however, was that the project was designed to meet the short-term goal of preparing adolescents for independent living rather than addressing their residual developmental conflicts and problems. Given the youths' vulnerability, the psychosocial developmental tasks inherent in the transition from foster care to independent living take on special significance for them and require more than short-term social work remediation and personal growth.

### Impact on the Agency

The six service components have been integrated into agency policy, programs and practices to varying degrees. The need for a core unit of social workers with specialized training to provide individualized services and mobilize supplementary resources for older youths in foster care has been clearly identified, and Baltimore County has an established Specialized Adolescent Program Unit which provides most of the Stepping Out service components. For agency staff with clients not served by the Specialized Unit, the project offered some exposure to the knowledge, values and skills basic to competence-oriented emancipation services. Thus,

all adolescent clients could be encouraged to complete life space diagrams, strengths/needs assessments and a mutual action plan.



Although the adolescents responded well to the task groups, this component is difficult to incorporate into standard agency service delivery because of scheduling and transportation problems. While it is also difficult to coordinate transportation for youths who participated in the one-day workshop in independent living skills, agency staff members felt that evaluations from the workshop were positive enough to replicate this service periodically.

**A**lthough there were fewer volunteers than desired, agency staff believed the volunteers were positive role models for the youths and, as a result, the agency volunteer coordinator is establishing a volunteer mentorship program for adolescents in foster care. As with the volunteers, there was a scarcity of apprenticeships. Because time constraints hampered the project's community liaison efforts to set up apprenticeship opportunities, most jobs came from an established county program for youths with special needs.

### Replication

Although the project's combination of resources was quite effective in meeting the needs of the target population, there were organizational, scheduling and transportation problems that developed when service providers were brought in from the outside. Overcoming these obstacles required great expenditure of time and effort that is cause for concern in setting up future service delivery programs. While the project's emancipation services achieved positive results, the age-old child welfare dilemma of time, cost and staff remains to inhibit replication.

### Recommendations

Both the positive outcomes and barriers encountered in service delivery have implications for future foster care policies, programs and practices.

These implications are the basis for the following recommendations.

- To help move youths in foster care into independent living, agencies need to provide the six service components of Project Stepping Out. Agency social workers, for example, need specialized caseloads and training to provide individualized services and mobilize resources for older youths in foster care. Instead of focusing on problem-oriented assessment and intervention, the emphasis should be on each adolescent's strengths and needs. To make task groups and workshops accessible as well as available, agencies need to develop support systems to solve scheduling and transportation problems. Agency staff should also invest time and energy in community development, education and liaison activities to mobilize apprenticeship and volunteer resources.

- Agencies need to create training programs for foster parents that would provide information about the developmental needs of older adolescents in foster care and the goals of independent living. Such programs have to teach skills that would prepare foster parents to support adolescents' growth toward self-sufficiency, as well as skills for working with volunteers and other community resources available to youths in foster care.

- Since service providers have been sensitized to issues of separation and loss, and identity development and emancipation, by their own experiences, approaches should be developed to facilitate service providers' self-awareness and help them keep their own issues distinct from those of the youths with whom they work.
- Agencies need to begin to work with youths toward the goal of emancipation at a much earlier point in their foster care experience. Adolescents in foster care need help to resolve residual developmental conflicts and problems as well as current problems in making the transition into independent living.

- For clarity in planning, service delivery has to be divided into three phases: intake, continuing service and termination. Many service structures

and technologies are common to all three phases and yet have different emphases or uses in each phase.

- Support and rehabilitative services for birth families are crucial to achieve permanency planning goals and to develop their ability to serve as support networks when their adolescents move out of foster care into independent living.

- Finally, agencies have to approach the goal of emancipation not simply as movement from one place to another but as a multidimensional process designed to enhance the young person's growth toward autonomy and mastery of life experiences. Transitional funding must be provided for older youths in foster care to meet basic needs and enable them to build resources toward the goal of full emancipation.

### Conclusion

Without an explicit policy commitment to individualized service planning for older youths in foster care, agency programs and social work practice will not meet their critical needs. Without clearly defined federal, state and local foster care policies and allocation of funds, it is difficult for agencies to establish or sustain programs and resources. It is only with such programs as Project Stepping Out that social work staff can create and use appropriate intervention techniques to help older adolescents move out of foster care into responsible living. ■

<sup>1</sup>See R. Hubbell, *Foster Care and Families* (Philadelphia: Temple Press, 1981); L. Tom bellake, J. Cutler and J. Strubins, *A Study of the Children in Foster Care in One County Department of Social Services* (Washington, D.C.: National Catholic School of Social Service, 1981); A. Gruber, *Children in Foster Care* (New York: Human Sciences Press, 1978); A. Shyne and A. Schneider, *A National Study of Social Services to Children and Their Families* (Washington, D.C.: National Center for Child Advocacy, Westat, 1978).

<sup>2</sup>Baltimore County Department of Social Services, National Catholic School of Social Service, Institute for Social Services to Families, *Final Report: Project Stepping Out of Foster Care Into a More Self-Sufficient Independent Living Network* (DHHS, OHS, ACYF Children's Bureau Grant #01FO 0223 III, 1985).

<sup>3</sup>These measures are described in the project's Final Report.

# ON THEIR OWN

periment by Brian Simonich and James L. Anderson

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to support themselves. By the end of the two years, if not before, their need for support from the program should have ended; at that time, they are fully independent and have attained adult status. If wardship still exists, the Children's Services Division requests the court to vacate it, so that all trappings of dependency are dropped.

## Filling a Service Gap

Before the program began in Oregon, caseworkers had few choices in providing services to older teenagers nearing emancipation who were not succeeding in or were completing a substitute placement. Many of these young people were essentially homeless. They may have lived in several foster homes and perhaps in a group home or institution. The only option continued to be the same round of foster home-group home-institution, all of which had already been demonstrated to be inadequate for them. So these youngsters moved through one failed placement after another and, on reaching 18, were turned loose in society, ill-equipped to cope with independence responsibly.

Often these adolescents had suffered disastrous relationships with their parents. They had rarely stuck with any task or maintained a relationship with anyone for any length of time. They were untrained in the common social amenities. Although in some respects

they seemed older than their years, they were still immature and liable to be victimized by the unscrupulous. They did not know how to manage money, to cook or clean house, to avoid being cheated, to find and keep a job, in study and learn. They needed the chance to learn these things if they were to become truly independent.

It was for young people in this limbo between childhood and adulthood that we developed the Independent Living Subsidy Program. As far as we know, it is the only program in the country to receive legislative funding to make payments directly to a minor in the custody of a child welfare agency, although caseworkers throughout the country regularly make informal arrangements to achieve the same goals for their youngsters. Originally funded as a small demonstration program at \$50,000 for a 2-year period, the program now operates statewide in Oregon with a \$270,000 legislative appropriation.

Obtaining funding for the program was difficult. Legislators were concerned that the Children's Services Division (CSD) had no legal authority to make payments directly to a minor. They questioned our theory that we could promote maturity among adolescents by reducing rather than intensifying controls and they argued about the justice of rewarding youngsters for failing in their foster home or institutional placements.

The merits of our proposal could only be proven once the project was put into operation and it was the successful demonstration project that persuaded the

legislature to fund it as a regular program.

At a legislative hearing in 1975, Marcia, one of its graduates, described the program and her life before she entered it.

Marcia's parents were dead and she had run away from relatives and foster homes. When she entered the program she was a part-time prostitute, living on the street, selling dope and stealing.

"How long have you been in the program?" a Senator asked.

Marcia: I've been in the program about a year, and there wasn't any place to put me. . . I was on my own and I had to quit school to support myself because the program wasn't off the ground yet. Since then I've completed my high school, got my diploma. I'm going to business school right now and I hope real soon to find a job to get off the program.

Senator P: What did you mean when you said you were on your own before that?

Marcia: Well, I'd been in foster homes and I really didn't need the structure of the foster home so I left home and got out of that. I was still a ward of the Court but.

Senator R: And you've had a lot of contact with Children's Services and the juvenile program. How many times have you been moved from one place to another?

Marcia: About four or five times.

Senator R: That was in how many years? A couple?

Marcia: The last two years.

Senator R: Could you talk a little bit about your background, what kind of placements you had and how you would compare this program with those placements?

Marcia: I feel I'm more responsible now. I'm taking care of myself, and when I was in the homes I wasn't very responsible.

Senator P: You're 18 years old now and you've finished high school. How

much high school had you had— you've been in this program for a little over a year.

Marcia: I wasn't going to public high school. I went through the high school completion program at Portland Community College. After my foster homes and my sister's home, I thought about it and saw I wasn't getting anywhere, so I decided to go back and finish up.

Senator P: What do you think would have happened to you if you hadn't been in the program?

Marcia: I'd have been in jail.

## Selecting Participants

Some participants, like Marcia, enter the program because other placements have not worked. For others, foster care seems inappropriate, as in the case of a 17-year old whose foster parents called CSD one day to inform the caseworker that they were moving from the county in one month and would be unable to provide for her beyond that time. The young woman had been in two previous foster homes and had not lived in her own home since she was 13 years old. She was very distressed by this turn of events and resisted the idea of yet another foster home. She had no record of delinquency. From the caseworker's point of view it seemed unfair to expect her to adjust to a new foster home when she was only a year away from completing high school and needed to concentrate on the problem of emancipation.

Still other participants have successfully completed foster or institutional care but cannot return home and need some training before being completely on their own.

Ann, now 22, is a graduate of the program. Her worker sees her frequently

at his neighborhood grocery store where she is a full-time check-out clerk. When the worker first knew her, Ann was 16 years old and in detention for drug abuse and theft. After about 10 months in a group home, where she learned to live without drugs, returned to school and earned money at part-time work, Ann became a participant in our program. At 17, she was too old for foster care, her home was not a feasible resource, and the only other alternative was to leave her in the group home, which was very expensive and would not train her for independence. Under the Independent Living Subsidy Program, Ann attended community college to get her high school diploma and began work in the grocery store.

All participants must pass a screening process prior to acceptance in the program. A screening committee composed of four or five caseworkers and administrative staff members meets to hear an applicant state his or her case for admission. The committee also receives a recommendation from the client's caseworker, but the applicant must take major responsibility for planning his or her budget and educational and work

Brian Simonich is a caseworker with the Children's Services Division, Oregon Department of Human Resources. James L. Anderson, former supervisor of the Children's Services Division, is supervisor, Residential Treatment Program, Department of Child Psychiatry, Primary Children's Medical Center, Salt Lake City.



Photos: Brian Simonich



Two participants in the Independent Living Subsidy Program enjoy their new apartments.



participants need to make and utilize their own money, job pay. The caseworker prepares a plan but is unable to let the young person know the first big money when they are rewarded by the program.

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ial constraints of s for participants ence has shown e likely to be at and unstable as when two people end to rent an expensive than simply. If the participant is left she cannot af-

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they leave the program they have usually made new ones, who function in a mutually supportive way

#### Costs

The participants' allowances are determined individually, based on their expenses for housing and other necessities and their own contribution to the budget through earnings. The maximum allowable is \$265 a month, which we are trying to have raised to \$350, especially for those living in urban areas. In addition, participants receive a one-time start-up payment, usually from \$100 to \$180, to buy linens, cooking utensils and other household items. This compares with the \$209 maintenance cost for teenagers in foster care and the approximately \$1,050 monthly cost for each child in a group home. As State Senator Mary Roberts, a program supporter, said at a committee hearing, "I'd like to know whether or not by expanding this program we take the 'risk' of saving money while providing better service."

#### Caseworker Support

The job of the caseworker is to be around when needed without seeming to hover. Initially, this means dropping in every two days or so, just to see how things are going. Later, the visits taper off to biweekly check-ins, usually initiated by the participant. If "friends" seem too persistent as visitors, the worker helps the teenager get rid of them. If the client seems immobilized, the worker gets him going, helping him look through the want ads, enroll in school, find a grocery store, plan a week's meals. The help is mostly of a practical nature and in response to problems that the adolescent himself recognizes. One young man felt unequal in job-hunting. His worker drove him to a street with many small businesses and told him to go up one side and down the other, stopping at each site until he got a job. The worker waited for him, and he returned elated at having found a temporary job, which later turned into regular employment.

Drawing the line between guidance and officiousness is not easy. One young woman, for example, had her heart set on an apartment which unfortunately was infested with ants. The worker knew that they would be a problem but decided to let the participant get the apartment and learn for herself. She very soon did, and was so shaken by her experience that she lacked confidence to stay in the program. In retrospect, the worker wishes he had steered her more forcefully away from that apartment.

Being a caseworker in our program also means being patient and kind to a lonely teenager who usually has no one else to fill those roles. In addition, the Court and community expect the worker to always know where the youths are and what they are doing, an impossible task since clients are unpredictable. Jenny, for example, had usually shown pretty good judgment but suddenly took her CSJ check and hitchhiked to Montana. She was charged with a crime along the way, and much agency effort was expended to help the Court understand that although Jenny was living alone she should not be tried as an adult. (She was proven innocent of the charge, by the way.)

Diane was another participant who required extraordinary caseworker support. A bright, usually responsible participant, Diane had become so depressed at being alone that she called the county suicide prevention center one night. Since the young woman had no close friends or relatives, the center contacted her caseworker, who spent the night with Diane and, of course, later arranged counseling for her.

Although Diane's case was an extreme one, it illustrates the fact that loneliness is one of the foremost problems these youths face. With help, Diane was able to overcome the problem and today, after successfully graduating from the program, she is enrolled in college and working part time to support herself.

A written agreement is signed by each caseworker and participant. It spells out the program goals for the client and what client and worker will do to meet those goals. A job, school attendance, paying the bills on time, taking care of the apartment, food shopping and cooking nutritious meals are common provisions of agreements.

An evaluation of the program in 1978 showed that 60 percent of the participants were rated as meeting most or all of their educational goals; the same percentage were meeting most or all of their employment goals.<sup>2</sup> No formal follow-up of the 30 graduates has yet been done, so we don't know how many are still following the course set during the program. However, an informal survey of participants shows that they are pursuing careers in electronics, forestry (2-year course in a community college), counseling, park and recreation work (a blind participant) and cosmetology. One graduate is a teacher's aide and another is working to become a recreation director.

Of the 30 who had completed the program at the time of the study, case plan

goals were achieved in 20 cases and partially attained in seven. Even those who did not achieve their goals gained some benefits from the program.

#### Getting Through the Program

Like all young people on their own, those in the program have setbacks and crises. The caseworker's view is that an adolescent achieves emancipation by successfully completing the program; the adolescent tends to feel that emancipation takes place when he or she enters it. For the adolescent, independence means freedom from adult controls, especially those of a parental nature. For the adult, it means assuming the responsibility to take care of oneself.

Participants seem to pass through four stages as they progress through the program. The first is *anxiety* about becoming accepted as a participant and the anxiety continues until the youngster is in his or her own apartment. Once accepted, the participant is impatient to move into the apartment and quite intolerant of delays. When the program was first initiated and everyone was unfamiliar with it, we took from two to three weeks to deliver a check after it was ordered. This time has since been reduced to three to five days. Even this improvement, however, is insufficient to reduce anxiety. Once accepted, the youngsters burn to get into their own living quarters.

The second stage—*elation*—usually lasts less than a month. The worker generally counsels moderation, on the theory that the higher these young people soar emotionally, the harder they crash. The youngsters tend to ignore or overlook potential problems; workers must always anticipate them.

The third stage is characterized by *loneliness and fear*. All of the problems of independence, familiar to adults, are now encountered by the youngster. Maintaining a routine becomes boring. Dreams of having great wealth evaporate by the middle of the month. The youngster finds he or she has little time or money for entertainment. Indeed, the first sign of trouble often comes over money. The great sum turns out to be paltry indeed, and youngsters find themselves with two weeks remaining in the month and very little money for food. Budget counseling and help in planning expenditures are important caseworker services with these youths.

In time, the main problem comes down to loneliness. Friends, especially the delinquent ones, start to drop away and few new friends are made. For some young people, a caseworker becomes

their main contact and chief provider of guidance and support. Some young people resort to drugs and their performance at work and school begins to slide. Some, like Diane, become clinically depressed. These youths are outside the mainstream of adolescent activity. While other young people are living at home and pursuing normal adolescent activities, residents of this program are trying to earn a living, and they accurately perceive themselves as different.

During this period we have frequently been successful in repairing relationships between a youngster and his or her parents. We always encourage this, even though the participant may have had great difficulties with parents in the past, and the youth often gravitates homeward out of a need to have contact with and receive support from someone significant. Even if a youngster cannot live at home, the receipt of even limited emotional support and encouragement from parents is an asset. The worker must pay close attention to fulfilling a youngster's need for relationships, filling the gap personally when necessary but always trying to help him or her establish as many contacts as possible. On occasion we have held group meetings for residents of the program to allow them to compare experiences and support one another.

The fourth stage is one of *quiet confidence* (as opposed to loud confidence, which is characteristic of the second stage). The transition to this stage is gradual. One day the caseworker realizes that it has been some time since the youngster has called, that he views those problems which arise with less alarm, that he has frequently thought out solutions before the caseworker learned of the problem, and that he has less need for emotional support. Another sign of this stage is the appearance of new friends, who are true associates and not part of a desperate need for any kind of companionship. These signs indicate that it is time to emancipate the youngster and close the professional relationship.

#### Unresolved Policy Issues

In general, the Independent Living Subsidy Program can be considered a success. It gives an adolescent the support he or she needs to make the transition from substitute care to independence. Some policy issues remain unresolved, however, and will be subject to further program study. For example:

• To what extent does admission into the program reward failure? One requirement for admission—that applicants must have had two previous un-

successful placements—is now being reconsidered. The point of such a policy was to limit the program to those for whom more traditional living arrangements didn't work but in practice it has created an unnecessary barrier to admission for other prospective applicants. Whether the program should be viewed as a last resort, after all other alternatives have been tried, or as a positive step toward independence for those who demonstrate the maturity to handle it is still at issue in our agency.

• The question of roommates still looms large. At present participants are not allowed to share apartments, except, occasionally, with other participants. Roommates have often been found to be unreliable, a "bad influence" and a drain on the participant's limited resources. On the other hand, they can share expenses and help offset loneliness. Most young people seem to want close companionship with others of their own age when they first venture into the adult world, and the clients in our program are no different. However this is resolved, we expect that roommates of different sexes will continue to be forbidden.

• We are still experimenting with the best way to handle the program administratively. Whether there should be special program workers assigned to independent living caseloads or an agency worker should keep a client who moves from substitute care to the independent living program is still open to question.

Creating the program was an arduous struggle, one that continued nearly two years. In the course of this effort we learned to define the need for it with great precision. Those who seek to implement similar programs in their regions are advised to gear up for a political battle that may not be easily won. Nevertheless, we think the initial success of the Oregon Independent Living Subsidy Program justifies further experimentation in other parts of the country. We know of no similar programs in the United States. If others do exist, we would like to hear from those involved. ■

<sup>1</sup> All names of participants in the program have been changed for this article.

<sup>2</sup> Testimony before the Joint Ways and Means Committee Hearing, Subcommittee 4, Oregon Legislative Assembly, March 20, 1973.

<sup>3</sup> J. Attolter and B. O'Donnell, *Report of Independent Living Subsidy Program Review, Sept. 1, 1978*, Oregon Children's Services Division, 191 Commercial St. S.E., Salem, Oregon 97310.

Original sponsor: Health, Education and  
Social Services Committee

1 IN THE HOUSE

BY THE HEALTH, EDUCATION AND  
SOCIAL SERVICES COMMITTEE

2

CS FOR HOUSE BILL NO. 412 (HESS)

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FIFTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

6

For an Act entitled: "An Act relating to the pre-emancipation services for  
7 certain minors."

7

8

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

9

\* Section 1. AS 47.10.080(b) is amended to read:

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(b) If the court finds that the minor is delinquent, it shall

11

(1) order the minor committed to the Department of Health

12

and Social Services for a period of time that does not [TO] exceed two

13

years and that does not [OR IN ANY EVENT] extend past the minor's 19th

14

birthday [DAY THE MINOR BECOMES 19], except that the department may

15

petition for and the court may grant in a hearing (A) two-year ex-

16

tensions of commitment that [WHICH] do not extend beyond the minor's

17

[CHILD'S] 19th birthday if the extension is in the best interests of

18

the minor and the public; and (B) an additional one-year period of

19

supervision past the minor's 19th birthday [AGE 19] if continued

20

supervision is in the best interests of the minor or the minor is

21

receiving pre-emancipation services, [PERSON] and the minor [PERSON]

22

consents to the additional period of supervision [IT]; the department

23

shall place the minor in the juvenile facility [WHICH] the department

24

considers appropriate, [AND] which may include a juvenile correctional

25

school, detention home, or detention facility; the minor may be re-

26

leased from placement or detention and placed on probation on order of

27

the court and may also be released by the department, in its dis-

28

cretion, under AS 47.10.200;

29

(2) order the minor placed on probation, to be supervised

1 by the department, and released to the minor's parents, guardian, or a  
2 suitable person; if the court orders the minor placed on probation, it  
3 may specify the terms and conditions of probation; the probation may  
4 be for a period of time that does [,] not [TO] exceed two years and  
5 that does not [IN NO EVENT] extend past the minor's 19th birthday [DAY  
6 THE MINOR BECOMES 19], except that the department may petition for and  
7 the court may grant in a hearing

8 (A) two-year extensions of supervision that [WHICH] do  
9 not extend beyond the minor's [CHILD'S] 19th birthday, if the  
10 extension is in the best interests of the minor and the public;  
11 and

12 (B) an additional one-year period of supervision past  
13 the minor's 19th birthday, [AGE 19] if the continued supervision  
14 is in the best interests of the minor [PERSON] and the minor  
15 [PERSON] consents to it;

16 (3) order the minor committed to the department and placed  
17 on probation, to be supervised by the department, and released to the  
18 minor's parents, guardian, other suitable person, or suitable non-  
19 detention setting such as a family home, group care facility, [OR]  
20 child care facility, or supervised independent residence, whichever  
21 the department considers appropriate to implement the treatment plan  
22 of the predisposition report; if the court orders the minor placed on  
23 probation, it may specify the terms and conditions of probation; the  
24 department may transfer the minor, in the minor's best interests, from  
25 one of the probationary placement settings listed in this paragraph to  
26 another, and the minor, the minor's parents or guardian, and the  
27 minor's attorney are entitled to reasonable notice of the transfer;  
28 the probation may be for a period of time that does not [, NOT TO]  
29 exceed two years and that does not [IN NO EVENT] extend past the

1 minor's 19th birthday [DAY THE MINOR BECOMES 19], except that the  
2 department may petition for and the court may grant in a hearing

3 (A) two-year extensions of commitment that [WHICH] do  
4 not extend beyond the minor's [CHILD'S] 19th birthday, if the  
5 extension is in the best interests of the minor and the public;  
6 and

7 (B) an additional one-year period of supervision past  
8 the minor's 19th birthday, [AGE 19] if the continued supervision  
9 is in the best interests of the minor or the minor is receiving  
10 pre-emancipation services, [PERSON] and the minor [PERSON] con-  
11 sents to the additional period of supervision; [IT; OR]

12 (4) order the minor to make suitable restitution in lieu of  
13 or in addition to the court's order under (1), (2) or (3) of this  
14 subsection; or [.]

15 (5) order the minor committed to the Department of Health  
16 and Social Services for placement in an adventure-based education  
17 program established under AS 47.21.020 with conditions the court  
18 considers appropriate concerning release upon satisfactory completion  
19 of the program or commitment under (1) of this subsection if the  
20 program is not satisfactorily completed.

21 \* Sec. 2. AS 47.10.080(c) is amended to read:

22 (c) If the court finds that the minor is a child in need of aid,  
23 it shall

24 (1) order the minor committed to the department for place-  
25 ment in an appropriate setting, which may include a supervised in-  
26 dependent residence, for a period of time that does not [TO] exceed  
27 two years and that does not extend [OR IN ANY EVENT] past the minor's  
28 19th birthday [DATE THE MINOR BECOMES 19 YEARS OF AGE], except that  
29 the department may petition for and the court may grant in a hearing

1 (A) two-year extensions of commitment that [WHICH] do not extend  
2 beyond the minor's 19th birthday, if the extension is in the best  
3 interests of the minor and the public; and (B) an additional one-year  
4 period of supervision past the minor's 19th birthday, [AGE 19] if the  
5 continued supervision is in the best interests of the minor or the  
6 minor is receiving pre-emancipation services, [PERSON] and the minor  
7 [PERSON] consents to the additional period of supervision [IT]; the  
8 department may transfer the minor, in the minor's best interests, from  
9 one placement setting to another, and the minor, the minor's parents  
10 or guardian, and the minor's attorney are entitled to reasonable  
11 notice of the transfer;

12 (2) order the minor released to the minor's parents, guard-  
13 ian, or some other suitable person, and, in appropriate cases, order  
14 the parents, guardian, or other person to provide medical or other  
15 care and treatment; if the court releases the minor, it shall direct  
16 the department to supervise the care and treatment given to the minor,  
17 but the court may dispense with the department's supervision if the  
18 court finds that the adult to whom the minor is released will ade-  
19 quately care for the minor without supervision; the department's  
20 supervision may not exceed two years and may not [OR IN ANY EVENT]  
21 extend past the minor's 19th birthday [DATE THE MINOR REACHES AGE 19],  
22 except that the department may petition for and the court may grant in  
23 a hearing

24 (A) two-year extensions of supervision that [WHICH] do  
25 not extend beyond the minor's 19th birthday, if the extension is  
26 in the best interests of the minor and the public; and

27 (B) an additional one-year period of supervision past  
28 the minor's 19th birthday, [AGE 19] if the continued supervision  
29 is in the best interests of the minor [PERSON] and the minor

1 [PERSON] consents to it; or

2 (3) by order, upon a showing in the adjudication by clear  
3 and convincing evidence that there is a child in need of aid under  
4 AS 47.10.010(a)(2) as a result of parental conduct and upon a showing  
5 in the disposition by clear and convincing evidence that the parental  
6 conduct is likely to continue to exist if there is no termination of  
7 parental rights, terminate parental rights and responsibilities of one  
8 or both parents and commit the child to the department or to a legally  
9 appointed guardian of the person of the child, and the department or  
10 guardian shall report annually to the court on efforts being made to  
11 find a permanent placement for the child.

12 \* Sec. 3. AS 47.10.230 is amended by adding new subsections to read:

13 (h) The department shall provide appropriate pre-emancipation  
14 services to a child 16 years of age or older who has been committed to  
15 the custody of the department and who makes a request to receive the  
16 services, unless the department finds that pre-emancipation services  
17 are inappropriate for the child. The commissioner shall adopt regu-  
18 lations establishing criteria for determining whether pre-emancipation  
19 services are inappropriate for a child. The services may include

20 (1) assistance in completing academic or vocational train-  
21 ing designed to make the child employable;

22 (2) assistance in acquiring suitable housing;

23 (3) training in skills needed for independent living;

24 (4) assistance in petitioning for removal of the disabili-  
25 ties of minority; and

26 (5) social support and services coordination.

27 (i) The department may award a grant to or contract with a  
28 municipality or with an entity incorporated under AS 10.20 to provide  
29 pre-emancipation services under (h) of this section. The commissioner

1 shall adopt regulations establishing criteria for the award of grants  
2 under this subsection.

1 IN THE HOUSE

BY THE HEALTH, EDUCATION AND  
SOCIAL SERVICES COMMITTEE

2

HOUSE BILL NO. 412

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FIFTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

6

For an Act entitled: "An Act relating to the pre-emancipation services for  
7 certain minors."

8

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

9

\* Section 1. AS 47.10.080(b) is amended to read:

10

(b) If the court finds that the minor is delinquent, it shall

11

(1) order the minor committed to the Department of Health

12

and Social Services for a period of time that does not [TO] exceed two

13

years and that does not [OR IN ANY EVENT] extend past the minor's 19th

14

birthday [DAY THE MINOR BECOMES 19], except that the department may

15

petition for and the court may grant in a hearing (A) two-year ex-

16

tensions of commitment that [WHICH] do not extend beyond the minor's

17

[CHILD'S] 19th birthday if the extension is in the best interests of

18

the minor and the public; and (B) an additional one-year period of

19

supervision past the minor's 19th birthday [AGE 19] if continued

20

supervision is in the best interests of the minor or the minor is

21

receiving pre-emancipation services, [PERSON] and the minor [PERSON]

22

consents to the additional period of supervision [IT]; the department

23

shall place the minor in the juvenile facility [WHICH] the department

24

considers appropriate, [AND] which may include a juvenile correctional

25

school, detention home, or detention facility; the minor may be

26

released from placement or detention and placed on probation on order

27

of the court and may also be released by the department, in its dis-

28

cretion, under AS 47.10.200;

29

(2) order the minor placed on probation, to be supervised

1 by the department, and released to the minor's parents, guardian, or a  
2 suitable person; if the court orders the minor placed on probation, it  
3 may specify the terms and conditions of probation; the probation may  
4 be for a period of time that does [,] not [TO] exceed two years and  
5 that does not [IN NO EVENT] extend past the minor's 19th birthday [DAY  
6 THE MINOR BECOMES 19], except that the department may petition for and  
7 the court may grant in a hearing

8 (A) two-year extensions of supervision that [WHICH] do  
9 not extend beyond the minor's [CHILD'S] 19th birthday, if the  
10 extension is in the best interests of the minor and the public;  
11 and

12 (B) an additional one-year period of supervision past  
13 the minor's 19th birthday, [AGE 19] if the continued supervision  
14 is in the best interests of the minor [PERSON] and the minor  
15 [PERSON] consents to it;

16 (3) order the minor committed to the department and placed  
17 on probation, to be supervised by the department, and released to the  
18 minor's parents, guardian, other suitable person, or suitable non-  
19 detention setting such as a family home, group care facility, [OR]  
20 child care facility, or supervised independent residence, whichever  
21 the department considers appropriate to implement the treatment plan  
22 of the predisposition report; if the court orders the minor placed on  
23 probation, it may specify the terms and conditions of probation; the  
24 department may transfer the minor, in the minor's best interests, from  
25 one of the probationary placement settings listed in this paragraph to  
26 another, and the minor, the minor's parents or guardian, and the  
27 minor's attorney are entitled to reasonable notice of the transfer;  
28 the probation may be for a period of time that does not [, NOT TO]  
29 exceed two years and that does not [IN NO EVENT] extend past the

1 IN THE HOUSE

BY THE HEALTH, EDUCATION AND  
SOCIAL SERVICES COMMITTEE

2

HOUSE BILL NO. 412

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IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FIFTEENTH LEGISLATURE - SECOND SESSION

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(1) order the minor committed to the Department of Health

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years and that does not [OR IN ANY EVENT] extend past the minor's 19th

14

birthday [DAY THE MINOR BECOMES 19], except that the department may

15

petition for and the court may grant in a hearing (A) two-year ex-

16

tensions of commitment that [WHICH] do not extend beyond the minor's

17

[CHILD'S] 19th birthday if the extension is in the best interests of

18

the minor and the public; and (B) an additional one-year period of

19

supervision past the minor's 19th birthday [AGE 19] if continued

20

supervision is in the best interests of the minor or the minor is

21

receiving pre-emancipation services, [PERSON] and the minor [PERSON]

22

consents to the additional period of supervision [IT]; the department

23

shall place the minor in the juvenile facility [WHICH] the department

24

considers appropriate, [AND] which may include a juvenile correctional

25

school, detention home, or detention facility; the minor may be

26

released from placement or detention and placed on probation on order

27

of the court and may also be released by the department, in its dis-

28

cretion, under AS 47.10.200;

29

(2) order the minor placed on probation, to be supervised

1 minor's 19th birthday [DAY THE MINOR BECOMES 19], except that the  
2 department may petition for and the court may grant in a hearing

3 (A) two-year extensions of commitment that [WHICH] do  
4 not extend beyond the minor's [CHILD'S] 19th birthday, if the  
5 extension is in the best interests of the minor and the public;  
6 and

7 (B) an additional one-year period of supervision past  
8 the minor's 19th birthday, [AGE 19] if the continued supervision  
9 is in the best interests of the minor or the minor is receiving  
10 pre-emancipation services, [PERSON] and the minor [PERSON] con-  
11 sents to the additional period of supervision; [IT; OR]

12 (4) order the minor to make suitable restitution in lieu of  
13 or in addition to the court's order under (1), (2) or (3) of this  
14 subsection; or [.]

15 (5) order the minor committed to the Department of Health  
16 and Social Services for placement in an adventure-based education  
17 program established under AS 47.21.020 with conditions the court  
18 considers appropriate concerning release upon satisfactory completion  
19 of the program or commitment under (1) of this subsection if the  
20 program is not satisfactorily completed.

21 \* Sec. 2. AS 47.10.080(c) is amended to read:

22 (c) If the court finds that the minor is a child in need of aid,  
23 it shall

24 (1) order the minor committed to the department for place-  
25 ment in an appropriate setting, which may include a supervised in-  
26 dependent residence, for a period of time that does not [TO] exceed  
27 two years and that does not extend [OR IN ANY EVENT] past the minor's  
28 19th birthday [DATE THE MINOR BECOMES 19 YEARS OF AGE], except that  
29 the department may petition for and the court may grant in a hearing

1 (A) two-year extensions of commitment that [WHICH] do not extend  
2 beyond the minor's 19th birthday, if the extension is in the best  
3 interests of the minor and the public; and (B) an additional one-year  
4 period of supervision past the minor's 19th birthday, [AGE 19] if the  
5 continued supervision is in the best interests of the minor or the  
6 minor is receiving pre-emancipation services, [PERSON] and the minor  
7 [PERSON] consents to the additional period of supervision [IT]; the  
8 department may transfer the minor, in the minor's best interests, from  
9 one placement setting to another, and the minor, the minor's parents  
10 or guardian, and the minor's attorney are entitled to reasonable  
11 notice of the transfer;

12 (2) order the minor released to the minor's parents, guard-  
13 ian, or some other suitable person, and, in appropriate cases, order  
14 the parents, guardian, or other person to provide medical or other  
15 care and treatment; if the court releases the minor, it shall direct  
16 the department to supervise the care and treatment given to the minor,  
17 but the court may dispense with the department's supervision if the  
18 court finds that the adult to whom the minor is released will ade-  
19 quately care for the minor without supervision; the department's  
20 supervision may not exceed two years and may not [OR IN ANY EVENT]  
21 extend past the minor's 19th birthday [DATE THE MINOR REACHES AGE 19],  
22 except that the department may petition for and the court may grant in  
23 a hearing

24 (A) two-year extensions of supervision that [WHICH] do  
25 not extend beyond the minor's 19th birthday, if the extension is  
26 in the best interests of the minor and the public; and

27 (B) an additional one-year period of supervision past  
28 the minor's 19th birthday, [AGE 19] if the continued supervision  
29 is in the best interests of the minor [PERSON] and the minor

1 [PERSON] consents to it; or

2 (3) by order, upon a showing in the adjudication by clear and  
3 convincing evidence that there is a child in need of aid under AS 47.10.-  
4 010(a)(2) as a result of parental conduct and upon a showing in the dispo-  
5 sition by clear and convincing evidence that the parental conduct is likely  
6 to continue to exist if there is no termination of parental rights, termi-  
7 nate parental rights and responsibilities of one or both parents and commit  
8 the child to the department or to a legally appointed guardian of the  
9 person of the child, and the department or guardian shall report annually  
10 to the court on efforts being made to find a permanent placement for the  
11 child.

12 \* Sec. 3. AS 47.10.230 is amended by adding new subsections to read:

13 (h) The department shall provide appropriate pre-emancipation  
14 services to a child 16 years of age or older who makes a request to  
15 receive the services. The services may include

16 (1) assistance in completing academic or vocational train-  
17 ing designed to make the child employable;

18 (2) assistance in acquiring suitable housing;

19 (3) training in skills needed for independent living;

20 (4) assistance in petitioning for removal of the disabili-  
21 ties of minority; and

22 (5) social support and services coordination.

23 (i) The department may award a grant to or contract with a  
24 municipality or with an entity incorporated under AS 10.20 to provide  
25 pre-emancipation services under (h) of this section. The commissioner  
26 shall adopt regulations establishing criteria for the award of grants  
27 under this subsection.